



Investor Presentation

Rupa & Company Limited

September 2011



Disclaimer



- This presentation has been specifically prepared by Rupa & Company Limited ("Rupa"), its subsidiaries and associates (together, the "Rupa Group") solely for use at its presentation to prospective investors. This presentation has been provided for information purposes only and is being circulated on a confidential basis. This presentation must not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipient to any other person. Receipt of this presentation constitutes an express agreement to be bound by such confidentiality and the other terms set out herein. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.
- This presentation does not constitute, nor should it be regarded as, an offer, inducement, solicitation or invitation to enter into any transaction with Rupa and must not be relied upon by you or any third party for such purpose. Further, it does not constitute a recommendation by Rupa or any other party to sell or buy any securities of Rupa.
- This presentation, to the extent that it relates to the Rupa Group, is based on historical information provided by the Rupa Group's management and advisors or taken from public sources none of which has been independently verified. Any statements, estimates, opinions and projections with respect to the anticipated future performance of the Rupa Group in the presentation ("forward-looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results taken from the Rupa Group's current business plan or from public sources which may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the presentation is provided to the recipient and Rupa is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and Rupa has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.
- This presentation and any other information presented or discussed in connection herewith (together, the "Information") is provided solely by Rupa. Microsec Capital Limited ("Microsec") shall not assume or accept any responsibility or liability of any kind for the adequacy, accuracy, completeness or reasonableness of, and make no representation, warranty or undertaking (express or implied) with respect to the Information (or any omissions in respect thereof). Further, Microsec has relied upon and assumed, without independent verification, the accuracy and completeness of the Information and the Information has not been and will not be verified or audited by Microsec.
- Any potential investor should note that investment in equity shares involves a high degree of risk. Potential investors should consult their investment advisors and understand Risk factors before taking any decision to invest.

▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Corporate Information



Company Name	Rupa & Company Limited ("Rupa")
Registered & Corporate Office	1, Ho Chi Minh Sarani, Metro Tower, 8th floor Kolkata – 700 071, West Bengal India
Registrar & Share Transfer Agent	Maheshwari Datamatics Pvt. Ltd
Statutory Auditors	L.B. Jha & Co., Chartered Accountants
Stock Exchanges	✓ Currently listed on BSE, CSE and JSE ✓ Proposed listing on NSE
Sole Advisor	 Microsec Capital Limited
Bankers of the Company	   

▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Executive Summary



- Rupa & Co. Ltd owns a bouquet of leading Knitted Innerwear & Intimate wear brands in India with flagship brands “Rupa”, “Rupa- Frontline”, “Air”, “Macroman”, “Macroman M’Series”, “Euro”, “Softline”, “Kidline”, “Bumchums”, and “Thermocot”
- Rupa is the largest knitted innerwear products company in India and has received the coveted “Limca Book of Records” for the past consecutive 6 years for the same
- Rupa has a wide array of products (managing over 2000 stock keeping units “SKUs”) catering to the innerwear, casual wear and thermal wear markets for men, women and kids for all segments of the society
- Product sales and brands of the Company represent the Indian population both in terms of demography and income levels
- Rupa caters to all product segments across all distinct product categories of the “Intimate Wear vertical” covering the Basic, Mid Premium, Premium and Super Premium segments
- Established, proven & successful business model of outsourcing of manufacturing products based upon the strong long term relationships
- Rupa’s products are available Pan India through one of the largest distribution network. We sell our products from more than 1,00,000 outlets with the support of over 950 dealers and distributors
- Rupa has an emerging international presence
- Experienced and competent management with a strong track record of sustainable growth. The Company has been consistently paying dividends over the years.
- Rupa works in a de-risked business environment. The Sales and PAT have grown at a CAGR of around 19% and 36% respectively over the last four years up to FY2011

▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Key Brands



<u>BASIC</u> Jon	<u>MID PREMIUM</u> Rupa Frontline Ribline Hunk Xing Expando Showman Interlock Macroman Softline Kidline Footline
<u>PREMIUM</u> Euro Thermocot Bumchums Footline Imoogi	<u>SUPER PREMIUM</u> Air Macroman M'Series

Brands



- ✓ We have created and own all our brands
- ✓ We are the largest selling brand in the Indian organised market with more than 10 established brand assets which assists to sustain growth
- ✓ We have been investing around 8% of our revenues on brand promotion activities, which in the long term has helped in creating robust brands
- ✓ We have a well laid out brand strategy and sell our products through innovative packaging
- ✓ We have more than 100 registered trademarks across segments
- ✓ Some of our brands like “Thermocot”, “Frontline” and “Bumchums” are synonymous with the product segment
- ✓ We are recipients of several prestigious awards like the Master Brand Award 2010 by CMO Asia, Global Award for Brand excellence in fashion and lifestyle (Knitted Garments) by World Brand Congress and “Star Brand 2011’ from Star Brands India
- ✓ Our brands have been endorsed by celebrities like Hrithik Roshan, Aishwarya Rai, Govinda, Sanjay Dutt, Saif Ali Khan Ronit Roy, Karan Grover Rajpal Yadav, Zulfi Syed and Celina Jaitley



GLOBAL AWARDS



GLOBAL AWARDS FOR BRAND EXCELLENCE

Products



CATEGORY	MEN	WOMEN	KIDS
INNERWEAR	☐ Vest ☐ Briefs ☐ Drawers	☐ Brassiers ☐ Panties ☐ Slips ☐ Camisoles ☐ Bloomers	☐ Vest ☐ Briefs
CASUALWEAR	☐ T-shirts ☐ Shorts ☐ Bermudas	☐ T-shirts ☐ Capri	☐ T-shirts ☐ Capri
	☐ Nightsets ☐ Socks ☐ Gym Vests ☐ Loungers	☐ Loungers ☐ Socks	☐ Nightsets ☐ Socks ☐ Shorts
THERMALWEAR	☐ Thermal Inner ☐ Thermal Outer	☐ Thermal Inner ☐ Thermal Outer	☐ Thermal Inner ☐ Thermal Outer

- ✓ We have products to cater to every class of consumers
- ✓ We are present across all distinct product categories i.e. basic, mid premium, premium and super premium.
- ✓ Each of our products come in different shapes, sizes, colors and designs to cater to the comfort and individual tastes of the consumers
- ✓ We manage more than 2000 SKUs under our Brands

De-risked Business Model



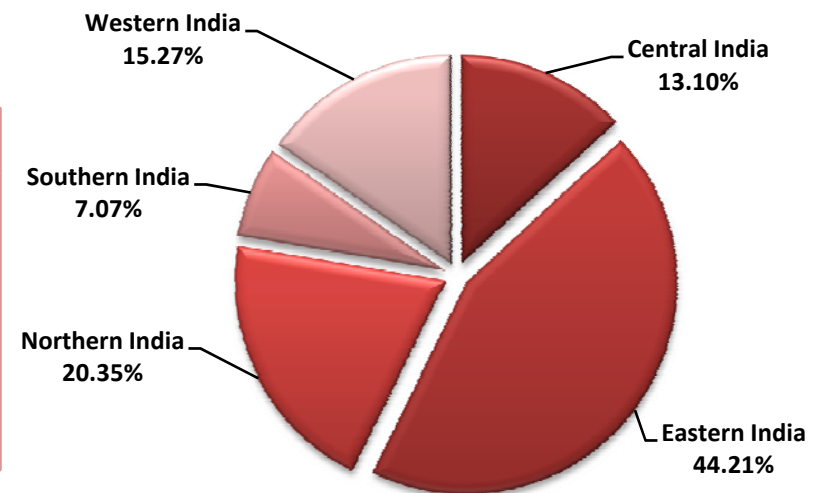
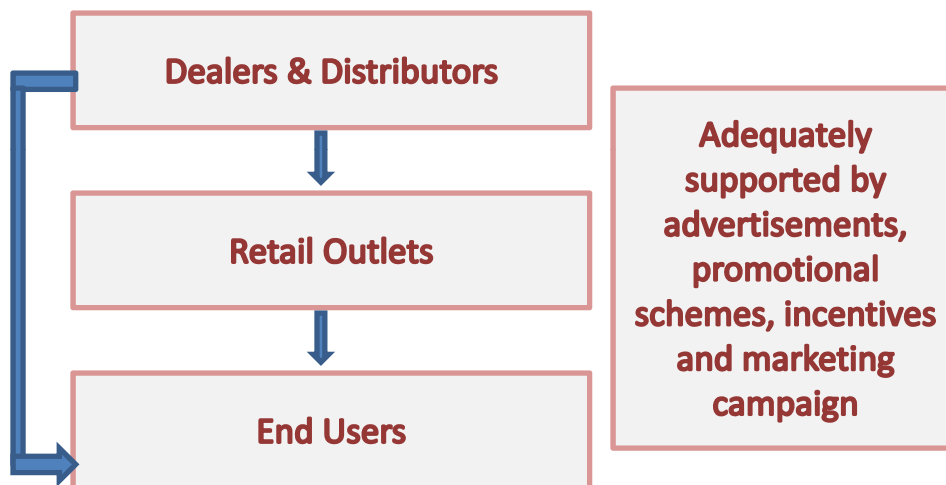
- We focus on creating brands and follow the model of outsourcing of manufacturing of products and therefore our investment in fixed assets is low
- We continuously invest in research activities on various designs and products
- We follow a stringent quality control assurance policy and at every stage of the manufacturing process we have trained quality control personnel to monitor the quality
- We have strong controls on logistic and supply chain management leading to better inventory controls
- The entire procurement and handling of the materials is controlled by the company and the same is outsourced to independent job work firms for manufacturing only
- Our manufacturing is decentralized in three states namely West Bengal, Tamil Nadu and Delhi
- We have state of the art dyeing and bleaching and knitting facility at Domjur, West Bengal
- We enjoy the unstinted support of over 700 independent job work firms and most of them have been with us for over 15 years
- We are respected for our clear policies & communication which has led to the considerable growth through unstinted support of our independent job work firms, distributors, dealers, employees and customers



