



RUPA & COMPANY LTD.



Date: 03/08/2016

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 NSE Symbol: RUPA	The Department of Corporate Services BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code 533552
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Sub: Annual Report of the Company for the Financial Year 2015-16

Respected Sir/ Ma'am,

Please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2015-16, to be dispatched to the shareholders.

This is for your information and record.

Thanking you.

Yours faithfully,

For **RUPA & COMPANY LTD**

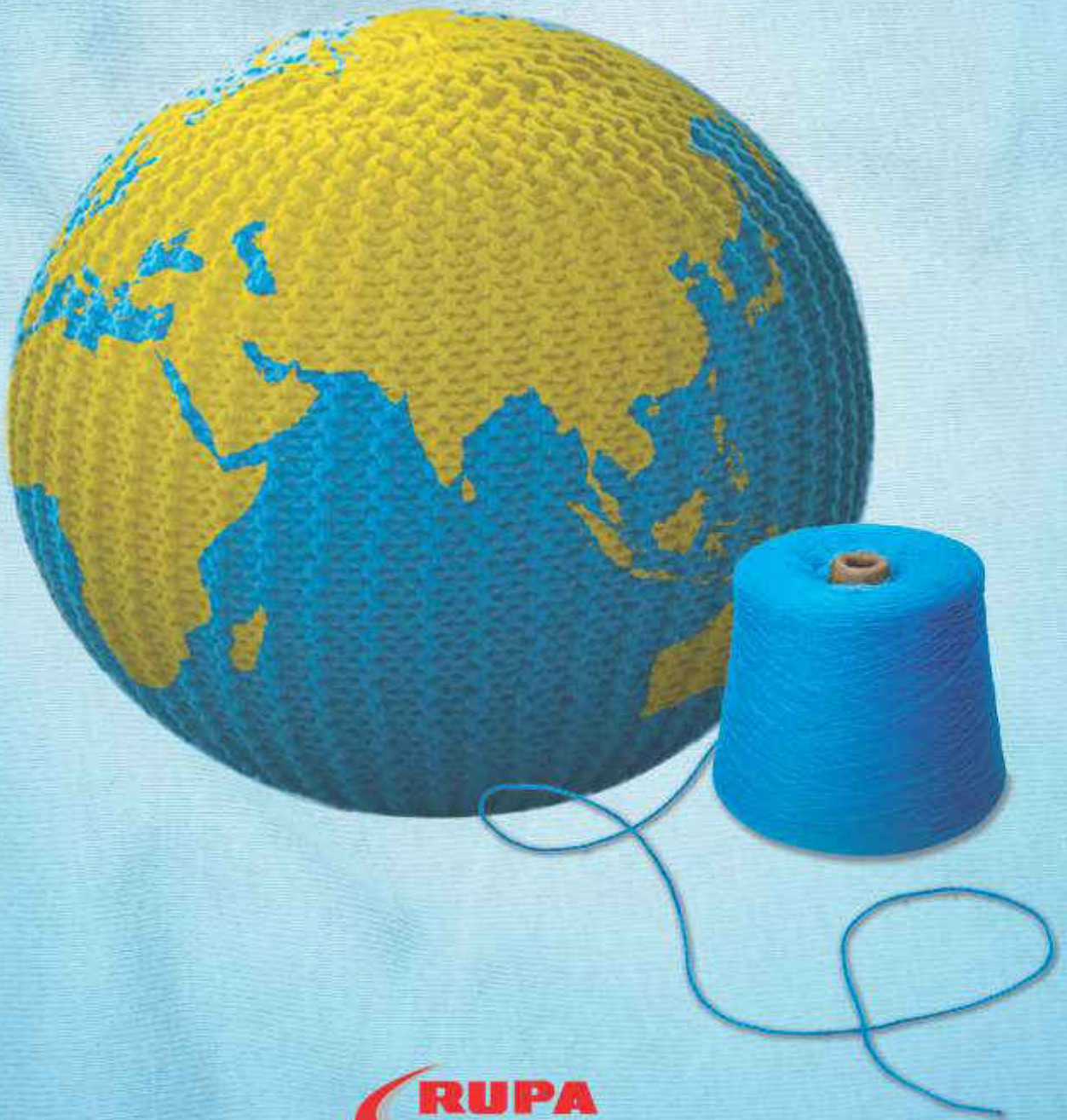
Kundan Kumar Jha

Company Secretary & Compliance Officer
ACS 17612



Encl.: As above

KNITTING BORDERS TOGETHER



RUPA & COMPANY LIMITED
ANNUAL REPORT 2015-16

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*
Mr. Mukesh Agarwal, *Whole-time Director*
Mr. Arihant Kumar Baid, *Additional Director Executive*
(w.e.f. November 5, 2015)
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*

Chief Financial Officer

Mr. Neeraj Sureka

Company Secretary & Compliance Officer

Mr. Sudip Chatterjee (*Resigned w.e.f. December 21, 2015*)
Mr. Kundan Kumar Jha (*Appointed w.e.f. May 30, 2016*)

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*

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.
6, Mangoe Lane, 2nd Floor,
Kolkata – 700 001
E-mail: mdpldc@yahoo.com

Statutory Auditors

M/s. S. R. Batliboi & Company LLP
Chartered Accountants

Branch Auditors (Tirupur)

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
Telephone: +91-33-3057 3100, Fax: +91-33-2288 1362
Website: www.rupa.co.in, E-mail: connect@rupa.co.in
CIN: L17299WB1985PLC038517

KNITTING THE FABRICS of this Report

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VISION

is all about looking ahead



At Rupa & Company Limited, we have always looked beyond the apparent. We have identified possibilities and have turned them into opportunities. We have preserved and have had the conviction to creatively transform and morph ourselves with our vision to create our own reality, because we believe in the thought that the....

Empires of the future are the empires of the mind.

For decades, we have been a vanguard of creating quality innerwear for the masses and redefining the fashion in the innerwear industry of India. In doing so, we not only gained noteworthy insights into the consumer aspirations, but also have created a niche position of our flagship brands.

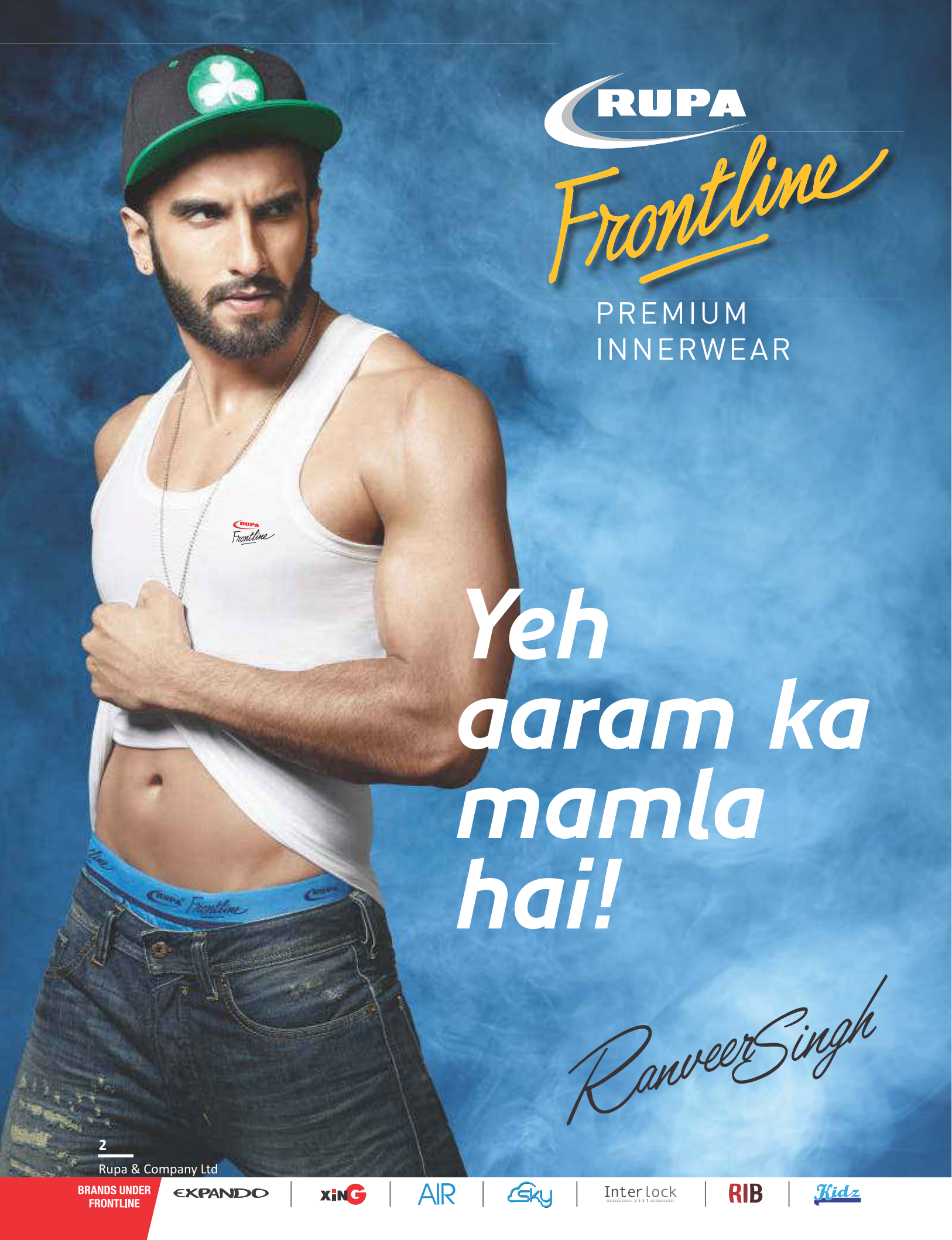
The dynamics in Indian Knitwear, Textile and Apparel industry is rapidly changing. With the arrival of international brands, rising income base, fast evolving preferences, lifestyle upgradation, etc., the Indian consumer have now started to shift from price sensitivity to brand sensitivity and their preference for bold colours and innovative designs are some of the key trends to have emerged in these segments.

Rupa, India's leading innerwear brand, has embarked upon a hypothesis shifting strategy, that marked diverse product offerings to its consumers ranging from a mere innerwear to casualwear, specialised womenwear, kids-wear, thermalwear and fashionwear products

and further sub-divided them into super-premium, premium, medium, and economy segments. It has further allowed the Company to leverage its strengths & capabilities and also enabled the Company to pursue opportunities ahead.

The thrust of its vision and pioneering spirit through diverse product offering, incisive marketing strategies has led to the evolution of a new paradigm in its business - a conviction to grow internationally. Amid these shifting dynamics, the Company has also focused to grow through acquisitions and reassuring the customers that their evolving aspirations will be catered with more enthusiasm.

Underlying this vision is the USP of the Company to take its capabilities and knit itself with international shores.



RUPA
Frontline

PREMIUM
INNERWEAR

**Yeh
aaram ka
mamla
hai!**

Ranveer Singh

2

Rupa & Company Ltd

BRANDS UNDER
FRONTLINE

EXPANDO

XiNG

AIR

sky

InterLock

RIB

Kidz

Rupa & Company Limited, a story of noteworthy transformation

Even when you are reading this Report, Rupa products have been sold across several verticals of the globe – Approximately, 6 products per second.

From a mere innerwear company to a national fashionwear powerhouse to a dynamic global knitwear, textile & apparel company.

A company with diversified brands, products and locationale portfolios, serving the second most populous country in the world.

A KNIT INSIDE THE WORLD OF RUPA

The roots of Rupa & Company Limited dates back to 1985 when the innerwear products were just limited to local manufacturers. The Company formed by 3 first generation entrepreneurs, Mr. Prahlad Rai Agarwala, Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal with a vision of taking the innerwear to the masses and making it available as a big label brand even to the fashion-conscious consumer.

At Rupa & Company Limited, we endeavour to meet the rising aspirations of the society and create brands that are accepted across every vertical. The Company is one of the most preferred brand in the market with product verticals including mens, womens and kids innerwear; infantwear; knitted bermudas and loungers; winterwear; footwear; leggings for women and other fashionwear.

The Brands of the Company are endorsed by leading celebrities including Hrithik Roshan, Ranveer Singh and Bipasha Basu.



KNITTED TO EXCEL

At Rupa & Company Limited, meters of knitted garments equals million dollar smiles on stakeholders face.

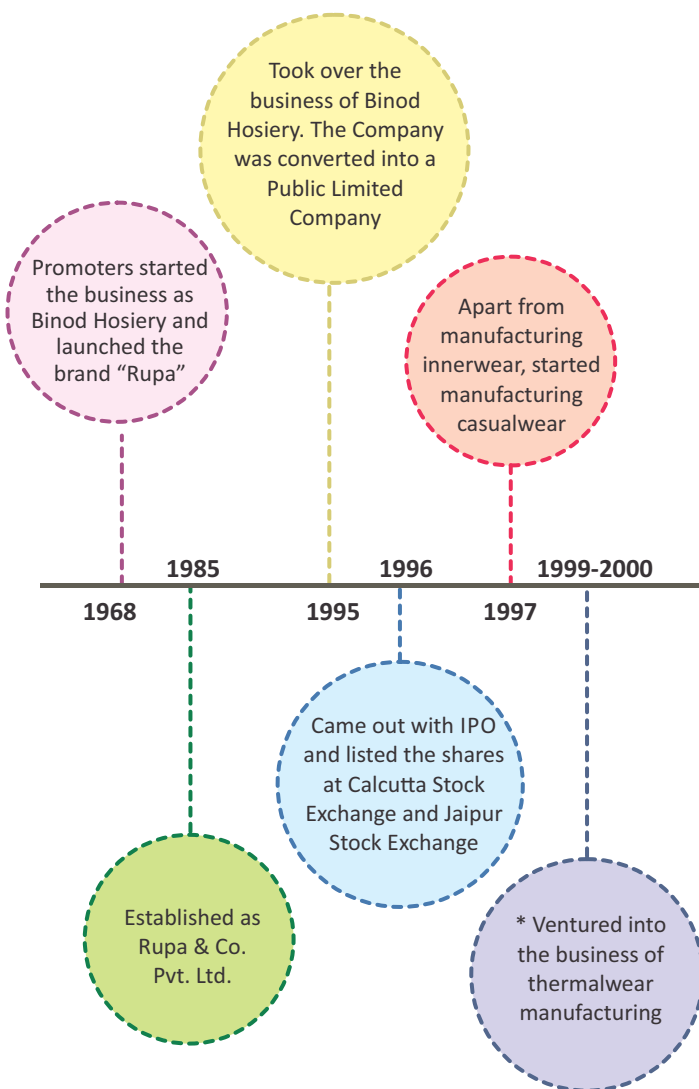
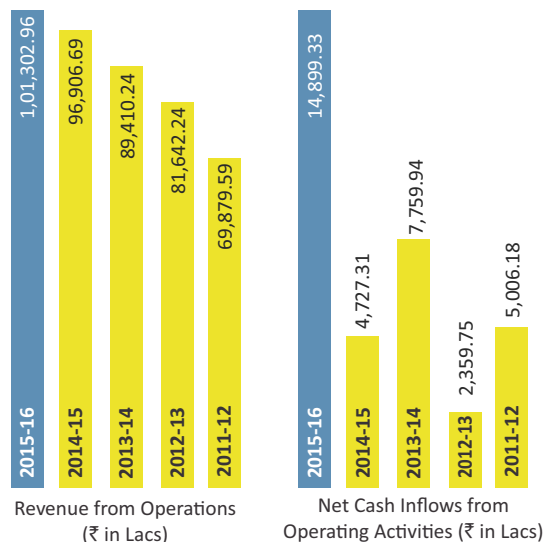
bumchums
Fun it up!