Widespread Distribution Network



Our Company has one of the largest distribution network in the knitted innerwear industry in India comprising of over 950 Dealers and Distributors spread across the length and breadth of the country which helps to reach the products easily to end consumers through more than 1,00,000 retail outlets



Region wise Break-Up of Sales for FY2011

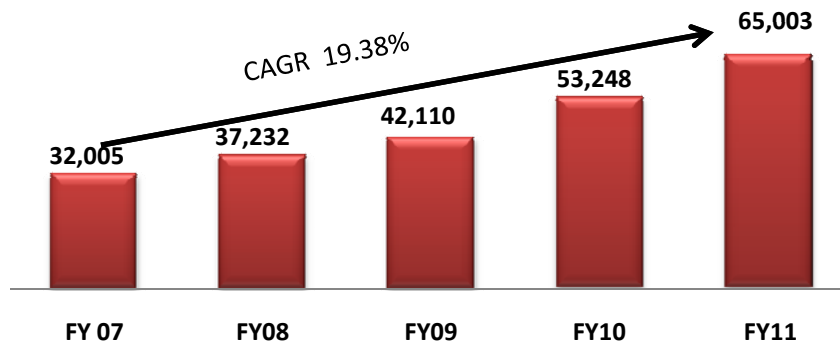
- ✓ We look forward to increase our footprints by establishing presence in Multi Brand Outlets (MBOs) and Large Retail Format (LFRs) stores
- ✓ We want to penetrate further into the domestic market by leveraging the distribution network of our Dealers & Distributors

Performance Snap Shot

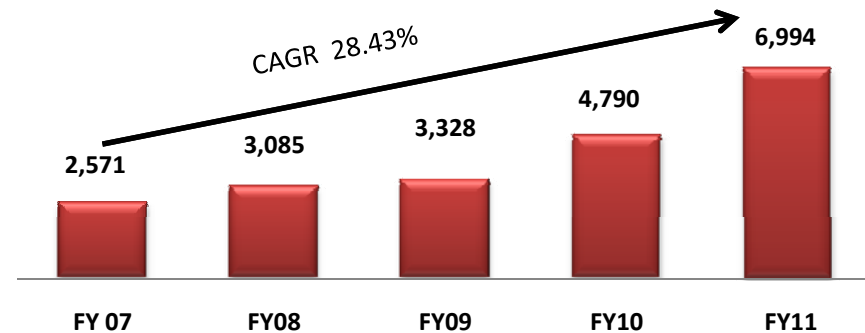


The Company has been able to achieve significant and consistent growth in the past

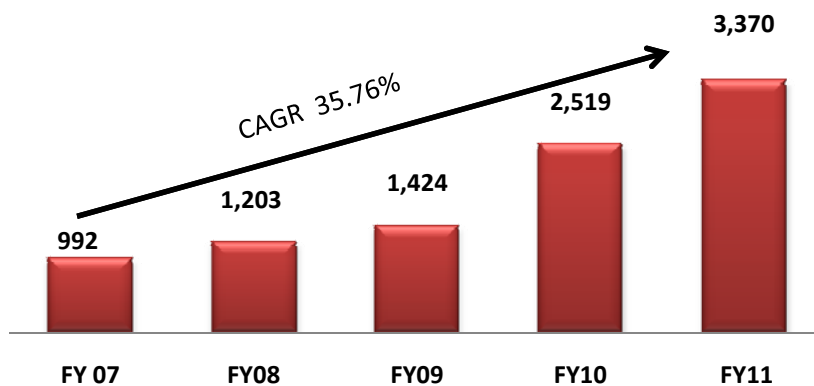
SALES
(₹ in Lacs)



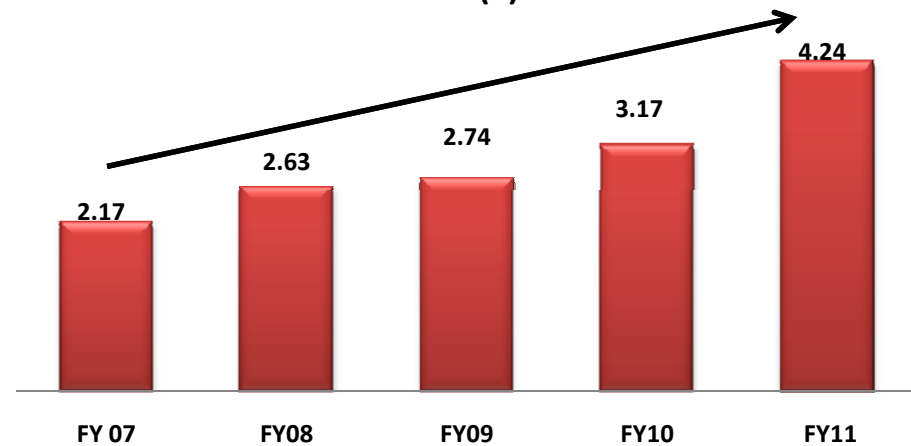
EBIDTA
(₹ in Lacs)



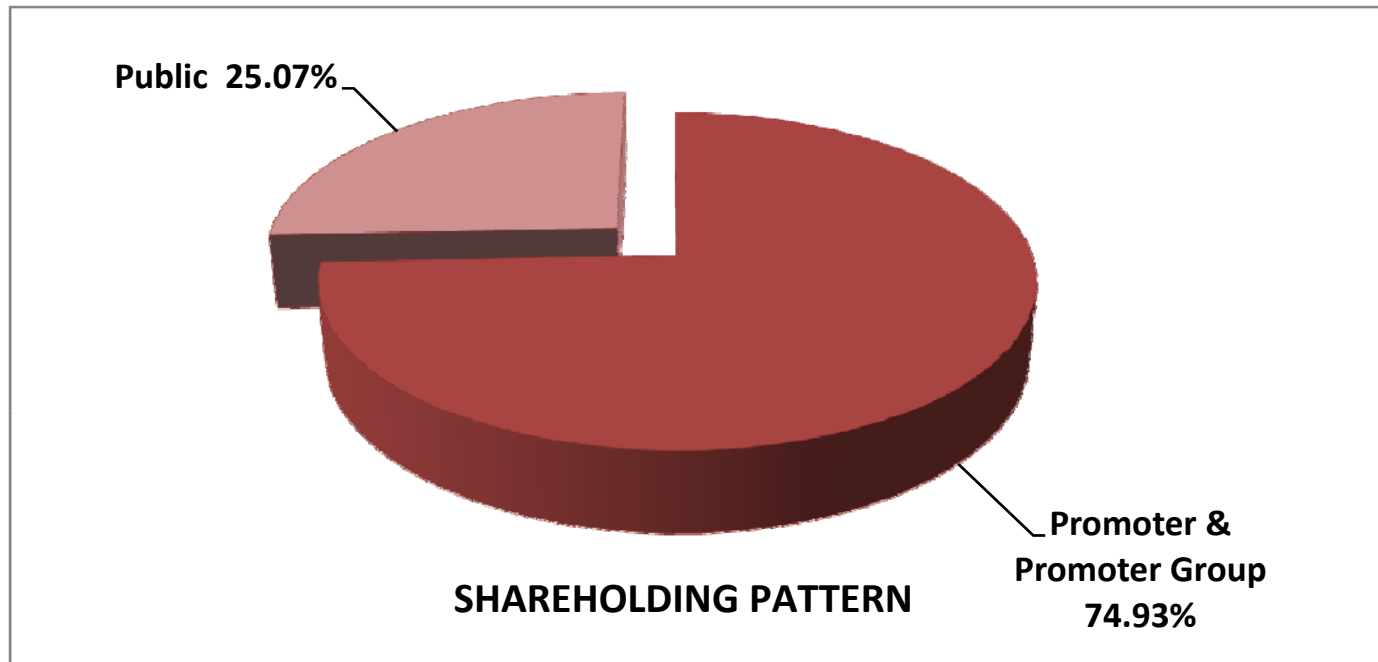
PAT
(₹ in Lacs)



EPS (₹)