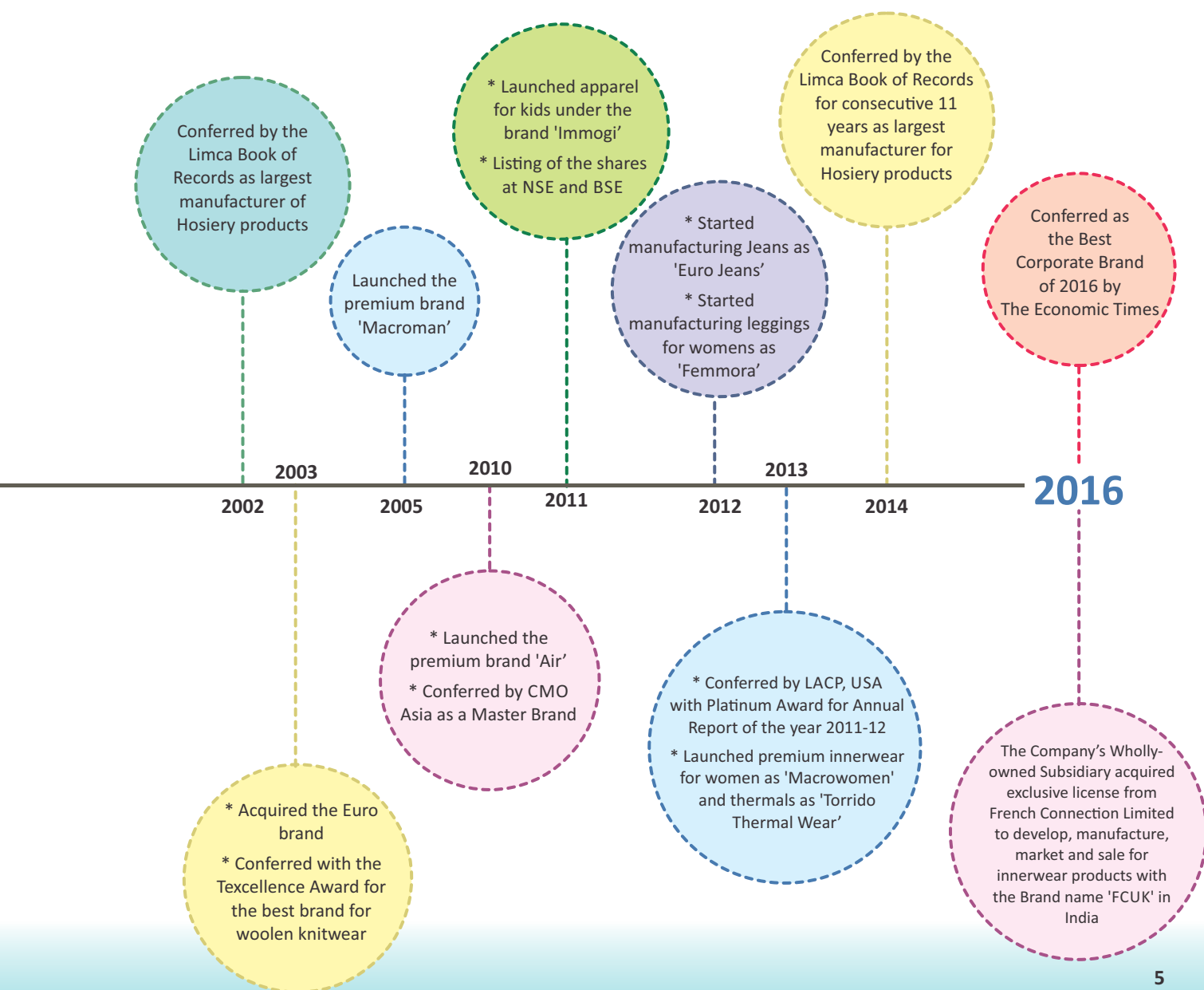
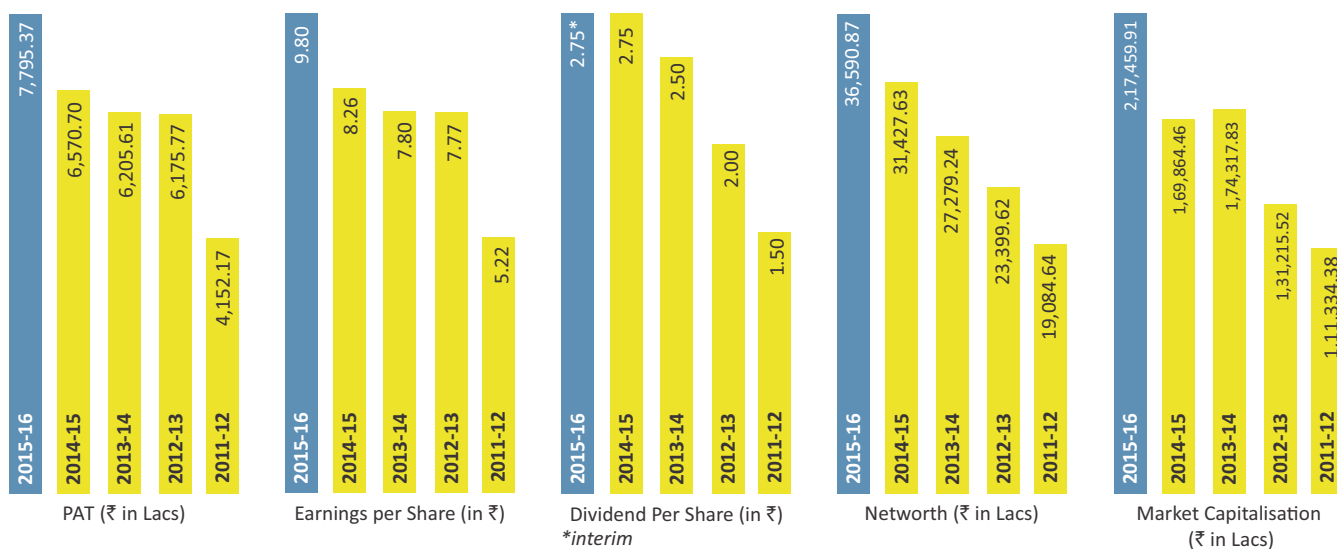


**FUN HAS A NEW
BODY LANGUAGE.**



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







FOUNDERS' STATEMENT

“Cusp of unprecedented knitted opportunities”

It gives us the confidence to embrace emerging opportunities and sustain our forward motion.

Taking a fresh perspective is part of our journey to achieve progress, deliver growth and create value in a sustainable manner. Looking back, when we had set an ambitious target of becoming a ₹1000 crores Company, we were confident to achieve the same backed by our agile and highly responsive approach of recognising opportunities.

With a sharp sense of optimism and defined vision, today we have creatively transformed and created those opportunities into admirable realities. The fact that every part of the Company has contributed handsomely to this endeavour is

indicative of not only the effectiveness of our chosen business strategy and foresight, but also of the flawless execution, efficiency and single-mindedness with which everyone in the Company has embraced these business objectives. Today, with revenue of more than ₹1,000 crores and a market capitalisation of more than ₹2,350 crores, we hope to sustain the growth momentum and stakeholders satisfaction, while offering a varied level of products in the innerwear, casualwear & fashionwear space and strive to make our presence stronger amongst textiles and apparel manufacturer-cum-retailer not only in the domestic front but also at global destinations.

Knitting our strengths

In the textile and fashion industry space, customer expectations are fast changing and one need to exceed them, by constantly offering newer degree of products, offering greater level of comfort & brand satisfaction - ensuring a great shopping experience at different touch points. The Companies which have a long-term vision, creative mindset and a strong financial prudence & discipline can only build and sustain a scalable business model.

At Rupa & Company Limited, our creative and brand appealing capabilities had set industry benchmarks in the past, and we are committed to build on our achievements. Today, we have expanded our spectrum to the fast growing domestic and international fashion and apparel industry space. We have ambitious plans to tap the immense potential of the consumer expectations and we remain upbeat due to these un-precedented opportunities due to a number of reasons:

One, we have created a business model around our receptive understanding of what the shopper would need. The outcome is that we are constantly future-facing, focusing not much on what had succeeded in the past, but what is likely to satisfy consumer's expectation.

Two, we leveraged on our potential and rich experience in the innerwear industry space to create products which not only proved to be the forte of our quality but also proved to be groundbreaking amongst the industry.

Three, India has been a middle-class consumer based nation, with a vast section of consumer staying at varied geographies, thus, the demand profile for consumer keeps changing. With a diverse product portfolio, catering not only to average Indian rural or urban class consumer, our

Company also meet the demand expectations from the upper and upper middle-class consumer too. Our Company has classified products into super-premium, premium, medium, and economy segments through various sub-brands under the umbrella brand Rupa which includes Frontline (sub-brands: Ribline, Kidz, Hunk, Air, Xing, Interlock, Skywings and Expando), Euro (Inners and Casuals), Bumchums, Jon, Torrido, Softline (Bra, Panties, Leggings and Camisoles), Femmora (Leggings, Camisoles, T-shirts, Lounge Wear), Macroman, Macrowoman, Macroman M-series, Thermocot, Imoogi, Footline.

Four, in a country where not being able to service customer needs immediately and comprehensively can mean the loss of a customer, we widened and deepened our distribution network from urban to semi urban to rural. We accelerated our growth by taking the brand to more diverse location and people. Today, we have 4 central warehouses; 8,000 Stock Keeping Units (SKUs); 6 Exclusive Business Outlets (EBO); 20 branch offices; 1,000 dealer network; 1,18,000 retailers and various e-commerce portals that stock and sell the products of our Company. The combination of these initiatives – rural and urban – made it possible for the Company to sell nearly 6 units every second.

Five, our strengthened market share is generated through focused brand building, celebrity endorsements, prudent pricing and product superiority, creating a compelling volume-play business for our Company. 'Macroman M-series' a Premium Innerwear, Sportswear and Leisurewear brand, endorsed by the famous celebrity and bollywood star Hrithik Roshan, 'Rupa Frontline' a Premium Innerwear, endorsed by Ranveer Singh and Rupa Softline Leggings, endorsed by Bipasha Basu. The Company has also increased its brand awareness by supporting various sports activities.

Six, we acquired exclusive license from French Connection Limited to develop, manufacture, market and sale for their innerwear products with the Brand name 'FCUK' in India through our Wholly-owned Subsidiary.

People Company

The belief that 'great people create great organizations' has been at the core of the Company's approach to its people. We continued to make significant investments for training in the areas of marketing excellence, customer service and building capabilities for organized retail trade. Human Resources always have been, and shall continue to be,

central to the growth of our Company. We are continuously making efforts in the development of Human Resource through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention. Our endeavour is to develop a culture where a sense of belongingness and ownership of work are the key motivating factors and provide world class training to create a world-class work force.

Sense of optimism

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 & managerial bandwidth to operate in multiple and diverse geographies, we are confident to achieve our strategic vision.

Message to shareholders

'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.

Prahlad Rai Agarwala

Ghanshyam Prasad Agarwala

Kunj Bihari Agarwal



FROM CUSTOMERS DELIGHT TO MULTI LOCATIONAL WEAR

The globe is our canvas today. We enjoy long-standing relationships with our customers. We enjoy leadership position in our chosen geographies. Leveraging years of experience, we have developed a keen perception of the markets we operate in. Consequently, our varied product profile has always been bolstered by unique strategies that go a long way in forging an indelible market presence.

At Rupa & Company Limited we believe that in order to be trendsetters, we need to constantly evolve newer strategies for retailing. We need to engage ourselves with customers who are the core of our business towards achieving our goals. We do so through a large number of stores that sell our products. The process of making our products as fashion merchandise is only successful through the joint effort from our salesperson to retailers to customers who makes a complete value chain. We are also increasing our reach with more retailers to make our products available at the right time and at the right place



more than
1,000
dealers network



more than
1,18,000
retailers

and at the remotest part of the country. We are also selling our products through e-commerce. E-commerce selling platform in India is booming at a rapid pace and it is believed that e-retailing will generate more than a mammoth \$150 billion of revenue by 2020 and fashion e-retailing will generate \$38 billion of revenue. We aspire to be one of the largest contributors in the innerwear, casualwear and fashionwear through e-commerce.

For decades, our Company has focused itself to the geographies within India. In last few years, we have widened our geographical footsteps to global destinations with two main objectives: one, to moderate risks associated by being largely present in a single geography and second, to cater our products to the aspiring population which was willing to pay more for better products and for newer brands. What started as a cautious experiment is now a growing business priority. This made the products of the Company available at right place at the right time and at the right prices.

RUPA

HUNK

GYM VEST

***ZAMANE KO
DIKHANA HAI.***



FROM INNERWEAR TO COMFORTWEAR

A sneak-peak at 'Rupa' where it all began

Until the mid-sixties, the innerwear story in India was rather a complacent one. A number of organized sectors and localised brands kept churning out mediocre products. The consumers were less than satisfied but had no option readily available. However, a dormant desire for better innerwear remained there through the years. With a vision to provide a comfortable innerwear wearing experience at affordable price, our Company initially started manufacturing innerwear & casualwear and further expanded the product-line to include female innerwear. The products quality were further upgraded and a new line of products were launched which not only focused on comfort, but also matched the likes of international apparels for domestic consumers.

The consumer behaviour in India makes it one of the most challenging market places in the world. It is one of the most culturally diverse country in the world with inconsistency in income levels thereby adding an extra breadth of complexity to the market. Amongst this, innerwear is becoming increasingly a fashion accessory. The future of the innerwear market has become more lucrative and positive. Thus, the market, with the entry of new brands is set for a buoyant trend.

Over the years, our Company 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. Our Company have 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 at both urban and rural consumers mind-set.

9.73%



5 year CAGR growth
in Turnover

RUPA®
Softline
LEGGINGS

COLOURS FOR EVERY MOOD



4D COTTON
STRETCH FABRIC

12

Rupa & Company Ltd

AVAILABLE IN CHURIDAR, ANKLE/PRINTED & CAPRI

| www.rupa.co.in

Shape your world



femmora

LEGGINGS • CAMISOLES • T-SHIRTS • LOUNGE WEAR





PREMIUM



SPORTS REGULAR



FANCY ANKLET



KIDS SCHOOL

RUPA®
footline
SOX

#DoTheSox



RUPA®
Softline

**GO
GORGEOUS**

Fancy Sets

EURO

FASHION INNERS



ACCEPTED BY
WOMEN
WORLDWIDE

सर्दियों में ONLY TORRIDO

BODY-HUGGING | ATTRACTIVE COLOURS | STRETCHABLE | SOFT & NON-ITCHY



Stylish premium thermals
for the entire family.

16

Rupa & Company Ltd

RUPA

TORRIDO

Premium Thermals
MEN | WOMEN | KIDS



THERMOCOT

IT'S VERY VERY HOT

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

KNITTING QUALITY TO VISIBILITY

Quality and reliability are two parallel imperatives. Reliability matches the quality factor through the inherent design, quality of raw materials used, meticulousness of manufactured product and inner comfort of the consumer when the product is in-use. A strong focus on them by any organisation leads to its 'success'.

At Rupa & Company Limited, we believe that brand endures only if quality sustains. Our Company being involved in the business of textile and apparel industry (innerwear, casualwear, fashionwear), it is of paramount importance to align the products with stringent qualitative and performance related parameters. Our Company has made prudent investments to benchmark its products with those that are the best in the industry. We have always focused on delivering world-class quality across our product range. This single-minded effort through last five decades have culminated into a strong relationship with all our customers. Our quality control personnel examine and inspect every aspect of the production (before process, in process & after process) and supply chain with stringent intermediate checks, resulting in the supply of world-class products to our customers.

Our products are benchmarked to international standards. Our Company is also an exclusive licensee of SUPIMA, the premier organisation of American Pima Cotton growers. The coveted SUPIMA certification is given only to very select manufacturers of high-quality apparel, whose products are made from 100% American Pima Cotton.

The zeal towards maintaining & harnessing quality focus into the organisational culture has made Rupa & Company Limited won several accolades and awards :

- a) The Economic Times with MRSS India have ranked Rupa & Company Ltd among one of the Best Corporate Brands of 2016.

- b) The Economic Times had ranked Rupa & Company Ltd among one of the Best Brands of 2014.
- c) RUPA – An International Trade Mark: India became member of MADRID Protocol on 8th July 2013. **RUPA Trademarks are now Registered in more than 50 Countries.**
- d) Textile conclave 2013 – **Brand India - Largest Producer Knitting Sector** - Fabric by the then Union Textile Minister.
- e) Only Company with **Limca Book of Records for last 13 Years** being the Largest Manufacturer of Hosiery Products in India.
- f) **Business Leadership Award 2013** by Times Research in association with Z- Business.
- g) In December, 2011 at London, RUPA was conferred as

Indian Power Brand.

- h) Master Brand Award by CMO Asia in Association with CMO Council, USA.
- i) India's Most Impactful Brand chosen by Indian Consumer as STAR BRAND INDIA - 2010-11.
- j) Conferred with the 'Award for Brand Leadership' in Fashion and Lifestyle by the World Brand Conference 2010.
- k) Conferred with Platinum Award (Consumer Durables - Textiles/Apparel/Luxury category) for the Best Annual Report, 2011-12 by the League of American Communication Professional (LACP), USA.
- l) Thermocot, the first branded winter wear in India won the Texcellence Award for Best Winter Knitwear Brand, 2003-04.

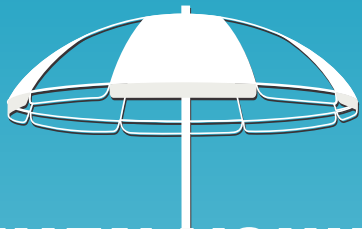


AWARDS GALORE

At Rupa & Company Limited, the quality framework, implementation and learning programmes have helped to create a quality-driven organisation.

bumchums[®]

Fun it up!



**WHEN YOU'RE
GOING TO YOUR
FAVOURITE PLACE
IN THE WORLD,
YOU NEED TO
DRESS WELL.**



KNITTING THROUGH EMPOWERMENT AND SOCIAL BONDING

Rupa & Company Ltd 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 realises that caring for the society, country and the planet is not philanthropy or generosity - it is the very way of doing sustainable business.

We are committed to contribute significantly towards health, education and livelihood of the downtrodden section of the society, and to conduct affairs of our Company in a socially acceptable manner, understand, support and develop the communities and the cultures with in which we operate and work, protect the environment and ensure safety of the people connected with the Company and the surroundings.

In consonance with the spirit of above commitments, CSR activities of the Company includes the following :

- a) The Company has set up Rupa Foundation to carry on educational and other social activities for the benefit of the society;
- b) As a part of the nation building activity, the Group has forayed into education by setting up the Sobhasaria

Engineering College in Sikar, Rajasthan. The College offers degrees in Engineering & Management and is affiliated to the Rajasthan Technical University & AICTE;

- c) The Company has contributed significantly for making available safe drinking water at the public places;
- d) The Company has contributed towards ISKCON Food Relief Foundation for facilitating the mid-day meal for under privileged children.
- e) The Company through its association with Friends of Tribal's Society helps in running informal education for tribal children.
- f) The Company has built toilets in Gujarat under Individual Household Latrine (IHHL) towards swachh Bharat under Ministry of Urban Development.
- g) The Company has been committed to produce environ-mentally friendly clothes that minimise carbon footprint and help to make the planet a greener place. The Company ensures that the raw materials and production processes do not destroy the environment with harmful chemicals and conserve water, energy and natural resources.



At Rupa & Company Limited, we are committed to take the responsibility of exhibiting socially responsible business practices ensuring the well-being of the communities in which we operate.



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, 2016

Dear Shareholders,

Your Directors have pleasure in presenting their 31st 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, 2016.

Financial Highlights

The financial performance of the Company is as hereunder:

Standalone Financial Review

(Amount in ₹)

Particulars	2015-16	2014-15
Turnover	10,13,02,95,623	9,69,06,69,114
Profit before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	1,35,09,65,268	1,38,87,38,714
Less: Finance Charges	18,75,89,255	23,38,09,678
Profit before Tax, Depreciation/ Amortization (PBTDA)	1,16,33,76,013	1,15,49,29,036
Less: Depreciation	15,17,03,052	15,06,00,092
Profit before Tax & Exceptional Item	1,01,16,72,961	1,00,43,28,944
Add: Exceptional Item (Dividend received from Subsidiary)	12,29,99,820	—
Profit before Tax (PBT)	1,13,46,72,781	1,00,43,28,944
Less: Tax Expense	35,51,35,632	34,72,58,567
Net Profit after Tax (PAT)	77,95,37,149	65,70,70,377
Appropriations		
Interim Dividend on Equity Shares	21,86,92,540	—
Proposed Final Dividend on Equity Shares	—	21,86,92,540
Dividend Tax	4,45,20,656	1,94,80,749
Transfer to General Reserve	—	10,00,00,000

Consolidated Financial Review

(Amount in ₹)

Particulars	2015-16	2014-15
Turnover	10,14,83,39,040	9,72,59,91,061
Profit before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	1,35,87,08,973	1,42,78,06,380
Less: Finance Charges	18,78,11,466	23,53,83,967
Profit before Depreciation/ Amortization (PBTDA)	1,17,08,97,507	1,19,24,22,413
Less: Depreciation	15,23,98,852	15,13,18,025
Profit before Tax (PBT)	1,01,84,98,655	1,04,11,04,388
Less: Tax Expense	35,92,19,807	35,94,38,049
Net Profit after Tax (PAT)	65,92,78,848	68,16,66,339

State of Company's Affairs and Future Outlook

The Company achieved a turnover of ₹ 1013.03 crores in Financial Year 2015-16 as against ₹ 969.07 crores in 2014-15, i.e. registering a growth of 4.54% in Revenue from Operations over the last year. During the year, the Profit before Interest, Depreciation and Tax stood at ₹ 135.10 crores as against ₹ 138.87 crores during the previous year. The Net Profit for the year 2015-16 stood at ₹ 77.95 crores, after inclusion of Exceptional Item i.e. Dividend received from Subsidiary Company, as compared to ₹ 65.71 crores during the previous year, a growth of 18.63% over the last year.

Report of the Board of Directors

for the Financial Year ended March 31, 2016

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 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 & brand promotion activities, thereby spending extensively on brand communication. To enhance the brand recall of its Thermal wear, the Company recently launched a new ad campaign for its Thermal wear brand 'Torrido'. The Company has been aggressively focusing on the Premium segment ('M-series'), which offers higher operating margins. To sustain higher margins, it has been expanding its Premium products category, which attracts relatively higher pricing power. To create brand awareness and reach customers directly, it has also opened EBOs (Exclusive Business Outlet) for M-Series. The Company has been constantly reinventing itself by launching new brands and leveraging its existing brands by extending new product lines. The Company is also looking at leveraging its brand equity by entering into the Kids Innerwear segment and has launched the 'Kidline' brand. The Company has a presence in the infant wear segment through its brand 'Bumchum Tots'.

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, 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 Outlet) and LFRs (Large Format Retail Store). The Company is also looking forward to open Rupa EBOs through the franchise route across India and expand its retail footprint.

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

Subsidiaries

The Company has the following 3 (three) Wholly-owned Subsidiaries as on March 31, 2016:

- i) Euro Fashion Inners International Private Limited, which was engaged in selling hosiery products under the brand name "EURO", which are premium products, designed for the fashion conscious consumers. The Business Operations of Euro Fashion Inners International Private Limited has been transferred to its Holding Company through a Business Collaboration Agreement w.e.f. April 1, 2014.

During the year under review, the Revenue from Operations, including Other Income, was ₹ 7.31 lacs as against ₹ 1911.86 lacs during the previous year. Net Loss during the year was ₹ 7.75 lacs as compared to the Profit of ₹ 162.46 lacs during the previous year.

- ii) Imoogi Fashions Private Limited, which 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 year under review, the Revenue from Operations, including Other Income, was ₹ 246.35 lacs as against ₹ 501.22 lacs during the previous year. Net Profit during the year was ₹ 53.23 lacs as compared to ₹ 83.49 lacs during the previous year.

- iii) Oban Fashions Private Limited, incorporated on December 29, 2015 with the objects, *inter alia*, to operate Indian business of international brands managed under licensing/ franchise/ joint venture/ ownership arrangements etc. 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

Report of the Board of Directors

for the Financial Year ended March 31, 2016

Limited to develop, manufacture, marketing and sale of the innerwear and related products with the Brand name 'FCUK' in India.

During the period ended March 31, 2016, the Revenue from Operations, including Other Income, was Nil and the Loss was ₹ 18.09 lacs.

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 is separately annexed in terms of the first proviso to Section 129(3) of the Companies Act, 2013, including any subsequent amendments thereto ('the Act'), read with Rule 5 of the Companies (Accounts) Rules, 2014. The Audited Financial Statements, including the Consolidated Financial Statements of the Company and other related information and the Audited Accounts of subsidiaries are available on the website of the Company at 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 copy of Annual Accounts of the subsidiaries shall be kept 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

During the Financial Year 2015-16, the Board of Directors of the Company has declared interim dividend to the Shareholders of the Company @ 275% i.e. ₹ 2.75 per share for 7,95,24,560 equity shares of ₹ 1/- each, amounting to a total outflow of ₹ 21,86,92,540/-.

Transfer to Reserves

The Board proposes not to transfer any amount to General Reserve.

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 the 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/ KMP	Date of Appointment, Re-appointment/ Resignation
1	Mr. Prahlad Rai Agarwala, Chairman	Re-appointed as Chairman (Whole-time Director) in the Annual General Meeting (AGM) held on September 15, 2015 w.e.f. April 1, 2015
2	Mr. Ramesh Agarwal, Whole-time Director	Re-appointed as Whole-time Director in the AGM held on September 15, 2015 w.e.f. April 1, 2015
3	Mr. Mukesh Agarwal, Whole-time Director	Re-appointed as Whole-time Director in the AGM held on September 15, 2015 w.e.f. April 1, 2015

Report of the Board of Directors

for the Financial Year ended March 31, 2016

Sl. No.	Directors/ KMP	Date of Appointment, Re-appointment/ Resignation
4	Mrs. Alka Devi Bangur, Independent Director	Appointed in the AGM held on September 15, 2015 w.e.f. November 14, 2014 [from Additional Director (Independent) to Independent Director]
5	Mr. Arihant Kumar Baid, Additional Director Executive	Appointed as Additional Director Executive w.e.f. November 5, 2015
6	Mr. Sudip Chatterjee Company Secretary & KMP	Resigned as Company Secretary (KMP) w.e.f. December 21, 2015

Mr. Ramesh Agarwal, Whole-time Director retires by rotation in the ensuing AGM and being eligible, offers himself for re-appointment.

Further, details of Directors to be appointed/ re-appointed are provided in the Explanatory Statement to the Notice of the ensuing AGM.

The Company has appointed Mr. Kundan Kumar Jha as the Company Secretary & Compliance Officer (KMP) w.e.f. May 30, 2016.

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

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

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations (Clause 49 of the erstwhile Equity Listing Agreement).

Number of Meetings of Board of Directors

During the Financial Year 2015-16, 5 (five) 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 met on March 11, 2016, *inter alia*, to:

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

Annual Evaluation of Performance

Pursuant to the provisions of the Act and the Listing Regulations (Clause 49 of the erstwhile Equity Listing Agreement), 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 & planning etc. The Board performance was reviewed on various parameters, such as, adequacy of the composition of the Board, Board culture, appropriateness of qualification & 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 & compliance and degree of contribution, etc.

Report of the Board of Directors

for the Financial Year ended March 31, 2016

The Nomination and Remuneration Committee of the Board, based on the report of the Independent Directors, have evaluated the performance of the Non-Independent Directors. The 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 erstwhile Equity Listing Agreement, 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, have evaluated the performance of the Board and of the 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 process of review and evaluation of performance of Board, it's 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 given in 'Annexure – I' attached hereto.

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 given in 'Annexure – II' attached hereto.

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, 2016, Audit Committee comprises of 5 (five) members, of which majority comprises of Independent Directors. The details with respect to the composition of the Audit Committee, the number of meetings held and the terms of reference has been detailed out in the Corporate Governance Report forming part of this Annual Report.

Further, there were no instances where in the Board had not accepted recommendations of the Audit Committee.

Vigil Mechanism

In terms of Section 177 of the Act read with the Rules made thereunder and Regulation 22 of the Listing Regulations (Clause 49 of the erstwhile Equity Listing Agreement), 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 employees 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.

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 and attendance therein and its terms of reference have been stated in the Corporate Governance Report forming part of this Annual Report.

Policy on Director's Appointment and Remuneration

The Board on the recommendation of Nomination and Remuneration Committee has framed a policy on Appointment and Remuneration of Directors, KMP and other employees of the Company as prescribed under Section 178(3) of the Act and the same in brief is given in 'Annexure – III' attached hereto.

Report of the Board of Directors

for the Financial Year ended March 31, 2016

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 and attendance therein and its terms of reference have been stated in the Corporate Governance Report forming 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/Member_of_CSR_Committee1.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	Non-Executive, Independent

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

Meeting and Attendance

During the Financial Year ended March 31, 2016, three (3) meetings of the Corporate Social Responsibility Committee were held. The details of meeting and attendance are as hereunder:

Name of Member	Meetings held during the year and Attendance		
	May 21, 2015	August 6, 2015	November 5, 2015
Mr. Prahlad Rai Agarwala	Present	Present	Absent
Mr. Kunj Bihari Agarwal	Present	Present	Present
Mr. Vinod Kumar Kothari	Absent	Absent	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 given in '**Annexure – IV**' attached hereto.

Extract of the Annual Return

The extract of Annual Return as at the Financial Year ended March 31, 2016 in Form MGT-9 is given in '**Annexure – V**' attached hereto.

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, and to establish a framework for the Company's risk management process.

The Risk Management Framework emphasises on proper analysing and understanding of the underlying risks before undertaking any transactions. This enables 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 Board of Directors. The management accepts the suggestions put forward by the Directors of the Company with regard to mitigation of risks that may arise in future. Further, in the opinion of the Board, there are no factors which threaten the existence of the Company.

Report of the Board of Directors

for the Financial Year ended March 31, 2016

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 the size and nature of business. It is ensured that all the assets are safeguarded, 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:

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization.
2. 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 timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with the management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. 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 the Internal Control systems and procedures.

Statutory Auditors and Auditors' Report

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, has been appointed as the Statutory Auditors of the Company for a period of 4 (four) years from the conclusion of the 29th AGM of the Company until the conclusion of the 33rd AGM of the Company for the Financial Year 2017-18. Further, the Board recommends the Members to ratify the said appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for the Financial Year 2016-17 at the ensuing AGM of the Company. The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations/ comments.

Details in respect of Fraud

During the Financial Year 2015-16, 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 Secretary, to conduct the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report in Form MR-3 for the Financial Year 2015-16 forms part of this Annual Report as 'Annexure – VI' annexed hereto. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Report of the Board of Directors

for the Financial Year ended March 31, 2016

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 of the Company 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 year ended March 31, 2016.

Particulars of loans, guarantees or investments under Section 186 of the Act

The Company did not give any loans or guarantee or made any investments under Section 186 of the Act.

Particulars of Contracts or Arrangements with Related Parties

There are no materially significant related party transactions made 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 2015-16 with related parties were in the ordinary course of business and on an arm's length basis and were reviewed by the Audit Committee of the Board. Further, during the 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 of Materiality of Related Party Transactions.

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

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.

Declaration by Managing Director to the effect of compliance with the Code of Conduct by the Board members and Senior Management Personnel forms part of this Annual Report.

Management Discussion and Analysis Report

The Management Discussion & Analysis Report, in terms of Regulation 34 read with Schedule V 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 & 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 period under review no such incidence has been reported.

Report of the Board of Directors

for the Financial Year ended March 31, 2016

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, 2016 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.

The observations of the Auditors as regards internal financial controls were taken note of by the Audit Committee. While the observations as regards packing materials, constituting approximately 29% of the total purchases as per financial statements under reference, have been noted for appropriate implementation by the Company, based on the extent of supervision by senior management, nature and complexity of operations, the Audit Committee was of the view that the Auditors' comment as regards practice for issuing purchase orders was based on observations of a very limited and non-recurring nature. The Audit Committee was of the view that the existing internal control on placement of purchase orders, given the existing hierarchy of authorizations for procurement, was commensurate with the nature and extent of the Company's operations.

Acknowledgement

We thank our customers, vendors, bankers, stakeholders and the Government for their continued support during the year. 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 Ltd**

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Place: Kolkata
Date: May 30, 2016

Annexure to the Board's Report

Annexure – I

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: ₹ 17,72,68,916/-

Foreign Exchange outgo during the year in terms of actual outflows: ₹ 3,45,16,750/-

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

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Place: Kolkata
Date: May 30, 2016

Annexure to the Board's Report

Annexure – II

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, for the Financial Year 2015-16

- (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 2015-16, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the Financial Year 2015-16	% increase/ decrease in remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director & KMP to median remuneration of employees
1	Mr. Prahlad Rai Agarwala, Chairman	84,00,000	-18.75%	55.46:1
2	Mr. Ghanshyam Prasad Agarwala, Vice-Chairman	78,00,000	-7.30%	51.50:1
3	Mr. Kunj Bihari Agarwal, Managing Director	78,00,000	-10.87%	51.50:1
4	Mr. Ramesh Agarwal, Whole-time Director	48,00,000	-23.81%	31.69:1
5	Mr. Mukesh Agarwal, Whole-time Director	48,00,000	-23.81%	31.69:1
6	Mr. Arihant Kumar Baid, Additional Director Executive [@]	5,48,722	N.A. [@]	3.62:1
7	Mr. Satya Brata Ganguly, Independent Director [§]	7,90,000	107.89% [§]	5.22:1
8	Mr. Dipak Kumar Banerjee, Independent Director	6,10,000	32.61%	4.03:1
9	Mr. Dharam Chand Jain, Independent Director	2,70,000	-6.90%	1.78:1
10	Mr. Sushil Patwari, Independent Director	3,70,000	-20.43%	2.44:1
11	Mrs. Alka Devi Bangur, Independent Director [#]	3,60,000	33.33% [#]	2.38:1
12	Mr. Vinod Kumar Kothari, Independent Director	7,00,000	42.86%	4.62:1
13	Mr. Neeraj Sureka, Chief Financial Officer [^]	38,65,388	791.21% [^]	25.52:1
14	Mr. Sudip Chatterjee, Company Secretary [*]	9,75,728	21.16% [*]	6.44:1

Note: Independent Directors are being paid sitting fees only.

[@] Appointed on November 5, 2015.

[§] For the period from August 13, 2014 to March 31, 2015, for the Financial Year 2014-15.

[#] For the period from November 14, 2014 to March 31, 2015, for the Financial Year 2014-15.

[^] For the period from February 18, 2015 to March 31, 2015, for the Financial Year 2014-15.

^{*} For the period from April 1, 2015 to December 21, 2015, for the Financial Year 2015-16.

Annexure to the Board's Report

(ii) The median remuneration of employees of the Company during the Financial Year was ₹ 1,51,469/-. Further, there has been no increase in the same.

(iii) Number of permanent employees on the rolls of Company as on March 31, 2016 was 576.

(iv) Relationship between average increase in remuneration and the Company's performance:

Revenue from Operations for the year 2015-16 was ₹ 1013.03 crores as compared to ₹ 969.07 crores for 2014-15. Net Profit was ₹ 77.95 crores in 2015-16 as against Net Profit of ₹ 65.71 crores in 2014-15. The remuneration during the year 2015-16 was in line with the Company's performance as well as at par with the market competitiveness considering the nature & size of industry and overall business affordability. Every year, the increase in salaries of the employees of the Company is decided on the basis of individual performance, Company's performance and a benchmarking exercise with similar profile organizations.

(v) Comparison of the Remuneration of the KMP against the performance of the Company:

Revenue from Operations increased by 4.54%, whereas Profit after Tax increased by 18.63% during the Financial Year as compared to the previous year. The remuneration of KMP has been shown in the table in clause (i) above. The remuneration of KMP increased by 21.29% from ₹ 104.22 lacs in 2014-15 to ₹ 126.41 lacs in 2015-16. The decrease in remuneration of Managing Director (KMP) shown in the said table is due to non-availing of perquisites by him during the year. The remuneration of KMP is in line with the performance of the Company.