Shareholding Pattern



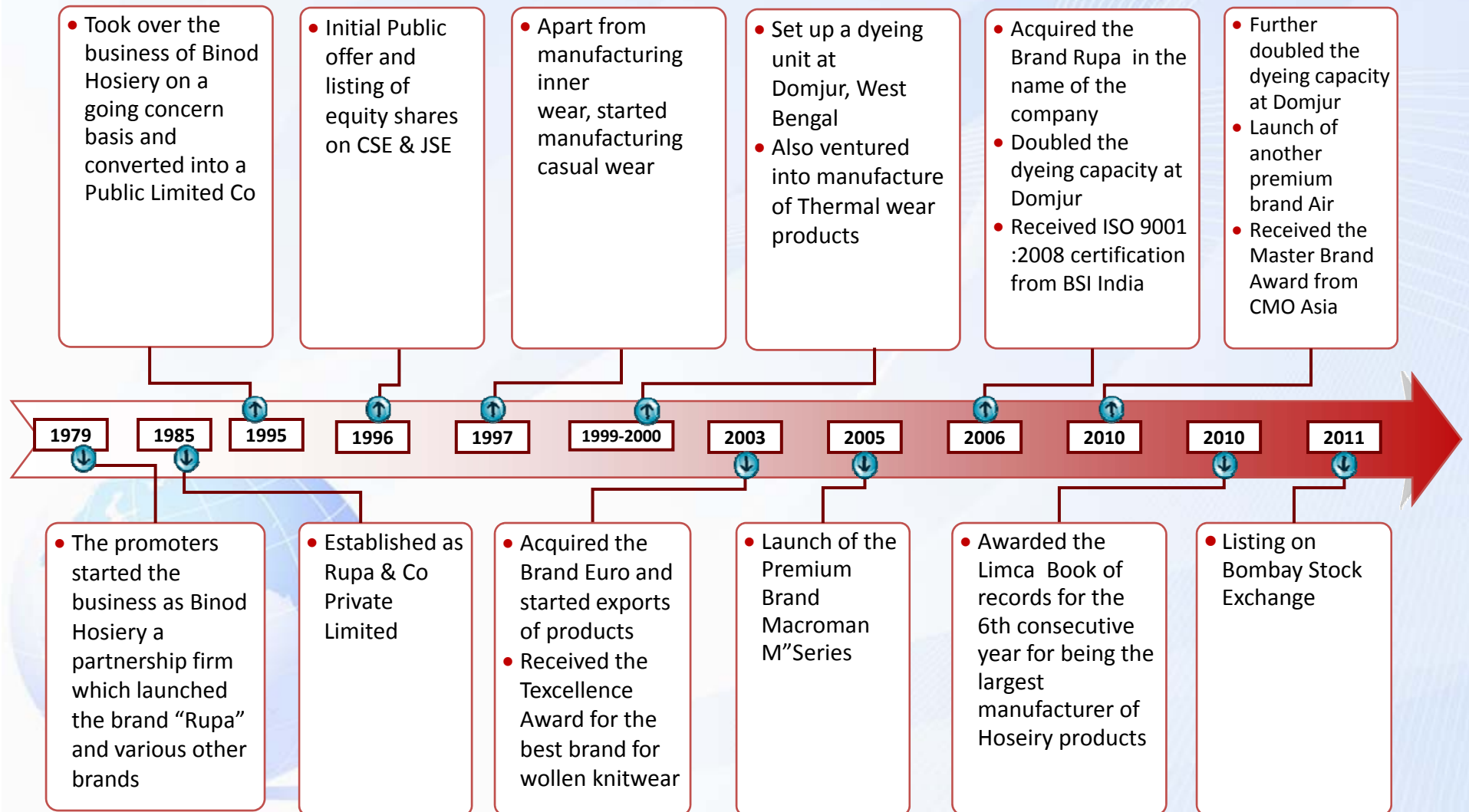
- The shares of Rupa & Company Limited are presently listed on the Bombay Stock Exchange Limited (BSE), Calcutta Stock Exchange Limited (CSE) and the Jaipur Stock Exchange Limited (JSE)
- The Company has also applied for direct listing to the National Stock Exchange of India Limited (NSE) and the application is under process

Background



- Rupa & Co. Ltd ("Rupa" or "the Company") is the largest manufacturer of hosiery products in India and holds the largest market share for knitted inner wear and casual wear in India
- Incorporated in the year 1985 by Mr. P R Agarwala along with his brothers, Mr. G P Agarwala and Mr. K B Agarwala and in 1995 took over the business of Binod Hosiery, which was established as a partnership firm in 1979
- Our company is listed on CSE and JSE since 1996 and we are following the best practices of corporate governance with competent Board of Directors. We have been consistently paying dividends to our shareholders
- Our Company has two wholly owned subsidiaries- (1) Euro Fashion Inners International Private Limited and (2) Imoogi Fashions Private Limited
- Established track record of the promoters of more than four decades in the hosiery and inner wear business
- Experience in successfully launching, growing and managing brands in a pre-dominantly unorganized industry. At present, the Company has several established owned brands and is a leading player in the organised market
- The Company sells in excess of 140 Lacs pieces of inner wear every month

Evolution and Key Milestones



Experienced & Competent Board



Board of Directors: Executive Directors		Mr. P.R. Agarwala <i>Chairman</i>	• Has over four decades experience in the textile industry • Provides strategic direction to the company • He is the driving force behind the establishment and growth of the company and the establishment of brand 'RUPA' in the Indian retail markets
		Mr. G.P. Agarwala <i>Vice chairman</i>	• Has over 35 years of experience in the textile industry and has been instrumental in the development of the company • Provides strategic inputs and direction to the company
		Mr. K.B. Agarwala <i>Managing Director</i>	• Has over 30 years of experience in the textile industry • Handles marketing & distribution of the company's products • He has played a key role in the setting up of a systems and process of distribution & marketing division of the company • He guides the company and its management at all the stages of its development & strategic decisions
		Mr. Ramesh Agarwal <i>Executive Director</i>	• Has over 20 years of experience in production planning, export import and international markets • He plays a key role in the production planning & distribution of Company's products
		Mr. Mukesh Agarwal <i>Executive Director</i>	▪ Has over 15 years of experience in production, planning, marketing & sales ▪ He has played a key role in the setting up of systems and process for distribution & production planning

Experienced & Competent Board



Board of Directors: Independent Directors		Mr. Shree Krishna Khaitan <i>Independent Director</i>	• He is the moving spirit behind Khaitan Group of Companies and is the Chairman of Khaitan Electricals Limited and of Khaitan (India) Limited • He has more than 25 years of experience in the fertilizer industry • He has been a member of various trade associations and chambers of commerce
		Mr. Radhe Shyam Agarwal <i>Independent Director</i>	• He is Co-founder of Emami Group of Companies and endowed with a brilliant financial acumen • A doyen of Indian industry, he is also a master in strategic planning and corporate affairs • He is closely associated in various capacities with many Chambers, Cultural, Charitable and Social Service Organizations
		Mr. Dharam Chand Jain <i>Independent Director</i>	• Has over 45 years of experience in the field of textile and knitted fabric industry
		Mr. Sushil Patwari <i>Independent Director</i>	• He has rich experience of nearly four decades in the field of Cotton yarn and knitted fabric Industry • He is the Chairman of Nagreeka Group and is the anchor for the group's strategy, values and culture • He is also an active member of the Executive Committee of the Federation of Indian Export Organizations (FIEO)
		Mr. Vinod Kumar Kothari <i>Independent Director</i>	• An author, trainer and expert on specialised areas in finance, including securitisation, asset-based finance, credit derivatives, accounting for derivatives and financial instruments, microfinance, etc. • Has written many renowned books and articles

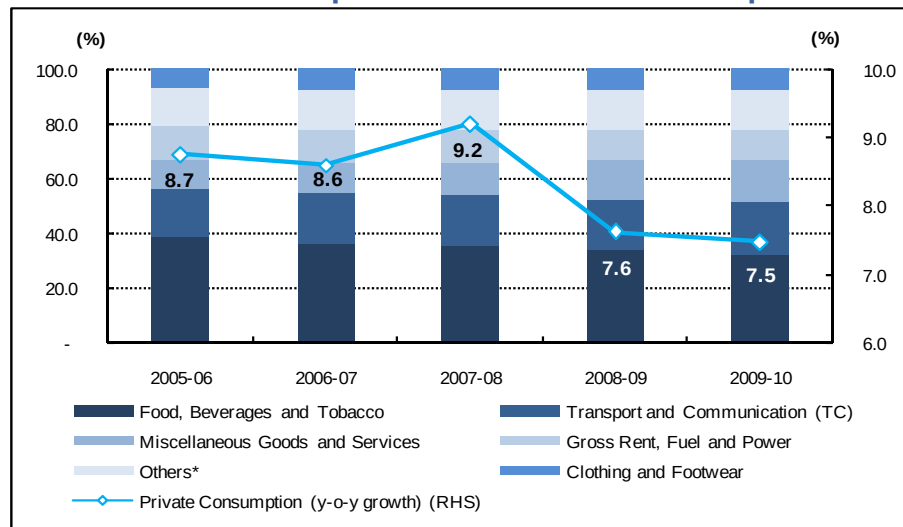
▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

The Indian Consumption Market

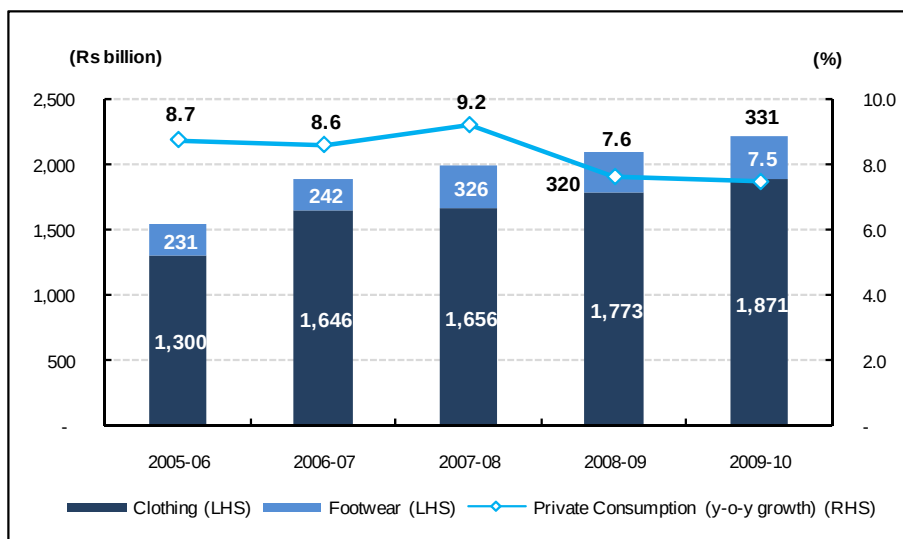


- India has one of the largest consumer base in the world with approximately 500 million consumers over 18 years of age (excluding BPL families) across urban and rural India
- With the increase in per capita income, the per capita consumption in India has been steadily increasing
- India's GDP grew faster at 8.5% in 2010-11 as compared to a 6.8% growth in 2008-09
- Both private consumption and fixed investment grew faster at 8.6% in 2010-11 as compared to 7.3% each in 2009-10
- Expenditure on textiles contributed 7.5% to total private consumption expenditure between 2004-05 and 2009-10. In absolute terms, it contributed ₹ 2,202 billion towards total private consumption in 2009-10
- Clothing segment accounted for 84-87% of total private consumption within textiles and contributed 6.4% of total private consumption in 2009-10
- In absolute terms, private consumption for clothing segment stood at ₹ 1,870 billion
- Increasing consumption creates more business opportunities and employment, further fueling GDP and Income growth

Growth & Composition of Private Consumption



Private Consumption in Textiles

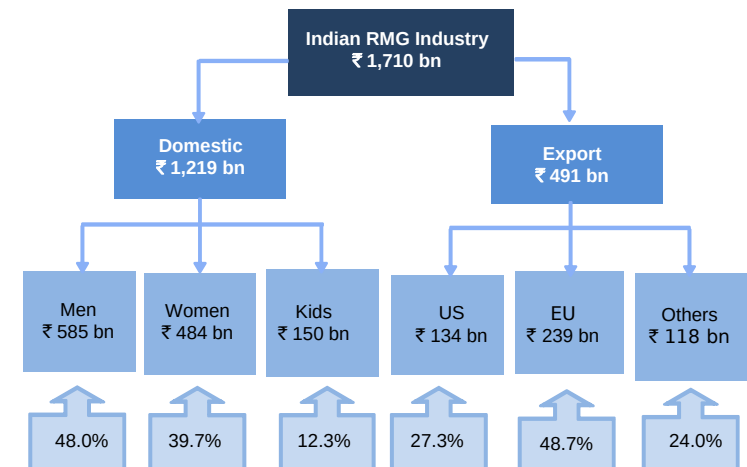


The Indian RMG & Innerwear Market

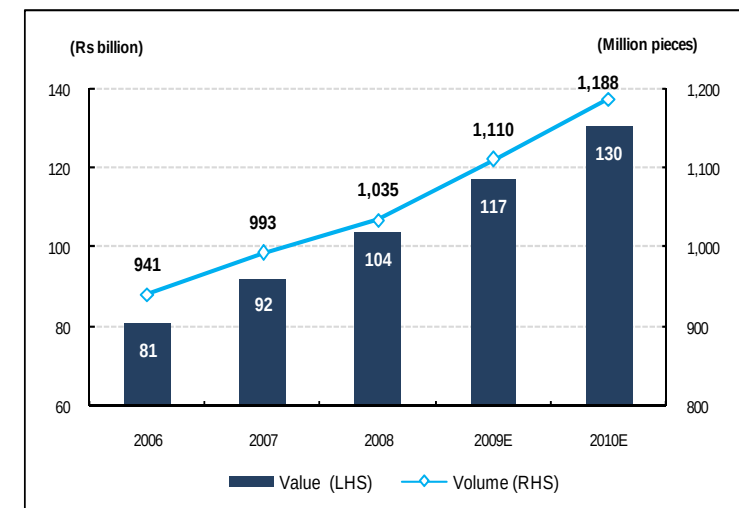


- The total Indian Readymade Garments (RMG) industry was an estimated ₹ 1,710 billion in 2010, whereas the industry's turnover from domestic consumption was ₹ 1,219 billion and garment exports was about ₹ 491 billion (US\$11.4 billion)
- The innerwear industry includes men's innerwear (banian & underwear) and women's lingerie. As per CRISIL estimates, the Indian innerwear market was worth about ₹ 130 billion in 2010
- Men's innerwear contributes 9.6% to the total Men's RMG market whereas Women's lingerie contributes 15.3% of total women's wear in 2010
- The kids' wear segment includes ready-to-wear apparels for girls and boys aged 0-15 years. This segment is expected to record an 11% CAGR between 2010 and 2015
- In today's scenario, the changing mindsets of consumers towards shopping and spending, increasing brand consciousness and rising disposable incomes are favouring the growth of the branded apparel segment
- CRISIL Research expects the Indian innerwear industry (in value terms) to post a 15.9% CAGR whereas in volume terms, it is expected to grow by 9.8% over the next 5 years (2010 to 2015)
- The organized sector products are divided under five distinct product categories: Low, Basic, Mid-Premium, Premium and Super-Premium

Size of Readymade Garments Market – 2010 (E)



Growth in Indian Innerwear Industry



Men's & Women's Innerwear Market



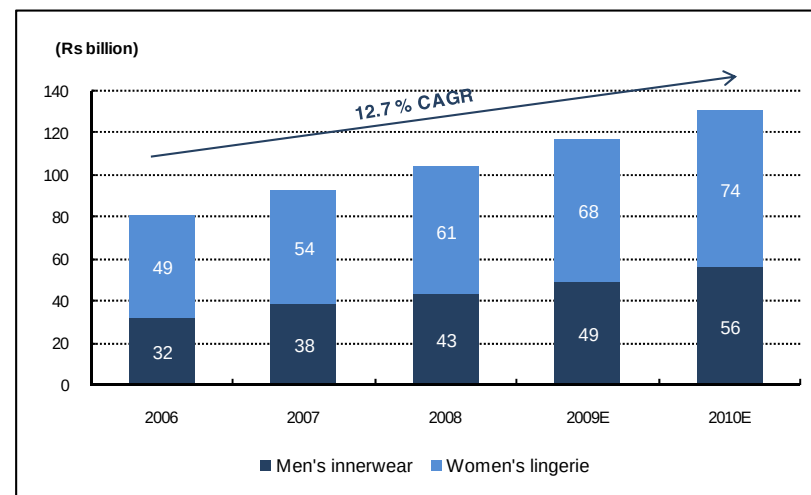
Men's Innerwear Market

- Men's innerwear segment is estimated to have contributed about 41% of total innerwear demand on an average basis between 2006 & 2010 whereas it is estimated to increase 43% of total innerwear market in value terms in 2010
- Men's innerwear segment is expected to grow strongly by 17.3% CAGR (value terms) over the next 5 years (2010-15)
- It indicates that going forward the men's innerwear will outperform the women's lingerie market in value terms
- On an average, Men's innerwear is estimated to have contributed 47% of total volumes of the innerwear industry between 2006 & 2010 and it is expected to grow slightly faster at 10% CAGR than the women's lingerie segment in volume terms over the next 5 years (2010 to 2015)