(vi) (a) Variations in the Market Capitalization of the Company, Price Earnings (P/E) Ratio as at the closing date of the Financial Year 2015-16 and previous Financial Year:

Financial Year	NSE		BSE	
	P/E Ratio	Market Capitalization	P/E Ratio	Market Capitalization
31.03.2015	25.85	1698.64 crores	25.79	1693.87 crores
31.03.2016	27.90	2174.60 crores	28.00	2182.15 crores

(b) Percentage increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer:

The Company had come out with the public issue in 1995-96 at ₹ 25/- per equity share of nominal value of ₹ 10/- each, at a premium of ₹ 15/- per share. Further, the Company had sub-divided each equity share of nominal value of ₹ 10/- each into 10 (ten) equity shares of ₹ 1/- each on April 9, 2011. As on March 31, 2016, the closing market price of 1 (one) equity share was ₹ 273.45. Therefore, an amount of ₹ 25/- for 1 (one) equity share invested in said public issue in 1995-96 would be worth 10 (ten) equity shares of ₹ 273.45 per share aggregating to ₹ 2734.50 per share as on March 31, 2016, after considering the said sub-division, representing 10838% increase over the said public issue price.

(vii) Average percentile increase made in the salaries of employees other than the managerial personnel in the Financial Year 2015-16 was 9.85%, whereas the decrease in the managerial remuneration for the same Financial Year was 14.95%. The managerial remuneration is linked to market trend and industry segment composition.

(viii) During the Financial Year 2015-16, no employee in the Company received remuneration in excess of the highest paid Director.

(ix) The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.

(x) We hereby affirm that the remuneration paid is as per the Remuneration Policy of the Company.

(xi) The Managing Director and the Whole-time Directors of the Company do not receive commission from its Wholly-owned Subsidiaries.

Annexure to the Board's Report

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

Name	Designation, Nature of duties	Remuneration (₹)	Qualification and Experience (years)	Age (years)	Date of commencement of employment	Last employment
Mr. Prahlad Rai Agarwala	Chairman (Whole-time Director)	84,00,000/-	Bachelor's degree in Law, B. Com, having an experience of more than 40 years	78	February 6, 1985	None
Mr. Ghanshyam Prasad Agarwala	Vice-chairman (Whole-time Director)	78,00,000/-	B. Com, having an experience of more than 35 years	70	July 13, 1987	None
Mr. Kunj Bihari Agarwal	Managing Director	78,00,000/-	B. Com, having an experience of more than 30 years	66	July 17, 1987	None
Mr. Ravi Agarwal ⁵	President (Projects)	48,00,000/-	MBA in Marketing from Geneva, Switzerland, having an experience of more than 12 years	42	September 11, 2004	None
Mr. Vikash Agarwal ⁵	President (Finance)	48,00,000/-	Diploma in Marketing Management from University of California, USA, having an experience of more than 12 years	39	September 11, 2004	None

Notes

- 1) Remuneration includes salary, allowances and monetary value of perquisites but excluding 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 forming 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 five lacs rupees per month.
- 5) Mr. Ravi Agarwal and Mr. Vikash Agarwal, employed throughout the Financial Year, were 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 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.

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

Sd/-
Prahlad Rai Agarwala
Chairman

DIN: 00847452

Place: Kolkata
Date: May 30, 2016

Annexure to the Board's Report

Annexure – III

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;
- (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;

Annexure to the Board's Report

- (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 –
- i. 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;
 - ii. 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 http://rupa.co.in/site/wp-content/uploads/2015/10/Remuneration_Policy.pdf.

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

Sd/-
Prahlad Rai Agarwala

Chairman

DIN: 00847452

Place: Kolkata

Date: May 30, 2016

Annexure to the Board's Report

Annexure – IV

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 Ltd ("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 should encompass all CSR activities of the Company. 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.

During the Financial Year 2015-16, the Company has contributed significantly for making available safe drinking water at public places. Further, it has also contributed towards eradicating poverty, health care and livelihood enhancement projects. 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 the trust, Rupa Foundation.

The CSR Policy of the Company is available on the website of the Company at: <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: ₹ 95,98,66,467/-**
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 1,91,97,329/-**
5. **Details of CSR spent during the Financial Year:**
 - i) Total amount to be spent for the Financial Year: ₹ 1,91,97,329/-
 - 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/ program wise (₹)	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 of the Act	Making available safe drinking water	Local & other area. West Bengal - Kolkata, Howrah, North 24 Parganas, South 24 Parganas, Birbhum, Burdwan, Hooghly U.P. - Mathura Jharkhand - Deogarh	1,70,00,000	1,67,90,307	1,67,90,307	Rupa & Company Ltd, Shree Kashi Vishwanath Seva Samity
2	Clause (i) of Schedule VII of the Act	Eradicating Poverty	Local area. Maharashtra - Mumbai	7,00,000	5,40,000	5,40,000	ISKCON Food Relief Foundation
3	Clause (i) of Schedule VII of the Act	Promoting health care including preventive health care	Local & other area. West Bengal - Kolkata, Howrah, North 24 Parganas, South 24 Parganas, Birbhum, Hooghly, Nadia, Purba Midnapur, West Midnapur, Murshidabad. Andhra Pradesh - Tirupati	14,00,000	12,67,880	12,67,880	Indian Cancer Society, Tirumala Tirupati Devasthanams Trust, Bengal Hosiery Tailors Association
4	Clause (ii) of Schedule VII of the Act	Promoting Education	Local & other area. West Bengal - Kolkata, South 24 Parganas Tamilnadu - Tirupur	26,00,000	25,39,812	25,39,812	Rupa & Company Ltd, Rupa Foundation, Sri Ramakrishna Sevashram, Udayan Care, Municipal High School Padhmavathipuram, Paschim Bangiya Marwari Sammelan Shiksha Kosh
5	Clause (ii) of Schedule VII of the Act	Livelihood enhancement projects	Local & other area. West Bengal - Kolkata, South 24 Parganas Gujarat - Ahmedabad	18,00,000	16,00,000	16,00,000	Anandlok Hospital, Manav Sadhna
Total				2,35,00,000	2,27,37,999	2,27,37,999	

Annexure to the Board's Report

Details of Implementing Agencies:

- 1) *Rupa & Company Ltd via Green Appliances, a sole proprietorship and Ashish Kumar Jain for making available safe drinking water.*
 - 2) *ISKCON Food Relief Foundation is a non-profit, non-religious, non-sectarian public charitable trust formed and registered under the Bombay Public Trusts Act, 1950.*
 - 3) *Tirumala Tirupati Devasthanams is engaged in social activities such as health care, educational activities, etc.*
 - 4) *Bengal Hosiery Tailors Association towards blood donation fund.*
 - 5) *Indian Cancer Society is a Voluntary, Non-profit, National organization for awareness, detection, cure and survivorship of underprivileged cancer patients around the country.*
 - 6) *Rupa Foundation is a trust located in Kolkata and engaged in areas like education and health care.*
 - 7) *Sri Ramakrishna Sevashram is a philanthropic organization.*
 - 8) *Udayan Care Registered as a Public Charitable Trust, Udayan Care works to empower vulnerable children, women and youth and has spread its work for disadvantaged groups for promoting girls education, providing vocational training etc.*
 - 9) *Municipal High School Padhmavathipuram for construction of classroom.*
 - 10) *Paschim Bangiya Marwari Sammelan Shiksha Kosh, is a fund constituted and registered as a public charitable trust for educational purpose.*
 - 11) *Manav Sadhna, a Public Charitable Trust is dedicated to the upliftment of people living in marginalized communities.*
 - 12) *Anandlok Hospital is providing health care services.*
6. **The reasons for not spending two (2) % of the average net profit of the last three (3) 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 30, 2016

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

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

Annexure to the Board's Report

Annexure – V

MGT 9

EXTRACT OF ANNUAL RETURN as on Financial Year ended March 31, 2016

*[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	CIN	L17299WB1985PLC038517
2	Registration Date	06/02/1985
3	Name of the Company	Rupa & Company Ltd
4	Category Sub-category of the Company	Public Company Limited by Shares Indian Non-Government Company
5	Address of the Registered Office & Contact Details	Metro Tower, 8 th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071 Tel: +91-33-3057 3100, Fax: +91-33-2288 1362 Email: connect@rupa.co.in; cs@rupa.co.in
6	Whether Listed Company	Yes
7	Name, Address & Contact Details of the Registrar & Transfer Agent	Maheshwari Datamatics Private Limited 6, Mangoe Lane, (Surendra Mohan Ghosh Lane), 2 nd Floor, Kolkata - 700 001 Tel: +91-33-2243 5809, Fax: +91-33-2248 4787 Email: 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	97.46

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, 8 th Floor, Kolkata - 700071	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 Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2015				No. of Shares held at the end of the year March 31, 2016				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	36265510	–	36265510	45.60	36265510	–	36265510	45.60	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	23320880	–	23320880	29.33	23320880	–	23320880	29.33	–
e) Banks/ FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	59586390	–	59586390	74.93	59586390	–	59586390	74.93	–
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/ FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	59586390	–	59586390	74.93	59586390	–	59586390	74.93	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/ FI	–	–	–	–	5636	–	5636	0.01	0.01
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Foreign Portfolio Investors	–	–	–	–	1000	–	1000	–	0.00
Sub-total (B)(1)	–	–	–	–	6636	–	6636	0.01	0.01

Annexure to the Board's Report

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2015				No. of Shares held at the end of the year March 31, 2016				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	18708286	25000	18733286	23.56	18480567	25000	18505567	23.27	-0.29
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	673802	345468	1019270	1.28	903916	297350	1201266	1.51	0.23
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)									
Non Resident Indians	801	–	801	0.00	7444	–	7444	0.01	0.01
Clearing Members	643	–	643	0.00	33087	–	33087	0.04	0.04
Sub-total(B)(2)	19383532	554638	19938170	25.07	19425014	506520	19931534	25.06	-0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19383532	554638	19938170	25.07	19431650	506520	19938170	25.0719	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	78969922	554638	79524560	100.00	79018040	506520	79524560	100.00	0.00

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Rajnish Enterprises Ltd./ AABCR2642B	15821190	19.89	0.00	15821190	19.89	0.00	0.00
2	Prahlad Rai Agarwal/ ACMPA9021B	9021090	11.34	0.00	9021090	11.34	0.00	0.00

Annexure to the Board's Report

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
3	Ghanshyam Prasad Agarwal/ ADAPA6335M	7240910	9.11	0.00	7240910	9.11	0.00	0.00
4	Kunj Bihari Agarwala/ AFTP8749J	7201080	9.06	0.00	7201080	9.06	0.00	0.00
5	Purvanchal Leasing Limited/ AACCP9719J	5807670	7.30	0.00	5807670	7.30	0.00	0.00
6	Vikash Agarwal/ ACJPA1804B	1755440	2.21	0.00	1755440	2.21	0.00	0.00
7	Ravi Agarwal/ ACWPA6155A	1742630	2.19	0.00	1742630	2.19	0.00	0.00
8	Sidhant Credit Capital Ltd./ AADCS6539G	1692020	2.13	0.00	1692020	2.13	0.00	0.00
9	Rajnish Agarwal/ ACSPA8482C	1243370	1.56	0.00	1243370	1.56	0.00	0.00
10	Manish Agarwal/ ACVPA7357F	1232550	1.55	0.00	1232550	1.55	0.00	0.00
11	Suresh Agarwal/ ADAPA9705H	1066570	1.34	0.00	1066570	1.34	0.00	0.00
12	Ramesh Agarwal/ ADAPA4884F	1059230	1.33	0.00	1059230	1.33	0.00	0.00
13	Shanti Devi Agarwal/ AFLPA8802J	776320	0.98	0.00	776320	0.98	0.00	0.00
14	Mukesh Agarwal/ ACWPA7562R	729550	0.92	0.00	729550	0.92	0.00	0.00
15	K B & Sons - HUF/ AACCHK1664E	665330	0.84	0.00	665330	0.84	0.00	0.00
16	Pushpa Devi Agarwal/ ADAPA6336J	593920	0.75	0.00	593920	0.75	0.00	0.00
17	Lalita Devi Agarwal/ ACSPA0121A	346310	0.44	0.00	346310	0.44	0.00	0.00
18	Seema Agarwal/ ACDPA8842P	293640	0.37	0.00	293640	0.37	0.00	0.00
19	Mukesh Kumar Agarwal - HUF/ AAHHM1070K	282510	0.36	0.00	282510	0.36	0.00	0.00
20	Sudha Agarwal/ ACLPA7338N	274720	0.35	0.00	274720	0.35	0.00	0.00
21	Seema Agarwal/ ACZPA0987D	220160	0.28	0.00	220160	0.28	0.00	0.00
22	Ghanshyam Prasad Manish Kumar - HUF/ AABHG4530N	185090	0.23	0.00	185090	0.23	0.00	0.00

Annexure to the Board's Report

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
23	Prahlad Rai Suresh Kumar - HUF/ AAHFP6184H	151970	0.19	0.00	151970	0.19	0.00	0.00
24	Baijnath Agarwal/ ACTPA4174A	97410	0.12	0.00	97410	0.12	0.00	0.00
25	Sarita Patwari/ AFYPP8898J	52600	0.07	0.00	52600	0.07	0.00	0.00
26	Suresh Kumar Agarwal - HUF / AAJHS4957H	13630	0.02	0.00	13630	0.02	0.00	0.00
27	Ravi Agarwal - HUF/ AAFHR8653D	11690	0.01	0.00	11690	0.01	0.00	0.00
28	Shalini Agarwal/ ALAPS8142E	7790	0.01	0.00	7790	0.01	0.00	0.00
	TOTAL	59586390	74.93	0.00	59586390	74.93	0.00	0.00

iii) Change in Promoters' Shareholding

Sl. No.		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

There were no changes in the promoters' shareholding during the year.

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	Anand Kumar Drollia				
	01/04/2015	184170	0.23		
	Changes during the year	—	—	—	—
	31/03/2016	184170	0.23	184170	0.23
2	Microsec Capital Limited				
	01/04/2015	18	0.00		
	10/04/2015 - Transfer	-18	0.00	0	0.00
	22/05/2015 - Transfer	550	0.00	550	0.00
	29/05/2015 - Transfer	-500	0.00	50	0.00
	05/06/2015 - Transfer	5511	0.01	5561	0.01
	12/06/2015 - Transfer	-4198	0.01	1363	0.00
	19/06/2015 - Transfer	2981	0.00	4344	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
	26/06/2015 - Transfer	-2434	0.00	1910	0.00
	30/06/2015 - Transfer	-1812	0.00	98	0.00
	03/07/2015 - Transfer	709	0.00	807	0.00
	17/07/2015 - Transfer	10133	0.01	10940	0.01
	24/07/2015 - Transfer	-9693	0.01	1247	0.00
	31/07/2015 - Transfer	150	0.00	1397	0.00
	07/08/2015 - Transfer	13206	0.02	14603	0.02
	14/08/2015 - Transfer	-11722	0.01	2881	0.00
	21/08/2015 - Transfer	-729	0.00	2152	0.00
	28/08/2015 - Transfer	274	0.00	2426	0.00
	04/09/2015 - Transfer	660	0.00	3086	0.00
	11/09/2015 - Transfer	-89	0.00	2997	0.00
	18/09/2015 - Transfer	25	0.00	3022	0.00
	30/09/2015 - Transfer	-2035	0.00	987	0.00
	09/10/2015 - Transfer	-96	0.00	891	0.00
	16/10/2015 - Transfer	50	0.00	941	0.00
	23/10/2015 - Transfer	-150	0.00	791	0.00
	30/10/2015 - Transfer	50	0.00	841	0.00
	06/11/2015 - Transfer	50	0.00	891	0.00
	13/11/2015 - Transfer	-159	0.00	732	0.00
	20/11/2015 - Transfer	-387	0.00	345	0.00
	27/11/2015 - Transfer	49	0.00	394	0.00
	04/12/2015 - Transfer	56028	0.07	56422	0.07
	11/12/2015 - Transfer	-55516	0.07	906	0.00
	18/12/2015 - Transfer	5629	0.01	6535	0.01
	25/12/2015 - Transfer	-6322	0.01	213	0.00
	31/12/2015 - Transfer	93	0.00	306	0.00
	08/01/2016 - Transfer	-81	0.00	225	0.00
	15/01/2016 - Transfer	212	0.00	437	0.00
	22/01/2016 - Transfer	288	0.00	725	0.00
	12/02/2016 - Transfer	100	0.00	825	0.00
	19/02/2016 - Transfer	-101	0.00	724	0.00
	11/03/2016 - Transfer	-13	0.00	711	0.00
	18/03/2016 - Transfer	34	0.00	745	0.00
	25/03/2016 - Transfer	-500	0.00	245	0.00
	31/03/2016 - Transfer	-70	0.00	175	0.00
3	Karuna Impex Enterprises Limited				
	01/04/2015	8650000	10.88		
	Changes during the year	—	—	—	—
	31/03/2016	8650000	10.88	8650000	10.88

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
4	Lambodar Ferro Alloys Ltd.				
	01/04/2015	2600000	3.27		
	Changes during the year	–	–	–	–
	31/03/2016	2600000	3.27	2600000	3.27
5	Fairmax Consultancy Services LLP				
	01/04/2015	213942	0.27		
	17/07/2015 - Transfer	-5000	0.01	208942	0.26
	31/03/2016	208942	0.26	208942	0.26
6	Standard Textiles Private Limited				
	01/04/2015	1846000	2.32		
	Changes during the year	–	–	–	–
	31/03/2016	1846000	2.32	1846000	2.32
7	Standard Credit Capital Private Limited				
	01/04/2015	1830000	2.30		
	Changes during the year	–	–	–	–
	31/03/2016	1830000	2.30	1830000	2.30
8	Nageshwar Advisory Services LLP				
	01/04/2015	183165	0.23		
	05/06/2015 - Transfer	-61500	0.08	121665	0.15
	12/06/2015 - Transfer	-5000	0.01	116665	0.15
	19/06/2015 - Transfer	-4071	0.01	112594	0.14
	26/06/2015 - Transfer	-7411	0.01	105183	0.13
	03/07/2015 - Transfer	-29289	0.04	75894	0.10
	07/08/2015 - Transfer	-10000	0.01	65894	0.08
	04/12/2015 - Transfer	-20000	0.03	45894	0.06
	31/03/2016	45894	0.06	45894	0.06
9	Shri Krishna Creative Ideas LLP				
	01/04/2015	3000000	3.77		
	Changes during the year	–	–	–	–
	31/03/2016	3000000	3.77	3000000	3.77
10	Sadachar Advisory Services LLP				
	01/04/2015	292461	0.37		
	17/07/2015 - Transfer	-19833	0.02	272628	0.34
	07/08/2015 - Transfer	-19995	0.03	252633	0.32
	04/12/2015 - Transfer	-162666	0.20	89967	0.11
	11/12/2015 - Transfer	-100	0.00	89867	0.11
	18/12/2015 - Transfer	-5759	0.01	84108	0.11
	31/03/2016	84108	0.11	84108	0.11
11	D A Srinivas				
	01/04/2015	40000	0.05		
	Changes during the year	–	–	–	–
	31/03/2016	40000	0.05	40000	0.05

Annexure to the Board's Report

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				
	01/04/2015	9021090	11.34		
	Changes during the year	–	–	–	–
	31/03/2016	9021090	11.34	9021090	11.34
2	Ghanshyam Prasad Agarwala				
	01/04/2015	7240910	9.11		
	Changes during the year	–	–	–	–
	31/03/2016	7240910	9.11	7240910	9.11
3	Kunj Bihari Agarwala				
	01/04/2015	7201080	9.06		
	Changes during the year	–	–	–	–
	31/03/2016	7201080	9.06	7201080	9.06
4	Ramesh Agarwal				
	01/04/2015	1059230	1.33		
	Changes during the year	–	–	–	–
	31/03/2016	1059230	1.33	1059230	1.33
5	Mukesh Agarwal				
	01/04/2015	729550	0.92		
	Changes during the year	–	–	–	–
	31/03/2016	729550	0.92	729550	0.92
6	Dharam Chand Jain				
	01/04/2015	40000	0.05		
	Changes during the year	–	–	–	–
	31/03/2016	40000	0.05	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
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	2,12,14,14,501	–	–	2,12,14,14,501
ii) Interest due but not paid	21,04,319	–	–	21,04,319
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	2,12,35,18,820	–	–	2,12,35,18,820

Annexure to the Board's Report

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the Financial Year				
* Addition	–	–	–	–
* Reduction	64,05,86,064	–	–	64,05,86,064
Net Change	–64,05,86,064	–	–	–64,05,86,064
Indebtedness at the end of the Financial Year				
i) Principal Amount	1,48,26,37,539	–	–	1,48,26,37,539
ii) Interest due but not paid	2,95,217	–	–	2,95,217
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	1,48,29,32,756	–	–	1,48,29,32,756

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 and Designation						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	Additional Director Executive*	
1.	Gross Salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	84,00,000	78,00,000	78,00,000	48,00,000	48,00,000	5,48,722	3,41,48,722
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	–	–	–	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	–	–	–	–	–	–	–
2.	Stock Option	–	–	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–	–	–
4.	Commission - as % of profit -others, specify	–	–	–	–	–	–	–
5.	Others, please specify	–	–	–	–	–	–	–
	Total (A)	84,00,000	78,00,000	78,00,000	48,00,000	48,00,000	5,48,722	3,41,48,722
	<i>Overall Ceiling as per the Act</i>	(Being 10% of the Net Profits of the Company, as calculated under Section 198 of the Act)						₹ 11.73 crores

*Appointed w.e.f. November 5, 2015.

Annexure to the Board's Report

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						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	7,90,000	6,10,000	2,70,000	3,70,000	3,60,000	7,00,000	31,00,000
	Commission	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—
	Total (1)	7,90,000	6,10,000	2,70,000	3,70,000	3,60,000	7,00,000	31,00,000
2	Other Non-Executive Directors							
	Fee for attending Board Committee meetings	—	—	—	—	—	—	—
	Commission	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—
	Total (2)	—	—	—	—	—	—	—
	Total (B)=(1+2)	7,90,000	6,10,000	2,70,000	3,70,000	3,60,000	7,00,000	31,00,000
	Total Managerial Remuneration							3,72,48,722
	Overall Ceiling as per the Act							₹ 12.91 crores
		(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	CS – Mr. Sudip Chatterjee*	CFO – Mr. Neeraj Sureka	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	N.A.	9,75,728	38,65,388	48,41,116
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	N.A.	9,75,728	38,65,388	48,41,116

*Resigned w.e.f. December 21, 2015.

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 Ltd**

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Place: Kolkata
Date: May 30, 2016

Annexure to the Board's Report

Annexure – VI

MR-3 SECRETARIAL AUDIT REPORT for the year from April 1, 2015 to March 31, 2016

*[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
Metro Tower, 8th Floor,
1, Ho Chi Minh Sarani,
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, 2015 to March 31, 2016 (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, 2016 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. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) 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 review period;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable during the review 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 review period;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable during the review period;** and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure to the Board's Report

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

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standard - 1 & Secretarial Standard - 2 issued by ICSI.
- The Equity Listing Agreements entered into by the Company with the National Stock Exchange of India Ltd & BSE Ltd.

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:

- 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.
- 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.
- 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.
- During the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

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, 2016 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

Place: Kolkata
Date: May 24, 2016

ACS No. 24765
C.P. No. 9590

Annexure to the Board's Report

ANNEXURE TO SECRETARIAL AUDIT REPORT

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

Our Secretarial Audit Report for the Financial Year ended March 31, 2016 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 24, 2016

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

Management Discussion and Analysis

Industry Structure and Development

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7% in 2016-17.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

Market size

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75% during Financial Year 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will grow by more than 7% for the third successive year 2016-17 and can start growing at 8% or more in next two years.

Foreign Direct Investment (FDI) in India has increased by 29% during October 2014-December 2015 period post the launch of "Make in India" campaign, compared to the 15-month period before the launch.

The Nikkei/ Markit Manufacturing Purchasing Managers' Index (PMI) for February 2016 was reported at 51.1, indicating expansion in Indian manufacturing activity for a second month in a row, as both domestic and foreign demand increased due to lower prices.

The steps taken by the Government in recent times have shown positive results as India's Gross Domestic Product (GDP) at factor cost at constant (2011-12) prices 2015-16 is ₹ 113.5 trillion (US\$ 1.668 trillion), as against ₹ 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6%. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5% and 'trade, hotels, transport, communication services' at 10.7%.

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8% on average during fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.

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% to India's GDP and 14% 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 venturing into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13% over a 10-year period.

Innerwear Category

The Innerwear category is one of the high growth categories in the apparel market and promises growth and innovation. The increase in income levels, along with higher discretionary spending, growing fashion orientation of consumers and product innovations by the innerwear market have turned innerwear from a traditionally utilitarian item to an essential fashion requirement. The size of the Indian innerwear market is INR 15,870 crores (USD 2.9 billion); the category is also

Management Discussion and Analysis

growing at an impressive CAGR of 12% and is expected to reach INR 27,900 crores (USD 5.1 billion) by 2017. The women's innerwear market, which is driven by value-added innerwear products, contributes around 60% to the market. 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.

The Men's Innerwear Market

The men's innerwear market, worth INR 6,330 crores (USD 1.2 billion) 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 sub-categories 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 sub-divided into super premium, premium, medium and economy segments. The economy segment contributes around 56% to the market, while the mid-price segment makes up 30%, 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. These consumers, of men's innerwear, can be segregated into four groups on the basis of their attitude towards innerwear products and their buying behavior. These are: Young Aspirers, Discerning Urbanites, Optimistic Pursuers and Corporate Climbers. The Young Aspirer group comprises men employed in high-paying jobs, who have high disposable incomes; they are ambitious and demonstrate a keenness to purchase branded innerwear. The Discerning Urbanite group consists of men employed in well-paying jobs, but they evaluate value on a benefit and convenience metric rather than purely on price. They engage with innerwear brands for the promise of quality and show no qualms paying a premium when quality is assured. The Optimistic Pursuer group includes men from smaller cities who are eager to pursue a prosperous lifestyle; they aspire to have a metro-like life and they seek opportunities to experiment with aspirational brands. The Corporate Climber group of consumers is made up of men who dream big and are keen to make a place for themselves. They have high aspirations, thus, they want to engage with brands. But with limited disposable incomes, these people are cautious buyers.

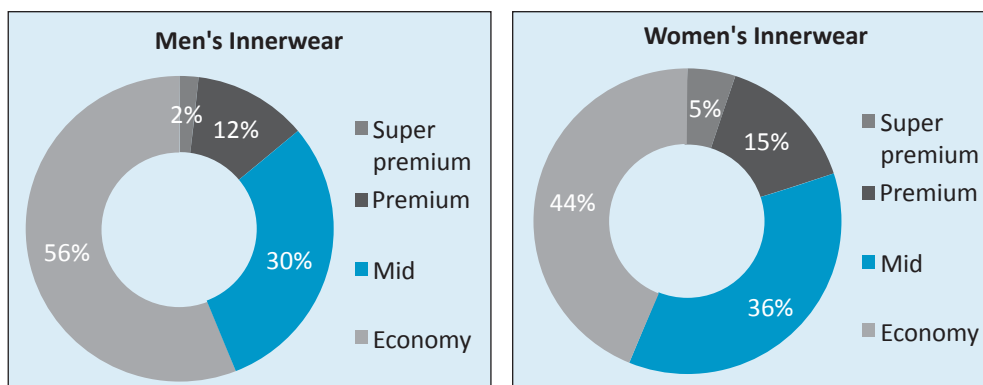
The Women's Innerwear Market

The women's innerwear market, worth INR 9,540 crores (USD 1.7 billion), is one of the fastest growing categories within women's apparel. This category is growing at a CAGR of 14%, and is expected to reach INR 18,380 crores (USD 3.4 billion) by 2017. The women's innerwear market is considered to be more dynamic, with many design variation and the regular introduction of innovative products. Contrary to men's innerwear where a consumer comes across advertisements for several brands on a daily basis, brand promotion and advertising activities are comparatively lower in women's innerwear.

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 sub-categories like camisoles, sleepwear, etc. 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. On the basis of demographics, behavior traits, lifestyle activities and purchase patterns, the typical consumers of the women's innerwear market can be divided into three distinct categories: Urbane Enthusiasts, Exuberant Seekers and Thriving Homemakers. The Urbane Enthusiasts consists of young women employed in well-paying jobs who engage themselves with brands. The consumers in the Exuberant Seekers category live in the mini metros and tend to be ambitious and keen to make a mark for themselves.

Management Discussion and Analysis

They are normally keen to experience modern retail formats and try aspirational innerwear brands. Consumers belonging to the Thriving Homemaker category generally live in the smaller cities. As homemakers, they do not have high disposable incomes and are primarily value seekers.



Future Outlook

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 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 Indian apparel market has demonstrated resilience and growth in an environment characterized by slow economic growth. The domestic apparel market, which was worth INR 2,07,400 crores (USD 38 billion) as of 2012, is expected to grow at a compound average growth rate (CAGR) of 9% over the next decade. Further, the recent omission of excise duty on branded apparel has provided an impetus to retailers in terms of the overall market sentiment.

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.

Market Size and Growth Projections

The menswear market can be divided into various categories including woven shirts, trousers, denims, winterwear, innerwear, t-shirts, suits, activewear, ethnic wear and dailywear. The woven shirts category is the single largest within the menswear market, followed by trousers and denim. The menswear market is expected to grow at a CAGR of 8.5% over the next five years to reach INR 1,31,000 crores (USD 24 billion) by 2017.

High Growth Categories

Denim, activewear and t-shirts are high growth categories within menswear segment with CAGRs of 16%, 14% and 12%, respectively. Despite the not so optimistic economic scenario of 2012, the demand for denim is growing among men, especially the younger generation. The entire denim market of India hinges around the men's denim segment which contributes 80% to the market. The heightened acceptance of casual or 'Friday' dressing, and the penetration of denim into Tier II and Tier III cities and rural India are contributing to the growth of men's denim in India. The activewear category primarily constitutes of sportswear, gymwear and swimwear. Increasing health consciousness has made sports, gym,

Management Discussion and Analysis

jogging, swimming, yoga, etc. an essential part of modern life, especially in metros, as a result of which the demand for activewear is on the rise within Indian menswear market. The shift from formal attire to comfort-oriented casual attire is driving the market for men's t-shirts, alongside the demand for denim.

Market Trends

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. The demand for occasion-specific clothing is rising within the menswear segment, e.g., the modern Indian male can be seen in activewear at the gym in the morning; in formal shirts, trousers and suits during office hours; in smart casuals in the evening; and in dailywear/ sleepwear at night. The demand for ethnic dressing at special occasions like marriages and social functions is also a distinct trend. Many brands have specifically forayed into men's ethnicwear to cater to this demand.

The menswear segment is also witnessing an increase in the demand for colored bottomwear. In addition to the traditional colors, viz. black, blue, brown and grey, Indian men have started experimenting with newer colors like red, green, orange, etc. Almost all domestic and international brands have started offering men's bottomwear in newer colors; they are also optimistic about the growth of colored trousers and denim.

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

The INR 78,500 crores (USD 14.4 billion) worth womenswear market contributes 38% of the total apparel market of India. The growth of this market is more rapid than the menswear market. 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 segment comprises various categories that includes saree, salwar kameez, innerwear, blouse, winterwear, sleepwear, tops/ shirts, trousers, skirts, denim, t-shirts, etc. Indian ethnicwear, which includes saree, salwar kameez and blouse, is the biggest category within the segment with a 75% share of the entire womenswear market. The market is expected to grow at a CAGR of 9% for the next five years to reach a figure of INR 1,21,400 crores (USD 22.3 billion) by 2017.

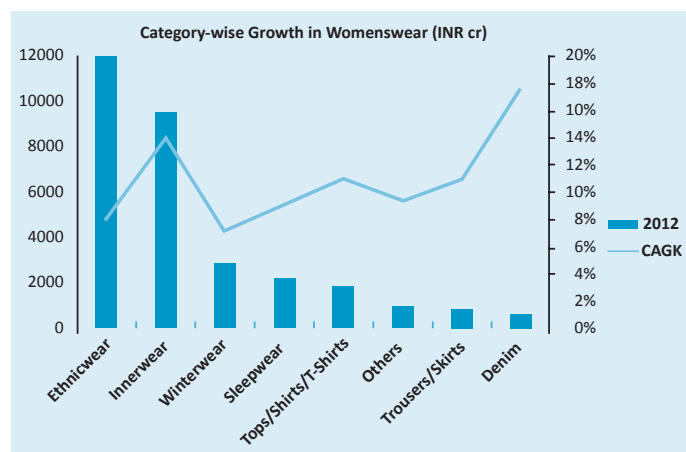
High Growth Categories

Denim, innerwear, and tops/ shirts/ t-shirts are the high growth categories within the womenswear segment, a consequence of the growing acceptance of women's westernwear in the Indian market. Denim is growing at a CAGR of 17%, women's innerwear at 14%, and tops/ shirts/ t-shirts at 11%. Denim is penetrating deeper among women in the metros and mini metros, especially among the younger generation. Even working women in smaller cities have started accepting denim as a casual outfit. The growing focus of retailers and brands on women's denim will also contribute to its further penetration. The high growth of the innerwear category is driven by the transition of innerwear from a utility-based product to an aspirational one.

Market Trends

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 formal wear. The working women in the metros and mini metros, in addition to traditional sarees and salwar kameez, are moving towards dresses, formal suits and business attire. Though these markets may remain relatively small, they are expected to grow rapidly.

Management Discussion and Analysis



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 sub-category 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.

Opportunities

- The Indian innerwear market continues to be underpenetrated and thereby holds immense business opportunities;
- Growing penetration of organized retail market;
- With increasing disposal incomes and customers' willingness to shell out more for better quality innerwear products, resulting into distinctive shift from price sensitivity to brand sensitivity;
- Consumers' becoming more aspirational and brand savvy because of increasing fashion consciousness;
- 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.

Threats

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

Risks and Concerns

Cotton yarn and fabric accounts for approximately 70% of the total raw material cost. If the Company is unable to mitigate the impact of the increase in raw material prices it will have an adverse impact on the Company's profitability. Also, too many price hikes will take a toll on the volume growth of the Company.

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

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.

The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international

Management Discussion and Analysis

and domestic markets and credit risk. The Company manages these risks, by maintaining a prudent financial profile and by following healthy business and risk management practices.

Internal Control System and their Adequacy

The Company has an adequate system of Internal Control 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 Generally Accepted Accounting Principles (GAAP) 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 Company's Audit Committee 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.