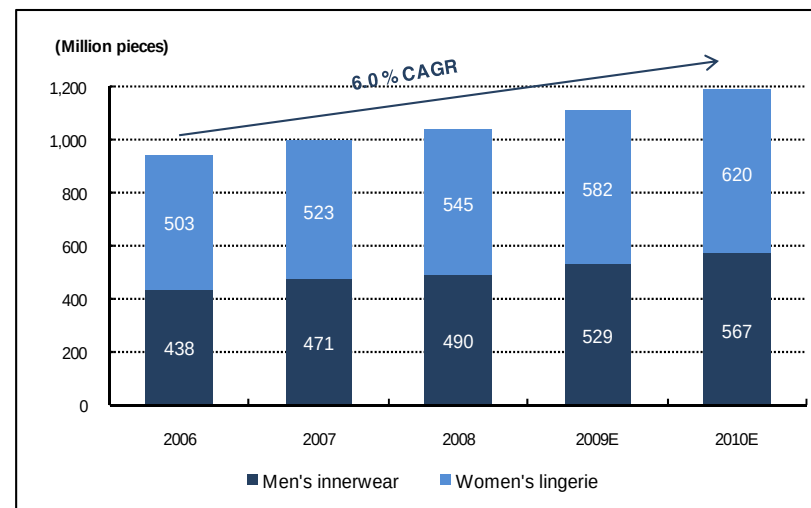
Women's Innerwear Market

- Women's lingerie segment is expected to grow by 14.8% CAGR (value terms) over the next 5 years (2010 – 2015)
- It is expected to grow at 9.6% CAGR in volume terms over the next 5 years (2010 to 2015)

Value Growth in Indian Innerwear Industry



Volume Growth in Indian Innerwear Industry



Geographical & Segmental Market Mix



Geographical Market Mix

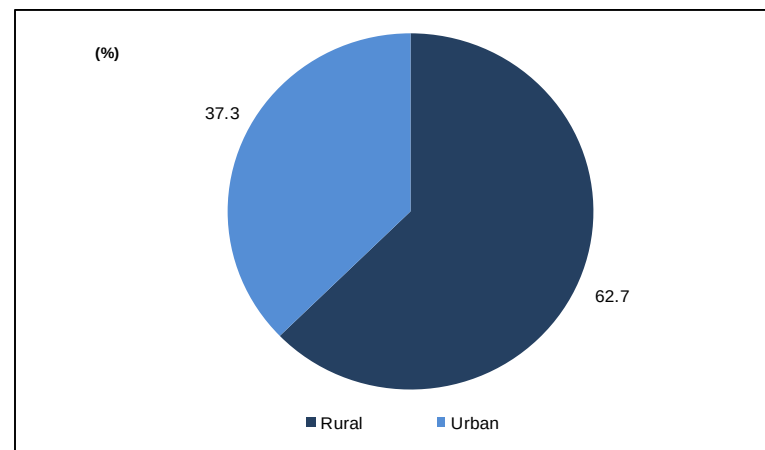
- The rural market dominates the demand for innerwear in India. In 2010, rural market is estimated to have contributed 62.7% of the total domestic innerwear industry primarily due to higher rural population
- CRISIL Research expects demand from rural market to grow by 17.4% and urban market by 13.1% CAGR over the next 5 years (2010 to 2015). Higher rural market growth would be due to lower penetration of branded readymade garments as compared to urban market
- India is a net exporter of innerwear since imports are negligible as compared to total exports. Innerwear exports recorded a growth of 7.4% CAGR between 2005 and 2009
- Exports to Other Countries than US and EU witnessed faster growth of 14.4% CAGR during 2005 and 2009

Segmental Market Mix

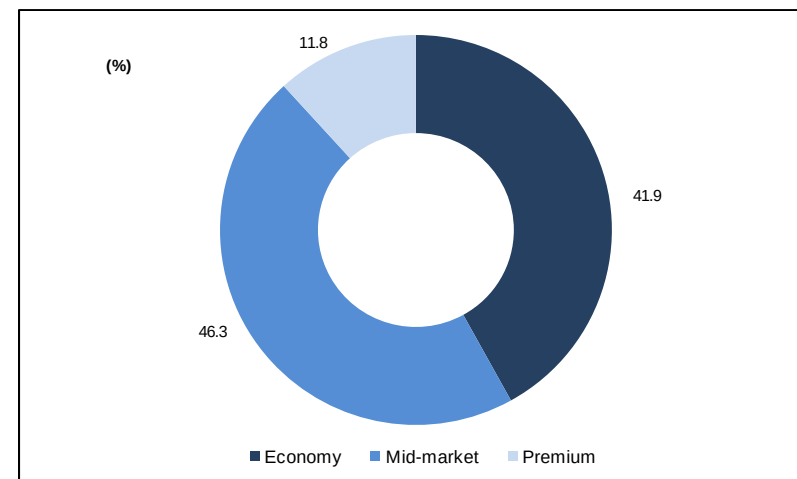
- It is divided into 3 sub-segments viz. Economy, Mid-Market and Premium. In value terms, the innerwear industry is dominated by the economy segment, consisting of products that are priced below ₹ 100. The economy and mid-market segment together comprise of more than 88% of the total domestic innerwear market as of 2010:

Sr. No.	MRP of Products	Segment
1	Below ₹ 100	Economy
2	₹ 100 to ₹ 250	Mid-Market
3	Above ₹ 250	Premium

Rural & Urban Innerwear Market (Value Terms) – 2010 (E)



Segmental Mix for Innerwear Market (Value Terms) – 2010 (E)



Demand and Growth Drivers



India has always been viewed as a huge potential market for consumer products due to its favourable demographics. According to the provisional data released by Census 2011 India's population stands at 1.210 billion of which 52% are male and 48% female. According to the latest survey of NSSO, 58.8% of the total population were employed.

Basic and Mid Premium Segments

- ***Greater preference for Branded Garments*** – Increasing penetration of electronic media in the rural and semi-urban areas would lead to an increase in brand awareness. This increased brand awareness along with rising income levels would in turn fuel the demand for the Company's products in the economy and mid-premium range
- ***Shift in Consumer Demand*** – The demand amongst the consumers is shifting from products to brands; men now concentrate more on innerwear brands offering style, colour, pattern and comfort as compared to the previous times when it was sold as a commodity with limited colours and patterns
- ***Higher Income Levels*** – With the government providing incentive schemes like NREGA and growth in the agriculture sector has led to increased rural incomes. Similarly higher wage rates and salaries have led to increase in income levels in urban areas. The growth of per capita disposable income at 6.8 % over the period FY06-10 is expected to continue at similar rates over the next five years thereby driving growth of the innerwear. Further, increasing income levels are leading to higher spending on clothing and apparel

Premium and Super Premium Segments

- ***Growing Urbanization*** – India's urban population is expected to increase at a CAGR of around 2% between 2010 and 2015. As a result, demand for innerwear is expected to increase, supported by rising income levels and income distribution becoming more progressively equitable. Right advertising, marketing strategies, discounts and promotional offers also help in creating demand. Increased urbanization would drive the demand for the branded innerwear in the premium and super premium segments
- ***Change in Demographics*** – The median age of the Indian population stands at 25.1 years as compared to the world's median age of 28.1 years. The huge size of the working population with higher purchasing power implies a very large market for branded and lifestyle products
- ***Penetration of Organised Retail*** – Favourable demographics, rising disposable incomes, increasing urbanisation, relatively low penetration along with large expansions by existing players & entry of new players have driven the growth of the Indian organised retail market. This industry is expected to grow at 23.4%, between 2009-10 and 2014-15, driven by buoyant consumer demand

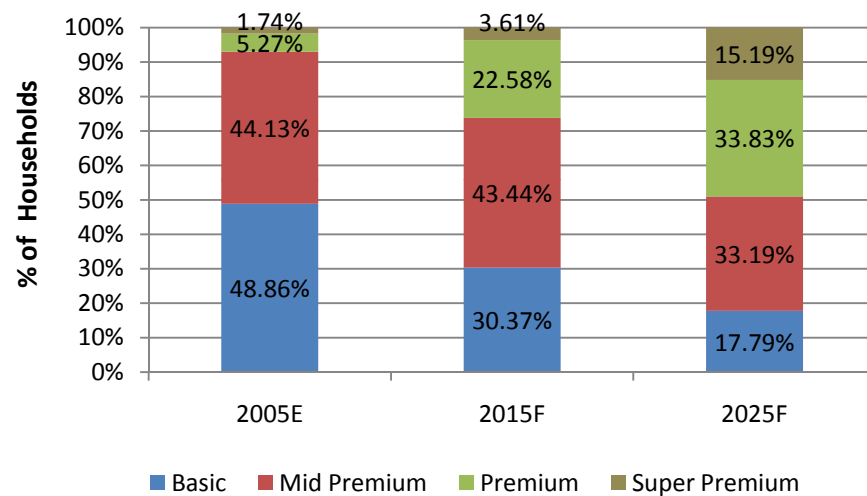
▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Advantage Rupa

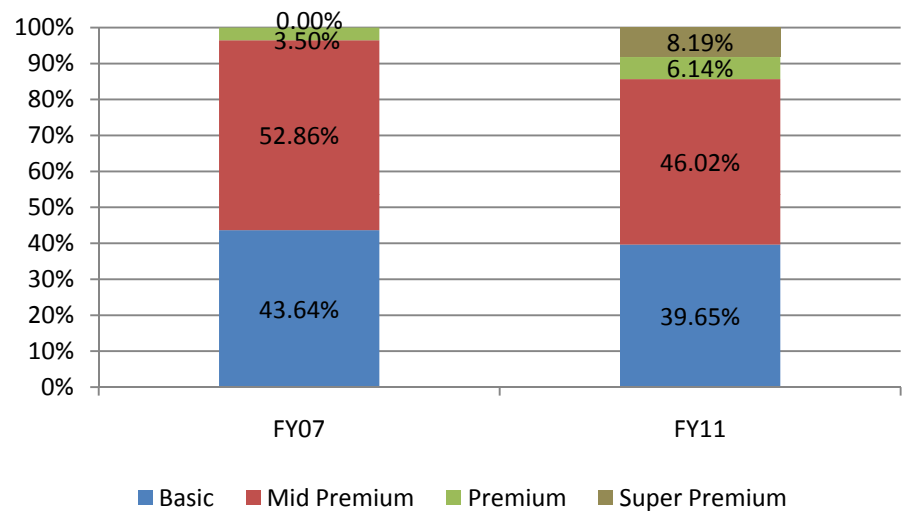


Our Innerwear Sales mix mirrors the present mix of Indian households divided as per the Income categories and going forward our growth strategy is in line with the expected growth in the categories

The shape of India's Household will change dramatically as Income Grows



Segment wise Innerwear sales



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

Challenges and Mitigation



Challenges	Mitigation
The manufacturing of the Company's products is outsourced to independent job work firms. Some of the job work firms may also be manufacturing for other companies	• Each class of product is outsourced to multiple job work firms. • Long term relationships with the job work firms, with most of them manufacturing for our Company for more than 15 years
Outsourcing of manufacturing may lead to quality issues	• The entire raw material including packaging material is sourced by the Company & provided to job work firms • At each stage, technical teams are deputed to monitor the quality at the premises of the job work firms
Rising competition from international brands in the premium and super premium segment	• With the increasing market size, the Company is already geared to meet competition by further penetration in the market • It is likely to give us the better pricing power due to owned brands like Macroman M'Series and Air
The margins are dependent on fluctuation of yarn prices	• The yarn is procured by the company on a spot sale basis through out the year and the incremental cost are passed on to the consumers
Changes in the demands of customer's taste, preference and fashion	• Continuous investment in R&D and focus on enhancing standard of colors, designs • Round the clock feedback from consumers • Effective system in place to identify changing customer's taste and preference
High working capital requirements in the business	• Working capital management is one of the best in the industry • All the requirements are met through both internal cash flows and loan from banks & financial institutions • We enjoy excellent relationship with our banks and we have been assisted with lending at very competitive rates

Strategy for Future Growth



Basic and Mid Premium Segments	
Expand product base in the knitted category	• Acquisition of brands • Introduction of product varieties in the women wear segment
Introduce new product lines within the circle of readymade garments	• Explore opportunities in the readymade garment segment • Foray into Kids wear apparel through brand “Imoogi”
Strengthening distribution network	• Special focus of penetrating further in the southern region • Acquisition of regional brands • Establish relationships with more distributors • Penetrate further into smaller towns and villages with population of as low as 20,000
Premium and Super Premium Segments	
Expand our innerwear product range	• Introduction of new brands in men and women segments • Acquisition of brands • Partner with established international brands
Penetrate further into the domestic market	• To establish presence in Multi Brand Outlets (MBO) and the Large Retail Format (LFR) space • Continuously grow in current format of distribution
Expand internationally	• Establish presence in the emerging International markets • Consolidate presence in Middle East markets

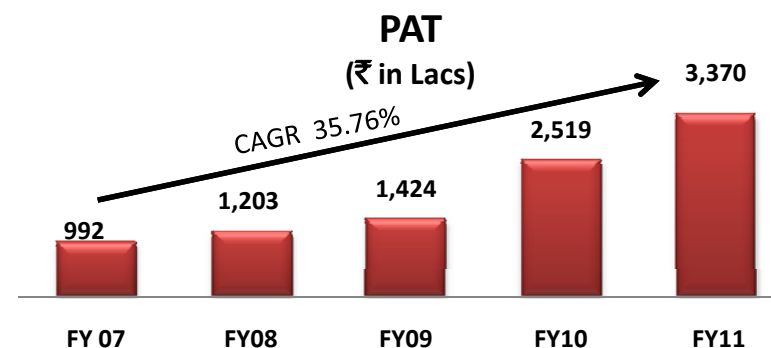
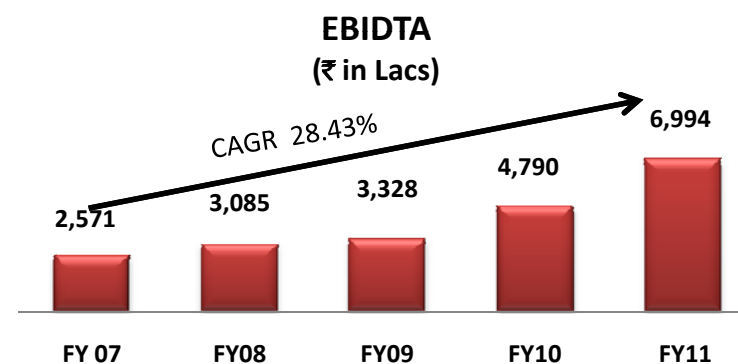
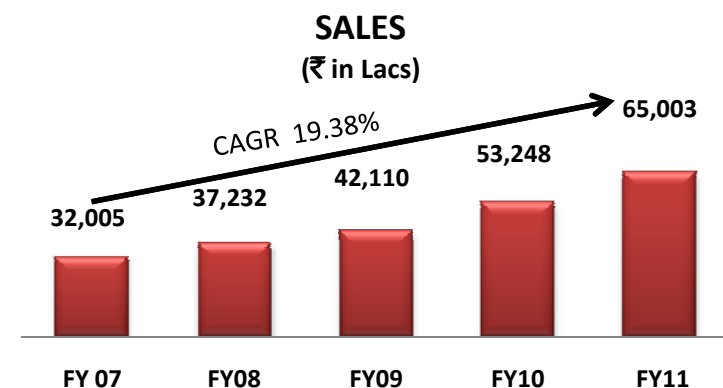
▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Financial Overview



₹ in Lacs

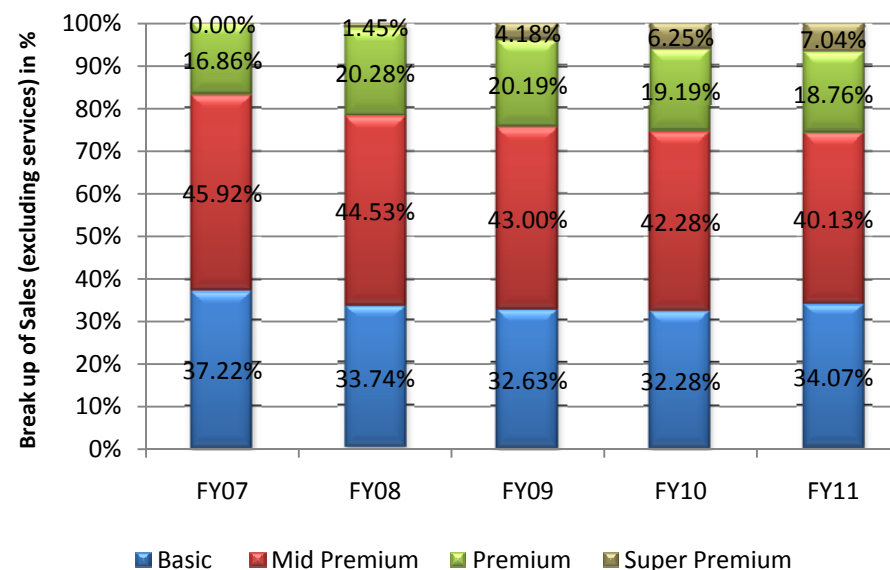
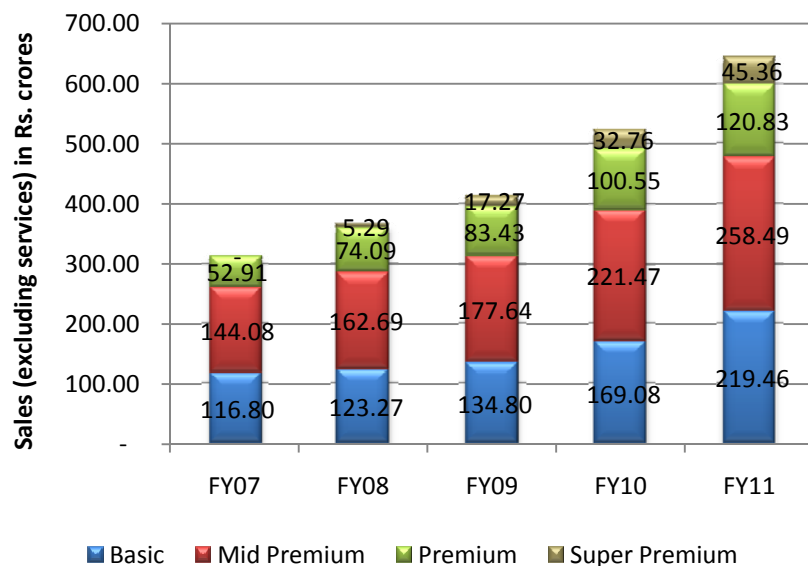
Particulars	FY07	FY08	FY09	FY10	FY11
Sales	32,005	37,232	42,110	53,248	65,003
EBIDTA	2,571	3,085	3,328	4,790	6,994
PAT	992	1,203	1,424	2,519	3,370
Net Worth	3,626	4,641	12,348	14,325	16,770
EPS (₹)	2.17	2.63	2.74	3.17	4.24
BV (₹)	7.90	10.11	15.53	18.01	21.09
EBIDTA(%)	8.03	8.28	7.90	9.00	10.76
PAT (%)	3.10	3.23	3.38	4.73	5.18
ROCE (%)	15.18	16.31	17.39	19.41	20.46
RONW(%)	30.78	29.11	16.77	18.88	21.68