Financial Performance

(Amount in ₹)

Particulars	2015-16	2014-15	Change	Percentage (%)
Revenue from Operations	10,13,02,95,623	9,69,06,69,114	43,96,26,509	4.54
Other Income	3,77,48,804	4,94,85,610	-1,17,36,806	-23.72
Profit before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	1,35,09,65,268	1,38,87,38,714	-3,77,73,446	-2.72
Less: Finance Charges	18,75,89,255	23,38,09,678	-4,62,20,423	-19.77
Profit before Depreciation/ Amortization (PBTDA)	1,16,33,76,013	1,15,49,29,036	84,46,977	0.73
Less: Depreciation	15,17,03,052	15,06,00,092	11,02,960	0.73
Net Profit before Taxation & Exceptional Item	1,01,16,72,961	1,00,43,28,944	73,44,017	0.73
Add: Exceptional Item (dividend received from subsidiary)	12,29,99,820	—	12,29,99,820	—
Net Profit before Taxation (PBT)	1,13,46,72,781	1,00,43,28,944	13,03,43,837	12.98
Tax expense	35,51,35,632	34,72,58,567	78,77,065	2.27
Profit/ (Loss) after Taxation (PAT)	77,95,37,149	65,70,70,377	12,24,66,772	18.64

Accounting Treatment

In the preparation of Financial Statements, the treatment as prescribed in the Accounting Standard 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, 2016, the number of permanent employees was 576. The industrial relations were also cordial during the period under review.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's 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 Agreement

The Securities and Exchange Board of India ('SEBI'), on September 2, 2015 notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), which were made effective from December 1, 2015. Accordingly, all listed entities were required to enter into fresh Listing Agreement within 6 (six) months from the date of notification of the said Regulations with the Exchanges with which the securities of the Company are listed. The Company has entered into fresh Listing Agreement with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has complied with the provisions of Clause 49 of the erstwhile Equity Listing Agreement for the period up to November 30, 2015 and thereafter, complied with the provisions of the new Listing Regulations, as applicable to the Company.

Board of Directors

The Board of Directors ('Board') of your 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 have an optimum combination of Executive Directors and Non-executive Directors, including Independent Directors and Women Director, meeting with the requirement of Regulation 17(1) of the Listing Regulations and Section 149 of the Companies Act, 2013 ('the Act') read with the allied rules. On March 31, 2016, the Board consists of 12 (twelve) Directors, 6 (six) of whom are Independent Non-executive Directors, constituting 50% of the Board's strength, 5 (five) Executive or Whole-time Directors, who are also Promoters of the Company and 1 (one) Additional Director Executive, Non-Promoter. The Chairman is an Executive Director.

The Composition of the Board of Directors as on March 31, 2016 and the number of other Directorships and Board Committee Memberships/ Chairmanships held by the Directors are as follows:

Sl. No.	Name of the Director	Category	Number of Directorship in other Companies [#]	Number of Membership/ Chairmanship in other Companies Committee [*]
1	Mr. Prahlad Rai Agarwala	Chairman, Executive, Promoter	7	Nil
2	Mr. Ghanshyam Prasad Agarwala	Vice-chairman, Executive, Promoter	2	Nil
3	Mr. Kunj Bihari Agarwal	Managing Director, Promoter	7	Nil
4	Mr. Ramesh Agarwal	Executive, Promoter	19	3

Corporate Governance Report

Sl. No.	Name of the Director	Category	Number of Directorship in other Companies [#]	Number of Membership/ Chairmanship in other Companies Committee [*]
5	Mr. Mukesh Agarwal	Executive, Promoter	19	Nil
6	Mr. Arihant Kumar Baid [^]	Additional Director Executive, Non-promoter	–	Nil
7	Mr. Satya Brata Ganguly	Independent, Non-executive	7	9 (including 3 as a Chairman)
8	Mr. Dipak Kumar Banerjee	Independent, Non-executive	8	8 (including 4 as a Chairman)
9	Mr. Dharam Chand Jain	Independent, Non-executive	5	Nil
10	Mr. Sushil Patwari	Independent, Non-executive	15	2
11	Mrs. Alka Devi Bangur	Independent, Non-executive	5	2 (including 1 as a Chairman)
12	Mr. Vinod Kumar Kothari	Independent, Non-executive	7	2

[#] Other Directorships includes Directorships in Public as well as Private Limited Companies.

^{*}Only covers Membership/ Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Public Limited Companies.

[^]Appointed as an Additional Director Executive on November 5, 2015.

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 provides an effective monitoring role and plays an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise in the fields of business, corporate governance, strategic & risk management, finance, management and law.

The Company, from time to time, takes several initiatives for its Independent Director to familiarize them 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 can be accessed at http://rupa.co.in/site/wp-content/uploads/2015/10/Familiarization_Programme_for_Independent_Directors.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. However, no circular resolution was passed during the year under review.

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 the 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 recommend the inclusion of any matter for discussion in consultation with the Chairman and with the consent of majority of the Directors present in the Meeting, including one Independent Director.

Corporate Governance Report

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 is made available to the Board, wherever applicable.

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.

During the Financial Year ended March 31, 2016, 5 (five) Board Meetings were held on May 21, 2015, August 6, 2015, November 5, 2015, February 11, 2016 and March 11, 2016. The time gap between 2 (two) Board Meetings did not exceed 120 days as prescribed under the Listing Regulations. The Annual General Meeting ('AGM') of the Company for the Financial Year 2014-15 was held on September 15, 2015. The details of the presence of the Directors in Board Meetings held during the Financial Year 2015-16 and the AGM held on September 15, 2015 are as follows:

Sl. No.	Name of the Director	Category	Attendance Particulars	
			Board Meetings	AGM
1	Mr. Prahlad Rai Agarwala	Chairman, Executive, Promoter	4/5	Present
2	Mr. Ghanshyam Prasad Agarwala	Vice-chairman, Executive, Promoter	2/5	Absent
3	Mr. Kunj Bihari Agarwal	Managing Director, Promoter	5/5	Present
4	Mr. Ramesh Agarwal	Executive, Promoter	4/5	Absent
5	Mr. Mukesh Agarwal	Executive, Promoter	4/5	Present
6	Mr. Arihant Kumar Baid [^]	Additional Director Executive, Non-promoter	2/2	–
7	Mr. Satya Brata Ganguly	Independent, Non-executive	5/5	Present
8	Mr. Dipak Kumar Banerjee	Independent, Non-executive	4/5	Present
9	Mr. Dharam Chand Jain	Independent, Non-executive	3/5	Absent
10	Mr. Sushil Patwari	Independent, Non-executive	2/5	Absent
11	Mrs. Alka Devi Bangur	Independent, Non-executive	3/5	Absent
12	Mr. Vinod Kumar Kothari	Independent, Non-executive	4/5	Present

[^]Appointed as an Additional Director Executive in the Board Meeting held on November 5, 2015.

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.

Corporate Governance Report

Directors seeking Appointment/ Re-appointment at the ensuing AGM

Mr. Ramesh Agarwal, Director (DIN: 00230702), being liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Mr. Arihant Kumar Baid, was appointed as an Additional Director Executive (DIN: 07318005), by the Board and his tenure of appointment will expire in the forthcoming AGM of the Company. His candidature for appointment as a Director of the Company has been proposed by a Member.

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

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;
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 Companies Act, 2013 and Regulation 18 of the Listing Regulations, is available on the website of the Company. The same can be accessed at http://rupa.co.in/site/wp-content/uploads/2015/10/Member_of_Audit_Committee1.pdf.

Composition

As on March 31, 2016, Audit Committee comprised of 5 (five) members, of which majority are 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. Ramesh Agarwal	Member	Executive
Mr. Mukesh Agarwal	Member	Executive

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

Audit Committee Meeting and Attendance

During the Financial Year ended March 31, 2016, 5 (five) Audit Committee Meetings were held and the time gap between two Meetings were not more than 120 days as prescribed under the Listing Regulations. The details of Meeting and attendance are as hereunder:

Corporate Governance Report

Name of Member	Meetings held during the year and Attendance				
	May 21, 2015	August 6, 2015	November 5, 2015	February 11, 2016	March 11, 2016
Mr. Vinod Kumar Kothari	Absent	Present	Present	Present	Present
Mr. Dipak Kumar Banerjee	Present	Present	Present	Present	Absent
Mr. Satya Brata Ganguly	Present	Present	Present	Present	Present
Mr. Ramesh Agarwal	Present	Present	Absent	Present	Present
Mr. Mukesh Agarwal	Present	Absent	Present	Present	Present

Mr. Vinod Kumar Kothari, Chairman of the Audit Committee, attended the last Annual General Meeting of the Company held on September 15, 2015 and replied to the queries related to Accounts to the satisfaction of the Shareholders.

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. The same can be accessed at http://rupa.co.in/site/wp-content/uploads/2015/10/Member_of_Nomination_and_Remuneration_Committee1.pdf.

Composition

As on March 31, 2016, Nomination and Remuneration Committee comprises of 3 (three) members, all being Non-Executive Independent 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 of the Nomination and Remuneration Committee.

Nomination and Remuneration Committee Meeting and Attendance

During the Financial Year ended March 31, 2016, 3 (three) Nomination and Remuneration Committee Meetings were held. The details are as hereunder:

Name of Member	Meetings held during the year and Attendance		
	May 21, 2015	November 5, 2015	March 11, 2016
Mr. Dipak Kumar Banerjee	Present	Present	Absent
Mr. Vinod Kumar Kothari	Absent	Absent	Present
Mr. Sushil Patwari	Present	Present	Present

Corporate Governance Report

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 for Independent Directors has been given in the Board's Report.

Remuneration to Directors

Non-Executive Directors

The Non-executive Directors are paid remuneration by way of sitting fees @ ₹ 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, Independent Directors are being paid sitting fees @ ₹ 90,000/- for their each separate Meeting.

The Criteria of making payment to the Non-executive Directors of the Company has been uploaded on the website of the Company. The same can be accessed at http://rupa.co.in/site/wp-content/uploads/2015/10/Remuneration_Policy.pdf.

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 2015-16, is given in the table below:

Name of Directors	Sitting Fees (₹)	Number of shares held	Period of appointment
Mr. Satya Brata Ganguly	7,90,000	Nil	Appointed in the AGM held on September 30, 2014, for a consecutive period of 5 years.
Mr. Dipak Kumar Banerjee	6,10,000	Nil	
Mr. Dharam Chand Jain	2,70,000	40,000	
Mr. Sushil Patwari	3,70,000	Nil	
Mr. Vinod Kumar Kothari	7,00,000	Nil	
Mrs. Alka Devi Bangur	3,60,000	Nil	Appointed w.e.f. November 14, 2014, for a consecutive period of 5 years.
Total	31,00,000	40,000	

Executive Directors

The appointment of Executive Directors are 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, which are governed by the respective agreements executed between them and the Company. 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 by 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 2015-16 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	84,00,000	—	—	—	84,00,000	Re-appointed w.e.f. April 1, 2015, for 5 years
Mr. Ghanshyam Prasad Agarwala, Vice-Chairman	78,00,000	—	—	—	78,00,000	Re-appointed w.e.f. April 1, 2016, for 5 years

Corporate Governance Report

Name of Directors	Salary & Allowances (₹)	Commission (₹)	Performance based Incentive (₹)	Perquisites (₹)	Total (₹)	Service Contract/ Notice Period/ Severance Fees*
Mr. Kunj Bihari Agarwal, Managing Director	78,00,000	—	—	—	78,00,000	Re-appointed w.e.f. April 1, 2016, for 5 years
Mr. Ramesh Agarwal, Whole-time Director	48,00,000	—	—	—	48,00,000	Re-appointed w.e.f. April 1, 2015, for 5 years
Mr. Mukesh Agarwal, Whole-time Director	48,00,000	—	—	—	48,00,000	Re-appointed w.e.f. April 1, 2015, for 5 years
Mr. Arihant Kumar Baid, Additional Director Executive	5,48,722	—	—	—	5,48,722	Appointed as an Additional Director w.e.f. November 5, 2015, till the ensuing AGM
Total	3,41,48,722	—	—	—	3,41,48,722	

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

Stakeholders' Relationship Committee

Terms of Reference

The detailed terms of reference of the Stakeholders' Relationship Committee are available on the website of the Company. The same can be accessed at http://rupa.co.in/site/wp-content/uploads/2015/10/Member_of_Stake_Holders_Relationship_Committee11.pdf.

Composition

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. The composition of the Committee is as hereunder:

Name of Member	Position	Category
Mr. Sushil Patwari	Chairman	Independent, Non-Executive
Mr. Ramesh Agarwal	Member	Executive
Mr. Mukesh Agarwal	Member	Executive

During the Financial Year 2015-16, 1 (one) Meeting of the Stakeholders' Relationship Committee was held on November 5, 2015. Mr. Sushil Patwari and Mr. Mukesh Agarwal have attended the Meeting.

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

Compliance Officer

Mr. Sudip Chatterjee who was the Company Secretary and Compliance Officer of the Company, had resigned from the Company w.e.f. December 21, 2015.

Corporate Governance Report

Details of Shareholders' Complaints received, unresolved and pending

No complaints were received from the Shareholders of the Company during the Financial Year ended March 31, 2016. There were no complaints outstanding as on March 31, 2016. The number of share transfers and requests for dematerialization pending as on March 31, 2016 were Nil.

Shareholders'/ Investors' complaints and other correspondence are normally attended promptly within the maximum period as specified under the law except where 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 and in particular 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 has given the annual certification on financial reporting to the Board and forms part of this Annual Report.

General Body Meetings

- Details of Location and time where the last 3 (three) AGMs of the Company were held, is depicted in the table below:

Financial Year	Location	Date & Time	Special Resolutions Passed
2012-13	Merchants Chamber of Commerce, Somani Conference Hall, 15B, Hemanta Basu Sarani, Kolkata – 700 001	September 28, 2013 at 11:00 a.m.	Nil
2013-14	Gyan Manch 11, Pretoria Street, Kolkata – 700 071	September 11, 2014 at 11:00 a.m.	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; b) Authority and approval of the Company to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013; 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; 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; 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;

Corporate Governance Report

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.	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; 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; 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; i) Approval of the Company to appoint Mr. Siddhant Agarwal, relative of a Director, as Vice-President (Project & Acquisition) with effect from June 1, 2014; 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.
2014-15	Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017	September 15, 2015 at 11:00 a.m.	Nil

- Resolutions passed through Postal Ballot during the Financial Year 2015-16: Nil
- The Company has issued Postal Ballot Notice dated March 11, 2016 for passing of the following Special Resolutions:
 - Ratification of appointment of Mr. Prahlad Rai Agarwala (DIN: 00847452), as Chairman of the Company;
 - Ratification of appointment of Mr. Ghanshyam Prasad Agarwala (DIN: 00224805), as Vice-Chairman of the Company;
 - 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;
 - 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 date of passing of the Special Resolutions as contained in the aforesaid Postal Ballot Notice was fixed as April 19, 2016. CS H.M. Choraria, Practicing Company Secretary, Proprietor of M/s H.M. Choraria & Co. had been appointed as the Scrutinizer to conduct the Postal Ballot process 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 Postal Ballot Notice is available on the website of the Company. The same can be accessed at <http://rupa.co.in/site/wp-content/uploads/2016/01/Postal-Ballot-Notice.pdf>.

Code of Conduct

The Company has adopted the Code of Conduct as required under the Listing Regulations and the said code can be accessed at <http://rupa.co.in/site/wp-content/uploads/2015/11/code-of-conduct.pdf>.

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, 2016, as required under Regulation 26 (3) of the Listing Regulations and a declaration to this effect signed by Managing Director forms part of this Annual Report.

Corporate Governance 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 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.
- iii) The NEAPS and Listing Centre are web based application designed for compliance 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 email-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:
Email IDs: cs@rupa.co.in & 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 posted to the Shareholders of the Company.

General Shareholder's Information

Detailed information in this regard is provided herein below:

i) Annual General Meeting

Date: August 31, 2016

Time: 11:00 a.m.

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

ii) Financial Calendar

Financial reporting for the quarter ending June 30, 2016	On or before August 14, 2016
Financial reporting for the half year ending September 30, 2016	On or before November 14, 2016
Financial reporting for the quarter ending December 31, 2016	On or before February 14, 2017
Financial reporting for the quarter and year ending March 31, 2017	On or before May 30, 2017

iii) Dividend

The Company had declared an interim dividend in its Board Meeting held on March 11, 2016 @275% i.e. ₹ 2.75 per equity share. The said interim dividend was paid to the Shareholders of the Company as on the record date on March 23, 2016.

Unclaimed Dividends

The dividend amount that remains unpaid/ unclaimed for a period of 7 (seven) years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/ unclaimed dividends are due for transfer to IEPF:

Corporate Governance Report

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2008-2009	September 22, 2009	October 28, 2016
2009-2010	September 30, 2010	October 20, 2017
2010-2011	September 28, 2011	October 04, 2018
2011-2012	September 29, 2012	October 05, 2019
2012-2013	September 28, 2013	October 04, 2020
2013-2014	September 11, 2014	October 18, 2021
2014-2015	September 15, 2015	October 22, 2022
2015-2016 (Interim)	March 11, 2016	April 18, 2023

Note: During the year ended March 31, 2016, the Company has transferred unpaid dividend for the Financial Year 2007-08, amounting to ₹ 58,943/- to the IEPF of the Central Government.

iv) 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 2016-17.

v) Stock Code

NSE- RUPA

BSE- 533552

Demat ISIN No. for NSDL and CDSL – INE895B01021

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

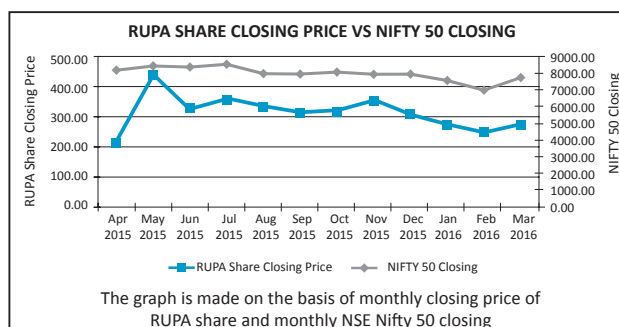
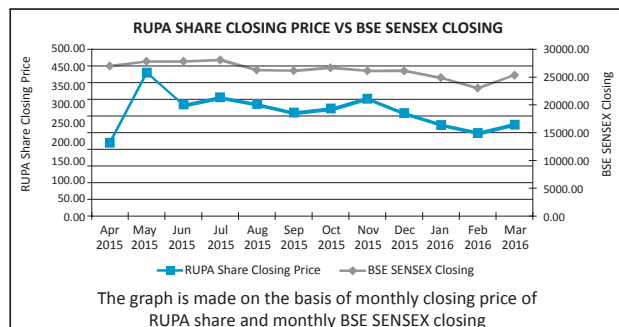
The monthly high and low quotations and volume of shares traded on BSE and NSE during the year are given below-

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, 2015	225.90	206.00	14687	225.00	204.60	11832
May, 2015	429.90	201.10	289185	436.95	205.35	1007182
June, 2015	451.30	300.20	228895	458.00	297.05	736002
July, 2015	391.70	321.00	143840	390.00	327.75	332442
August, 2015	428.00	303.20	144764	428.40	301.00	520481
September, 2015	349.00	305.00	32752	357.30	301.00	109551
October, 2015	356.00	303.00	22334	354.00	291.00	96081
November, 2015	405.00	311.50	121777	404.90	313.50	402535
December, 2015	368.70	284.80	173543	368.00	287.30	544659
January, 2016	313.60	235.00	44063	312.95	229.20	145778
February, 2016	277.90	225.00	26717	277.00	231.15	67702
March, 2016	308.00	245.20	97064	308.00	245.10	318409

Corporate Governance Report

vii) 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
2015-16	+28.83%	-9.36%	+28.02%	-8.86%



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

ix) Registrar and Share Transfer Agents (RTA)

Name: Maheshwari Datamatics Pvt. Ltd.
Address: 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001
Tel: +91-33-2243 5809/ 2248 2248
Fax: +91-33-2248 4787, **E-mail:** mdpldc@yahoo.com

x) Address for correspondence:

RTA	Registered Office
Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2 nd Floor, Kolkata – 700 001 Tel: +91 33 2243 5809/ 2248 2248 Fax: +91 33 2248 4787 E-mail: mdpldc@yahoo.com	Rupa & Company Ltd Metro Tower, 8 th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071 Tel: +91 33 3057 3100, Fax: +91 33 2288 1362 E-mail: cs@rupa.co.in

xi) 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 with the Stock Exchanges, a Practicing Company Secretary audits the transfer process and a Certificate to that effect is issued half yearly as required under Regulation 40(9) of the Listing Regulations. The Company provides investor and depository services through its RTA.

Corporate Governance Report

xii) Distribution of Shareholding as on March 31, 2016

Number of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 500	3,682	89.46	2,77,550	0.35
501 - 1000	155	3.77	1,24,604	0.16
1001 - 2000	108	2.63	1,90,072	0.24
2001 - 3000	30	0.73	79,368	0.10
3001 - 4000	29	0.70	1,10,606	0.14
4001 - 5000	22	0.53	1,07,958	0.13
5001 - 10000	33	0.80	2,76,017	0.35
10001 & above	51	1.38	7,83,58,385	98.53
Total	4110	100.00	7,95,24,560	100.00

Shareholding Pattern as on March 31, 2016

Category	No. of Shares held	% of Share Capital
Promoter's & Promoter's Group Shareholding		
Promoter's & Promoter's Group (Indian)	5,95,86,390	74.93
Sub-total (A)	5,95,86,390	74.93
Non-promoter's Shareholding		
Public Holding – Institutions		
Banks, Financial Institutions, Insurance Companies	5,636	0.01
Foreign Portfolio Investors	1,000	0.00
Sub-total (B)	6,636	0.01
Public Shareholding – Non-Institutions		
Bodies Corporate	1,85,05,567	23.27
Indian Public	13,85,436	1.74
Non Resident Individuals	7,444	0.01
Others	33,087	0.04
Sub-total (C)	1,99,31,534	25.06
GRAND TOTAL (A+B+C)	7,95,24,560	100.00

xiii) Dematerialization of Shares

As on March 31, 2016, 99.36% of the equity shares of the Company have been dematerialized. 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.

Corporate Governance Report

Status of Dematerialization as on March 31, 2016

Particulars	Number of Shares	% to Total Paid-up Capital	Number of Accounts
NSDL	7,73,69,043	97.29	2,365
CDSL	16,48,997	2.07	1,533
Total Dematerialized	7,90,18,040	99.36	3,898
Physical	5,06,520	0.64	212
Grand Total	7,95,24,560	100.00	4,110

xiv) **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.

xv) **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 39 in Notes to the Standalone Financial Statements.

xvi) **Plant Locations**

Jalan Industrial Complex, Bombay Road (National Highway 6) P.O. - Begri, Vill - Biprannapara Howrah – 711 411 (W.B.)	16, Shastri Nagar, 3 rd Street, Angeripalayam Road, Tirupur - 640 602
E-4, Sec. D-1 (P-3), Tronica City, Ghaziabad, Uttar Pradesh – 201 102	284/11, Garvebhavipalya, Hosur Road, Near Saibaba Temple, Bengaluru – 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 40 in Notes to the Financial Statements, forms 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. The same can be accessed at <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/2015/11/Policy_on_Determination_of_Materiality.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 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.

Corporate Governance Report

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 there under, 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, 2016.

The Policy has been uploaded on the website of the Company. The same can be accessed at, <http://rupa.co.in/investors/corporate-governance/whistle-blower-policy/>.

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.

Compliance with 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 prescribed under the Listing Regulations are 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. The same can be accessed at <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 the bank account details.

Demat suspense account/ unclaimed suspense account

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

Corporate Governance Report

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 year ended on March 31, 2016, 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 **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place: Kolkata

Date: May 30, 2016

Membership No.: 58652

Declaration Affirming Compliance with the Code of Conduct

(Regulation 34, read with Schedule V(D) of the SEBI Listing Regulations, 2015)

The Board of Directors

Rupa & Company Ltd

Metro Tower, 8th Floor,

1, Ho Chi Minh Sarani,

Kolkata – 700 071

Respected Sirs/ Ma'am,

I, Kunj Bihari Agarwal, Managing Director of Rupa & Company Ltd, hereby confirm that all Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the Financial Year ended March 31, 2016.

For **Rupa & Company Ltd**

Sd/-

Kunj Bihari Agarwal

Managing Director

DIN: 00224857

Place: Kolkata

Date: May 30, 2016

MD and CFO Certification

The Board of Directors

Rupa & Company Ltd

Metro Tower, 8th Floor,
1, Ho Chi Minh Sarani,
Kolkata - 700 071

We, the undersigned, in our respective capacities as Mr. Kunj Bihari Agarwal, Managing Director and Mr. Neeraj Sureka, Chief Financial Officer of Rupa & Company Ltd, certify to the Board in terms of requirements of Regulation 33 (2)(a) of the SEBI Listing Regulations, 2015, that we have reviewed the Financial Statement and the Cash Flow Statement of the Company for the Financial Year ended March 31, 2016:

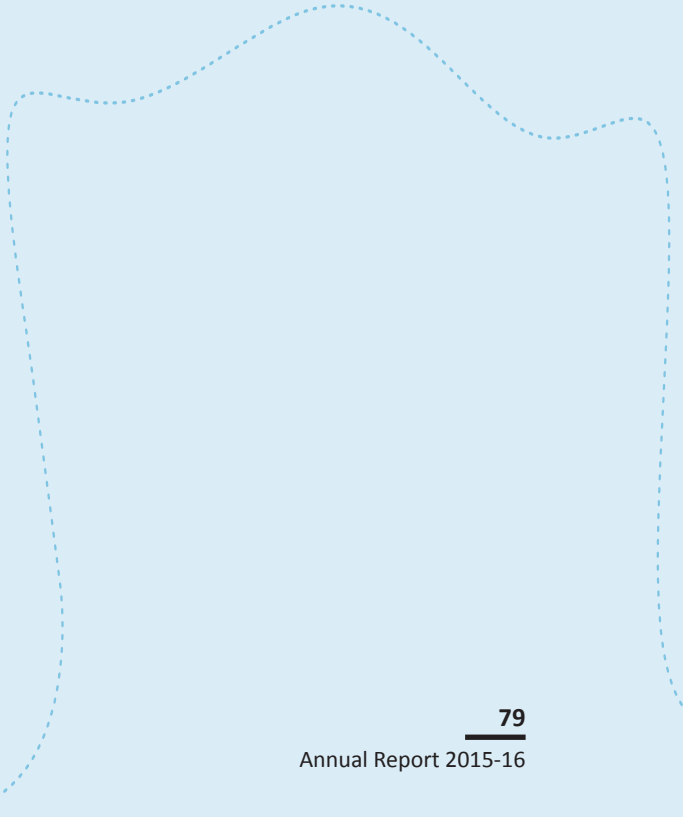
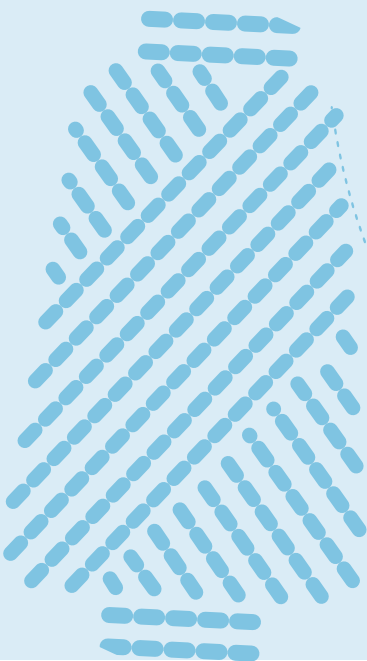
1. To the best of our knowledge and belief, we certify that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
 - c) 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.
2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
3. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in the internal controls over financial reporting during the year;
 - b) significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: May 30, 2016

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Neeraj Sureka
Chief Financial Officer

FINANCIAL STATEMENTS



Independent Auditor's Report

To the Members of
Rupa & Company Limited

Report on the 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, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Tirupur unit.

Management's Responsibility for the 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 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 the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 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 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, 2016, its profit, and its cash flows for the year ended on that date.

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 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report

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 purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (c) The report on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditor has been sent to us and have been properly dealt by us in preparing this report;
- (d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
- (e) 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;
- (f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) 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 2**" to this report;
- (h) 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 11 & 33 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matter

The accompanying financial statements include total assets of ₹ 1,49,26,13,885 as at March 31, 2016, and total revenues and profit before tax of ₹ 1,09,04,62,469 and ₹ 44,64,83,441 for the year ended on that date, in respect of two branches, which have been audited by branch auditors, whose financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates to amounts and disclosures included in respect of these branches is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 30, 2016

Annexure 1 to the Independent Auditor's Report

Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

- (i) (a) The Company has maintained proper records of fixed assets, except for quantitative details which the Company is in the process of updating.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Inventories lying with outside parties have been confirmed by them as at year end.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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 the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. The provisions related to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Demand relating to non-submission of C forms and other documents	44,50,608	2005-06	West Bengal Commercial Taxes Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	Demand relating to non- submission of Local forms and other documents/dispute	11,15,690	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board
The Income Tax Act, 1961	Disallowance of certain expenses	13,29,509	Assessment Year 2009-10 and 2011-12 to 2013-14	Commissioner of Income Tax (Appeals)

Annexure 1 to the Independent Auditor's Report

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions and banks. Further, the Company did not have any dues to government or debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer and debt instruments. Further, term loans were applied for the purposes for which the loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 30, 2016

Annexure 2 to the Independent Auditor's Report

Annexure to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Rupa & Company Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rupa & Company Limited ("the Company") as of March 31, 2016, in conjunction with our audit of the standalone 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. 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 the 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 as specified 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.

An 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 is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls 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 or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 2 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

- (a) The Company's internal control system relating to reconciliation of packing material inventory were not operating effectively which could potentially result in misstatements of packing material inventory and consumption;
- (b) The Company's internal financial controls over timely issuance of purchase orders and their approval were not operating effectively which could potentially result in the Company recording unapproved purchases.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016, 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, and except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

Other Matters

Our report 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 the Company's branches at Tirupur unit, is based on the reports of the branch auditors.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Standalone Financial Statements of Rupa & Company Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 Standalone Financial Statements of Rupa & Company Limited and this report does not affect our report dated May 30, 2016, which expressed an unqualified opinion on those financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 30, 2016

Balance Sheet

as at March 31, 2016

(Amount in ₹)

	Notes	As at March 31, 2016	As at March 31, 2015
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	7,96,29,060	7,96,29,060
Reserves & Surplus	4	3,57,94,58,329	3,06,31,34,376
		3,65,90,87,389	3,14,27,63,436
Non-Current Liabilities			
Long Term Borrowings	5	4,28,88,824	7,53,01,252
Deferred Tax Liabilities (Net)	6	14,56,48,250	14,95,87,743
Other Long Term Liabilities	7	26,90,48,720	23,89,16,997
		45,75,85,794	46,38,05,992
Current Liabilities			
Short Term Borrowings	8	1,38,79,70,943	2,00,13,35,471
Trade Payables	9		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than to micro and small enterprises		85,53,72,175	1,07,36,91,227
Other Current Liabilities	10	36,39,74,069	39,87,14,552
Short Term Provisions	11	4,91,35,622	30,93,60,079
		2,65,64,52,809	3,78,31,01,329
		6,77,31,25,992	7,38,96,70,757
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	1,51,99,76,817	1,33,11,99,087
Intangible Assets	13	92,59,094	30,17,923
Capital Work- in- Progress		6,46,75,130	19,02,60,443
Intangible assets under development		2,31,55,565	-
Non-Current Investments	14	4,13,15,000	4,12,15,000
Long Term Loans & Advances	15	18,63,39,137	14,70,12,535
Other Non Current Assets	16	15,01,328	39,35,405
		1,84,62,22,071	1,71,66,40,393
Current Assets			
Inventories	17	2,99,90,72,180	3,60,76,30,767
Trade Receivables	18	1,72,13,92,014	1,82,75,73,286
Cash & Bank Balances	19	6,48,16,164	5,19,65,093
Short Term Loans & Advances	20	8,08,92,416	10,39,61,151
Other Current Assets	21	6,07,31,147	8,19,00,067
		4,92,69,03,921	5,67,30,30,364
		6,77,31,25,992	7,38,96,70,757
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

Sd/-

P. R. AGARWALA

Chairman

DIN: 00847452

Sd/-

NEERAJ SUREKA

Chief Financial Officer

Sd/-

K. B. AGARWAL

Managing Director

DIN: 00224857

Sd/-

KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

Statement of Profit & Loss

for the year ended March 31, 2016

(Amount in ₹)

	Notes	2015-2016	2014-2015
Revenue			
Revenue From Operations	22	10,13,02,95,623	9,69,06,69,114
Other Income	23	3,77,48,804	4,94,85,610
Total Revenue		10,16,80,44,427	9,74,01,54,724
Expenses			
Cost of materials consumed	24	4,29,90,18,515	5,22,53,75,239
Purchases of traded goods	25	—	14,18,68,850
Decrease/ (Increase) in inventories of Finished Goods, Work -in-progress and traded goods	26	55,29,36,430	(73,67,74,282)
Employee Benefits Expense	27	29,53,56,819	25,90,39,505
Finance Cost	28	18,75,89,255	23,38,09,678
Depreciation & Amortisation expense	29	15,17,03,052	15,06,00,092
Other expenses	30	3,66,97,67,395	3,46,19,06,698
Total Expenses		9,15,63,71,466	8,73,58,25,780
Profit before exceptional items and tax		1,01,16,72,961	1,00,43,28,944
Exceptional Item	31	12,29,99,820	—
Profit before tax		1,13,46,72,781	1,00,43,28,944
Tax Expense			
Current Tax (After adjustment of refund of income tax for earlier years ₹ 28,24,875) (31st March, 2015 Nil)		35,90,75,125	35,48,00,000
Deferred Tax		(39,39,493)	(75,41,433)
Profit for the year		77,95,37,149	65,70,70,377
Earning per Equity Share - Basic and Diluted (Nominal value per equity share ₹ 1)	37	9.80	8.26
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

Sd/-

P. R. AGARWALA

Chairman

DIN: 00847452

Sd/-

NEERAJ SUREKA

Chief Financial Officer

Sd/-

K. B. AGARWAL

Managing Director

DIN: 00224857

Sd/-

KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

Cash Flow Statement

for the year ended March 31, 2016

(Amount in ₹)