Financial Overview



Category wise break up of Sales



There has been consistent growth both in terms of volumes and value across all categories. Significant growth in the super premium segment has led to consistent growth of EBIDTA and PAT margins for the company

▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Building Brands for Long Term Value



All the brands promoted by the Company including the brand “Rupa” are owned by the Company

The average advertisement spend by the Company during the last five years has been around 8% of its sales. During FY 2010-11, Rupa & Co. Ltd had spent Rs. 5,216 Lacs on advertisement. This amount was incurred towards brand building and promoting the various brands of the Company. The high advertisement expenses have a substantial impact on the profit margins of the Company

However, the advertisement expenses incurred by the Company over the years have not only helped in increasing the sales but more importantly the expenses have helped in the creation of brand assets. We have considered below a scenario wherein the advertisement expenses incurred in FY2011 for brand asset building has been added back to the profits for the year. It is seen that there is a significant increase in profit margins

₹ in Lacs

PARTICULARS	Rupa & Company Limited	
	FY2011	FY2011
	Actuals	After adding back advertisement expenses
SALES	65,003	65,003
EBITDA	6,994	12,210
PAT	3,370	6,813
EBIDTA (%)	10.76%	18.78%
PAT (%)	5.18%	10.48%
ROCE (%)	20.46%	33.22%
ROE (%)	21.68%	35.88%

Peer Group Comparison



Page Industries, Maxwell Industries & Lovable Lingerie Limited manufacture and sell innerwear products and are listed companies in India. A comparison of our Company's performance with these listed companies is as under:

₹ in Lacs

Company Name	FV (₹)	Net Sales	EBITDA	PAT	EBITDA (%)	PAT (%)	ROE (%)	ROCE (%)	BV (₹)	CMP as on 23.09.11 (₹)	EPS (₹)	PE Ratio	P/BV
Rupa & Co. Ltd.	1	65,003	6,994	3,370	10.76	5.18	21.68	20.46	21.09	151.75	4.24	35.79	7.20
Page Industries Ltd	10	49,156	10,284	5,855	20.92	11.91	52.56	46.84	110.97	2668.15	52.49	50.83	24.04
Maxwell Industries Ltd	2	22,932	1,994	163	8.70	0.71	1.90	7.95	13.62	29.5	0.07	421.43	2.17
Lovable Lingerie Ltd	10	10,404	2,041	1,412	19.62	13.57	17.06	22.71	84.06	482.15	12.26	39.33	5.74

Note: Based on financials of FY 2011

- Rupa to benefit owing to its presence across all segments and tremendous growth of the Indian Middle Class
- Rupa would benefit from upgrades of existing customers and margins would improve with growth in sale of premium products
- Company is well positioned to fill the gap in the premium and super premium segments

▶ Corporate Information	4
▶ Executive Summary	6
▶ Company Overview	8
▶ Industry Overview	20
▶ Company Analysis	26
▶ Financial Overview	30
▶ Peer Group Comparison	33
▶ Investment Rationale	36

Investment Rationale



Competent Management

Established track record of the promoters of more than four decades in the hosiery and inner wear business

Consistent Track Record of Growth and Building the largest knitted inner wear company in India

Experienced and competent team

Strong Corporate Governance

Clean track record of the promoters

Competitive Advantages

Established brand with robust growth

Extensive nation wide distribution network both in urban and rural India

Comprehensive portfolio of product offerings in the knitted innerwear, casual wear and thermal wear segment for men, women and children

Stringent quality control systems in place

Successful understanding of trend changes and simultaneous evolution of the company to cater to the needs of the customer

The company has been immensely successful in nurturing brands and in the process has created numerous brands assets across categories

Scalable Business

Major beneficiary of India's consumption story as the company caters to the main stream consumers encompassing men, women and children

Huge market size with the fast growing premium segment

International Markets remain largely unexplored

Established Track Record of scale being the largest player for past several years

Sustainable Dynamic Business Model

Established successful model of brand management and manufacturing out sourcing

Sales have grown at a CAGR of around 19% over the last 4 years

Leadership in a large rural market

The products are proxy to the needs of the Indian market

The brands are proxy to the minds of the Indian market

The advertisement features a muscular man with dark, wavy hair and a light beard, wearing a white tank top and a chain necklace with a cross pendant. He is looking directly at the camera with a serious expression. The background is dark with out-of-focus bokeh lights. In the top left, the text "LIVE LIKE A MACROMAN" is written in large, bold, white capital letters. Below this, the "MacroMan" logo is displayed in a stylized white font on a dark blue rectangular background. To the right of the logo is a circular emblem containing a stylized "m" with an upward-pointing arrow, with the word "SERIES" in small capital letters underneath. Below the logo and emblem, the words "PREMIUM WEAR" are written in white capital letters on a dark grey rectangular background. At the bottom of the advertisement, a white horizontal bar contains the text "PREMIUM INNERS | UNDERSHIRTS | BOXERS | SHORTS | LOUNGERS | THERMALS | SOCKS" in black capital letters. In the bottom right corner, the website address "www.macroman.co.in" is written in a small white font.

**LIVE LIKE A
MACROMAN**

MacroMan 
SERIES
PREMIUM WEAR

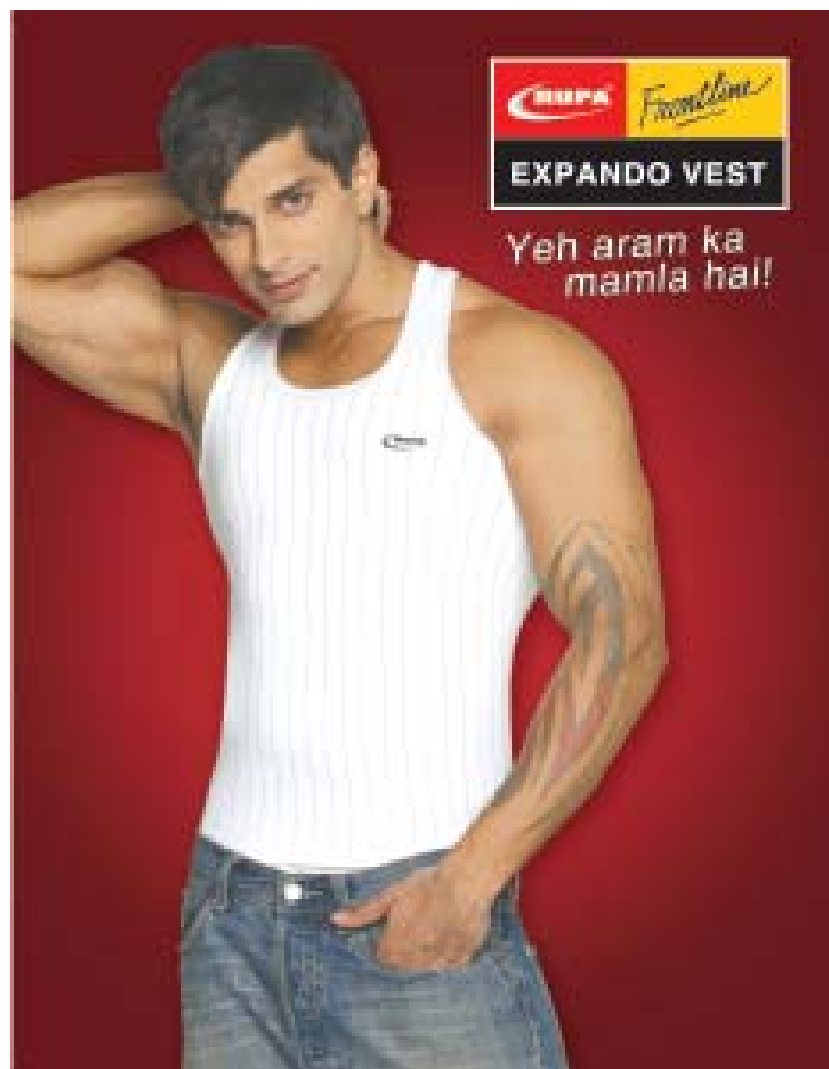
PREMIUM INNERS | UNDERSHIRTS | BOXERS | SHORTS | LOUNGERS | THERMALS | SOCKS

www.macroman.co.in



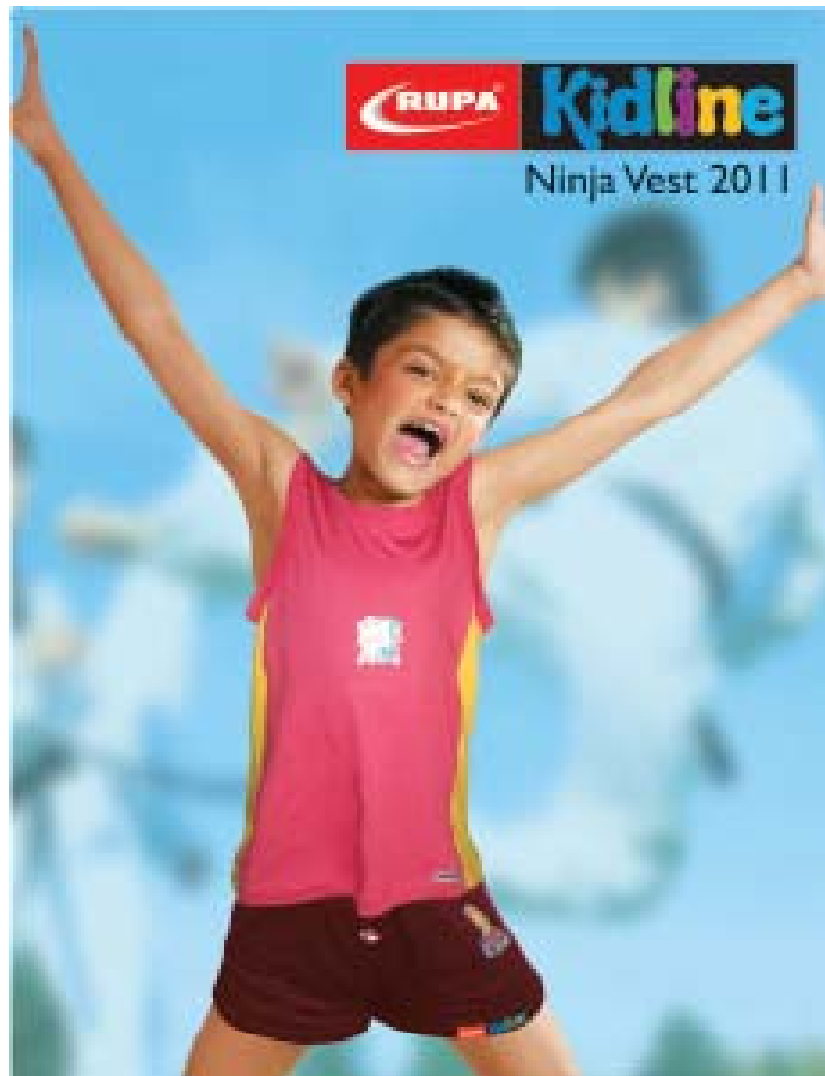




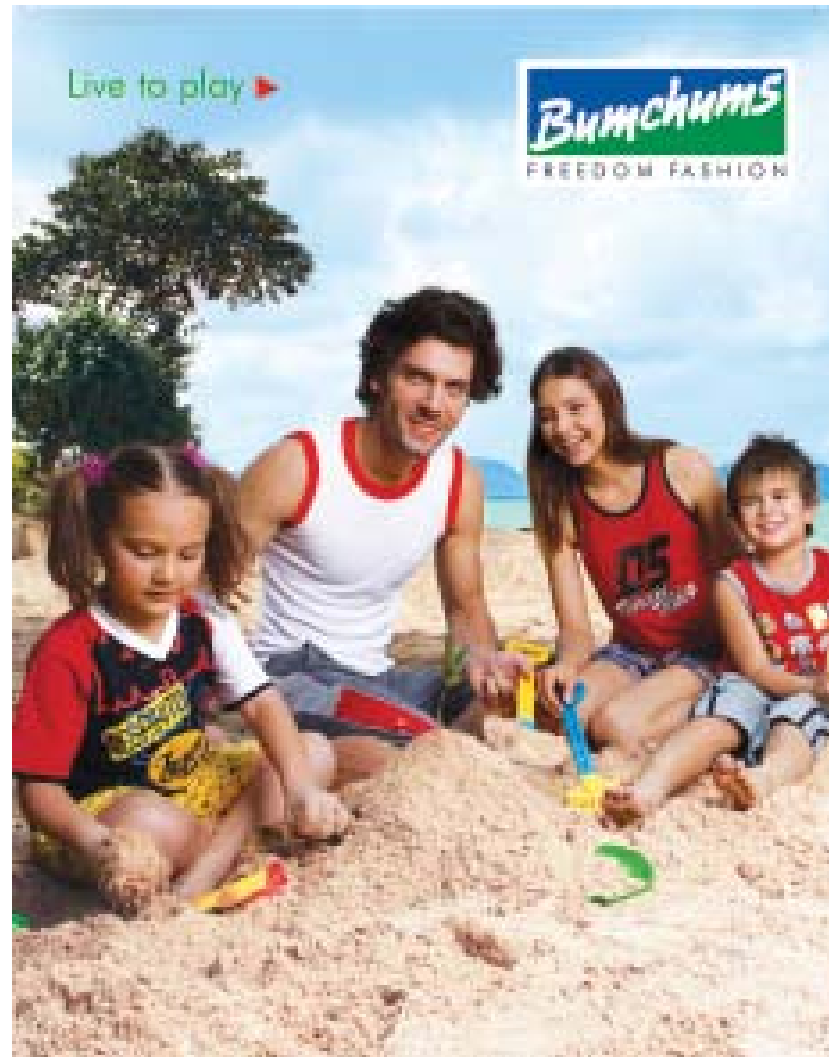


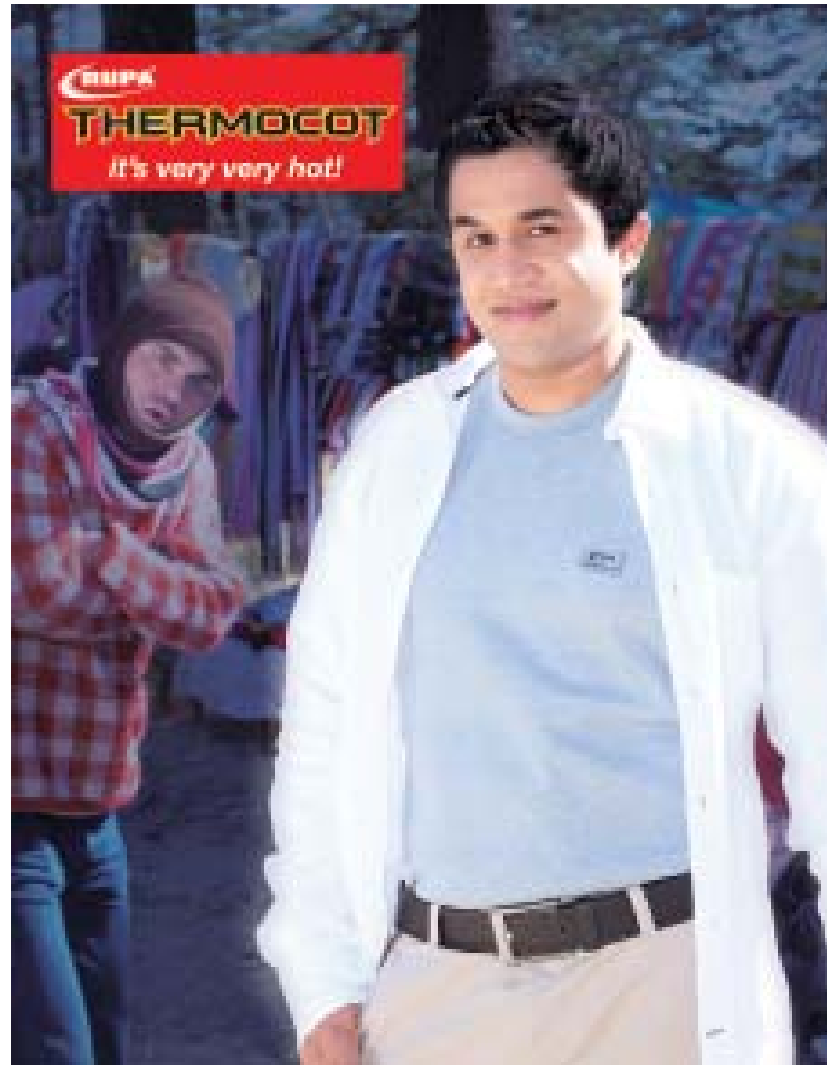












Thank You