	2015-16		2014-15	
A. Cash Flow Arising from Operating Activities				
Profit Before Tax		1,13,46,72,781		1,00,43,28,944
Adjustment to reconcile profit before tax to net cash flows				
(a) Depreciation and Amortisation	15,17,03,052		15,06,00,092	
(b) Finance Cost	18,75,89,255		23,38,09,678	
(c) Loss/(Profit) on disposal of fixed assets (Net)	14,60,967		(11,96,212)	
(d) Bad debts / Advances written off/ Provision for Bad and Doubtful Debts	1,63,72,720		37,57,149	
(e) Unspent Liabilities written back	(2,89,42,590)		(3,00,09,397)	
(f) Dividend Income (Exceptional Item)	(12,29,99,820)		–	
(g) Interest Income	(41,61,134)	20,10,22,450	(1,06,75,262)	34,62,86,048
Operating Profit before Working Capital Changes		1,33,56,95,231		1,35,06,14,992
Changes in Working capital				
(a) Increase in Other Long Term Liabilities	3,01,31,723		2,05,41,750	
(b) Increase/ (Decrease) in Trade Payables	(21,83,19,052)		15,54,61,218	
(c) Increase/ (Decrease) in Other Current Liabilities	(1,24,67,232)		20,86,35,281	
(d) Decrease in Short-term Loans & Advances	2,30,68,735		56,03,484	
(e) Increase/ (Decrease) in Long-term Loans & Advances	36,27,086		(1,10,61,441)	
(f) Increase/ (Decrease) in Inventories	60,85,58,587		(73,78,96,889)	
(g) Increase/ (Decrease) in Trade Receivables	8,98,08,552		(22,70,75,970)	
(h) Decrease in Other Current Assets	2,11,68,920	54,55,77,319	28,92,543	(58,29,00,024)
Cash Generated from Operations		1,88,12,72,550		76,77,14,968
Less : (a) Direct Taxes Paid		(39,13,39,694)		(29,49,83,672)
Net Cash from Operating Activities		1,48,99,32,856		47,27,31,296
B. Cash Flow Arising from Investing Activities				
(a) Sale of Fixed Assets		25,85,000		22,51,273
(b) Interest received		41,61,134		1,06,75,262
(c) Purchase of Fixed Assets		(27,95,25,915)		(21,52,32,408)
(d) Redemption of Fixed Deposits (net)		12,42,323		5,62,014
(e) Dividend received		12,29,99,820		–
(f) Investment in Subsidiary Company		(1,00,000)		–
Net Cash used in Investing Activities		(14,86,37,638)		(20,17,43,859)

Cash Flow Statement

for the year ended March 31, 2016

(Amount in ₹)

	2015-16	2014-15
C. Cash Flow Arising form Financing Activities		
(a) Dividend (including interim dividend) and Tax paid thereon	(50,14,60,582)	(23,25,25,530)
(b) Finance Cost	(18,93,98,357)	(23,63,19,351)
(c) Proceed from Long Term Borrowings	1,93,65,344	1,56,34,586
(d) Repayment of Long Term Borrowings	(4,47,77,778)	(11,77,77,777)
(e) Proceed / (Repayment) of Short Term Borrowings (net)	(61,33,64,528)	29,81,25,904
Net Cash used in Financing Activities	(1,32,96,35,901)	(27,28,62,168)
Net increase/(decrease) in Cash & Cash Equivalent (A+B+C)	1,16,59,317	(18,74,731)
Cash & Cash Equivalents at the beginning of the year #	3,84,85,610	4,03,60,341
Cash & Cash Equivalents at the end of the year #	5,01,44,927	3,84,85,610

as disclosed in Note 19 and includes ₹ 9,45,465 (31st March 2015 : ₹ 10,19,562) lying as unclaimed dividend account, which is not available for use by the Company.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

Sd/-

P. R. AGARWALA

Chairman

DIN: 00847452

Sd/-

NEERAJ SUREKA

Chief Financial Officer

Sd/-

K. B. AGARWAL

Managing Director

DIN: 00224857

Sd/-

KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

Notes to the Financial Statements

as at and for the year ended March 31, 2016

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 Bombay Stock Exchange Ltd. 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 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 fixed assets.

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

Notes to the Financial Statements

as at and for the year ended March 31, 2016

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipment as 10 years. These lives are lower than those indicated in schedule II.

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 & Trade marks	10
Computer software	5

2.5 Borrowing Costs

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

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

2.6 Impairment

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

2.7 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

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

Notes to the Financial Statements

as at and for the year ended March 31, 2016

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.

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.

Notes to the Financial Statements

as at and for the year ended March 31, 2016

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 are 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 forward 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.

2.13 Provisions and Contingent Liabilities

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

Notes to the Financial Statements

as at and for the year ended March 31, 2016

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.

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 Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
3. Share Capital		
Authorised :		
20,00,00,000 (31st March, 2015: 20,00,00,000) Equity Shares of ₹ 1/- each	20,00,00,000	20,00,00,000
Issued :		
7,97,33,560 (31st March, 2015: 7,97,33,560) Equity Shares of ₹ 1/- each	7,97,33,560	7,97,33,560
Subscribed and paid up :		
7,95,24,560 (31st March, 2015: 7,95,24,560) Equity Shares of ₹ 1/- each, fully paid-up	7,95,24,560	7,95,24,560
2,09,000 (31st March, 2015: 2,09,000) Forfeited Shares of ₹ 1/- each ₹ 0.50/- per share paid up	1,04,500	1,04,500
	7,96,29,060	7,96,29,060

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 31st March, 2016, the Company has paid an interim dividend of ₹ 2.75 per share (31st March, 2015 Nil) and proposed final dividend of Nil per share (31st March, 2015: ₹ 2.75 per share).

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

	As at March 31, 2016		As at March 31, 2015	
	No of Shares	%	No of Shares	%
Equity Shares of ₹ 1/- each, fully paid up				
Rajnish Enterprises Ltd.	1,58,21,190	19.89%	1,58,21,190	19.89%
Prahlad Rai Agarwala	90,21,090	11.34%	90,21,090	11.34%
Karuna Impex Enterprises Limited	86,50,000	10.88%	86,50,000	10.88%
Ghanshyam Prasad Agarwala	72,40,910	9.11%	72,40,910	9.11%
Kunj Bihari Agarwal	72,01,080	9.06%	72,01,080	9.06%
Purvanchal Leasing Ltd.	58,07,670	7.30%	58,07,670	7.30%

As per records of the Company, including its register of shareholders/ members as on 31st March, 2016, the above shareholding represents legal ownership of shares.

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
4 Reserves & Surplus		
Capital Subsidy		
Balance as per the last financial statement	60,75,040	60,75,040
General Reserve		
Balance as per the last financial statement	42,31,16,862	32,71,74,041
Add : Transferred from Surplus in Statement of Profit & Loss	–	10,00,00,000
Less : Adjustment for change in useful life of fixed assets (net of deferred taxes)	–	(40,57,179)
Balance as at the end of the year	42,31,16,862	42,31,16,862
Securities Premium Account		
Balance as per the last financial statement	68,80,30,890	68,80,30,890
Surplus in Statement of Profit & Loss		
Balance as per the last financial statement	1,94,59,11,584	1,62,70,14,496
Profit for the year	77,95,37,149	65,70,70,377
Less : Appropriations		
Interim Dividend ₹ 2.75 per share (31st March, 2015: Nil)	21,86,92,540	–
Tax on interim equity dividend	4,45,20,656	–
Proposed final equity dividend Nil per share (31st March, 2015: ₹ 2.75)	–	21,86,92,540
Tax on proposed equity dividend	–	1,94,80,749
Transfer to General Reserve	–	10,00,00,000
Total Appropriations	26,32,13,196	33,81,73,289
Net Surplus in the Statement of Profit & Loss	2,46,22,35,537	1,94,59,11,584
Total Reserves & Surplus	3,57,94,58,329	3,06,31,34,376

(Amount in ₹)

	Non Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
5. Long Term Borrowings				
Secured Term Loans				
Indian Rupee loans from a Bank	4,28,88,824	6,66,66,667	5,17,77,772	3,77,77,778
Unsecured Term Loans				
Indian Rupee loan from a Bank	–	86,34,585	–	70,00,000
	4,28,88,824	7,53,01,252	5,17,77,772	4,47,77,778
Less : Amount disclosed under the head "Other Current Liabilities" (Note 10)	–	–	(5,17,77,772)	(4,47,77,778)
	4,28,88,824	7,53,01,252	–	–

Notes to the Financial Statements

as at and for the year ended March 31, 2016

Term Loan from a bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur Unit. Further, term loan of ₹ 2,77,77,778 (31st March, 2015: ₹ 5,00,00,000) is also secured by personal guarantee of three Directors of the Company.

Term Loan with a balance of ₹ 2,77,77,778 (31st March, 2015: ₹ 5,00,00,000) is repayable in 5 equal quarterly installments of ₹ 55,55,556 by 14th June, 2017 and carries interest @ 12.00% per annum (31st March, 2015: 12.40% per annum).

Term Loan with a balance of ₹ 3,88,88,889 (31st March, 2015: ₹ 5,44,44,445) is repayable in 10 equal quarterly installments of ₹ 38,88,889 by 28th September, 2018 and carries interest @ 12.30% per annum (31st March, 2015: 12.30% per annum).

Term Loan with a balance of ₹ 2,79,99,929 (31st March, 2015: ₹ 1,56,34,585) is repayable in 8 equal quarterly installments of ₹ 35,00,000 by 31st March, 2018 and carries interest @ 11.10% per annum (31st March, 2015: 11.50% per annum). The Loan pending creation of the charge was disclosed as unsecured in the last year.

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
6. Deferred Tax Liabilities		
Deferred Tax Liability		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	14,63,60,032	14,95,87,743
Deferred Tax Asset		
Provision for Doubtful Debts and Advances	7,11,782	—
Net Deferred Tax Liabilities	14,56,48,250	14,95,87,743

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
7. Other Long Term Liabilities		
Security Deposits from Customers	26,90,48,720	23,89,16,997
	26,90,48,720	23,89,16,997

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
8. Short Term Borrowings		
Secured:		
From Banks		
Cash Credit	48,79,70,943	37,13,35,471
Working Capital Demand Loans		
Indian Rupee loans	90,00,00,000	1,63,00,00,000
	1,38,79,70,943	2,00,13,35,471

Cash Credit including Working Capital Demand Loan from banks 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.

Notes to the Financial Statements

as at and for the year ended March 31, 2016

Working Capital Demand Loans are repayable in 16 days to 179 days and carries interest @6.10% to 9.60% p.a. (31st March, 2015: @9.20% p.a. to 10.85% p.a.)

Cash Credit are repayable on demand and carries interest @10.40% to 12.50% p.a. (31st March, 2015: @ 10.50% p.a. to 12.50% p.a.)

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
9. Trade Payables		
Trade payables		
Due to Micro and Small Enterprises (Refer Note 34)	–	–
Due to Others	85,53,72,175	1,07,36,91,227
	85,53,72,175	1,07,36,91,227

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
10. Other Current Liabilities		
Capital Creditors	1,17,65,939	–
Current Maturities of Long Term Borrowings (Refer Note 5)	5,17,77,772	4,47,77,778
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	9,45,465	10,19,562
Advances from customers	14,58,300	5,00,93,725
Interest Accrued but not due on borrowings	2,95,217	21,04,319
Statutory dues payable	8,07,59,500	8,78,69,478
Book overdraft in Current Account	49,54,319	40,88,585
Payable to employees	5,57,03,621	7,34,09,739
Dealers Incentive payable	15,21,63,825	13,04,21,672
Others	41,50,111	49,29,694
	36,39,74,069	39,87,14,552

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
11. Short Term Provisions		
Provision for Income tax (Net of Advance)	3,94,15,117	6,39,46,333
Provision for Litigation, Claims and Contingencies	70,55,399	70,55,399
Provision for Gratuity (Refer Note 35)	26,65,106	1,85,058
Proposed Equity Dividend	–	21,86,92,540
Tax on proposed Equity dividend	–	1,94,80,749
	4,91,35,622	30,93,60,079

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 Financial Statements

as at and for the year ended March 31, 2016

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

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year (Refer Note 33 (d))	70,55,399	70,55,399
Add: Arisen during the year	—	—
Less: Utilised/Unused amount reversed during the year.	—	—
	70,55,399	70,55,399

(Amount in ₹)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Lease Hold						
12. Tangible Assets								
Cost								
As at April 1, 2014	9,68,85,263	1,30,23,384	58,55,18,038	94,68,93,039	5,98,64,127	4,21,54,467	4,10,86,884	1,78,54,25,202
Additions	63,34,928	1,53,93,684	1,26,45,725	1,53,20,997	69,37,199	1,08,77,424	68,52,347	7,43,62,304
Disposals	5,51,010	—	—	—	—	7,72,283	45,400	13,68,693
As at March 31, 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
As at March 31, 2016	11,32,39,269	2,84,17,068	82,19,38,524	1,03,86,16,686	7,03,36,056	6,36,79,699	5,63,07,843	2,19,25,35,145
Depreciation								
As at April 1, 2014	—	6,05,740	6,13,22,692	24,53,37,041	2,85,49,778	1,27,84,875	2,33,47,361	37,19,47,487
Adjusted with opening balance of General Reserve	—	—	—	28,90,317	4,85,265	—	27,70,728	61,46,310
Charge for the year	—	1,51,435	1,38,13,117	11,49,64,573	49,99,404	58,53,493	96,57,537	14,94,39,559
Disposals	—	—	—	—	—	2,99,924	13,706	3,13,630
As at March 31, 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
As at March 31, 2016	—	12,50,175	9,01,01,112	47,83,60,016	3,95,69,500	2,18,50,399	4,14,27,126	67,25,58,328
Net Block								
As at March 31, 2015	10,26,69,181	2,76,59,893	52,30,27,954	59,90,22,105	3,27,66,879	3,39,21,164	1,21,31,911	1,33,11,99,087
As at March 31, 2016	11,32,39,269	2,71,66,893	73,18,37,412	56,02,56,670	3,07,66,556	4,18,29,300	1,48,80,717	1,51,99,76,817

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	Copyrights and Trademarks	Computer Software	Total
13. Intangible Assets			
Cost			
At April 1, 2014	6,50,00,000	2,87,49,892	9,37,49,892
Additions	–	4,12,000	4,12,000
At March 31, 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	6,50,00,000	3,75,16,176	10,25,16,176
Amortisation			
At April 1, 2014	6,50,00,000	2,49,83,436	8,99,83,436
Charge for the year	–	11,60,533	11,60,533
At March 31, 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	6,50,00,000	2,82,57,082	9,32,57,082
Net Block			
At March 31, 2015	–	30,17,923	30,17,923
As at March 31, 2016	–	92,59,094	92,59,094

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
14. Non-Current Investments (Fully Paid up) (At Cost)		
Trade Investments		
Unquoted Equity Shares		
Investment in Subsidiaries		
10,000 (31st March, 2015: 10,000)	1,00,000	1,00,000
Equity Shares of ₹ 10 each in Imoogi Fashions Pvt. Ltd.		
41,00,000 (31st March, 2015: 41,00,000)	4,10,00,000	4,10,00,000
Equity Shares of ₹ 10 each in Euro Fashion Inners International Pvt. Ltd.		
10,000 (31st March, 2015: Nil)	1,00,000	–
Equity Shares of ₹ 10 each in Oban Fashions Pvt. Ltd.		
Investment in Others		
1,500 (31st March, 2015: 1,500)	15,000	15,000
Equity Shares of ₹ 10 each in West Bengal Hosiery Park Infrastructure Limited		
	4,12,15,000	4,11,15,000
Non-Trade Investments		
In Mutual Funds (quoted)		
10,000 (31st March, 2015: 10,000)	1,00,000	1,00,000
Mutual Fund Units of ₹ 10 each in HDFC Large Cap Fund		
	1,00,000	1,00,000
	4,13,15,000	4,12,15,000
Aggregate amount of quoted investments	1,00,000	1,00,000
Market Value of quoted investments	8,19,600	7,34,130
Aggregate amount of unquoted investments	4,12,15,000	4,11,15,000

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
15. Long Term Loans and Advances		
(Unsecured, considered good)		
Capital Advances*	16,55,66,789	12,26,13,101
Security Deposits	2,07,72,348	2,33,99,434
Advances paid under protest	—	10,00,000
	18,63,39,137	14,70,12,535

* Includes advance amounting to ₹ 4,00,92,000 (31st March, 2015: ₹ 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 ₹)

Security deposits includes		
Dues from private companies in which any director is a director	55,40,001	55,40,001

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
16. Other Non Current Assets		
Unsecured, considered good		
Non-Current bank balances (Note 19)	15,01,328	39,35,405
	15,01,328	39,35,405

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
17. Inventories		
(At lower of cost and net realisable value)		
Raw Materials & Packing Materials (Refer Note 24)	28,66,37,943	34,22,60,100
Work in Progress (Refer Note 26)	96,67,55,897	1,18,06,33,093
Finished Goods (Refer Note 26)	1,74,56,78,340	2,07,48,00,313
Traded Goods (Refer Note 26)	—	99,37,261
	2,99,90,72,180	3,60,76,30,767
Note		
The above includes Stock in transit		
Work in Progress	1,23,21,289	74,08,833
Finished Goods	7,64,74,304	9,92,98,290

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
18. Trade Receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered Good	2,32,49,312	2,72,17,393
- Considered Doubtful	20,56,699	—
Less : Provision for bad and doubtful debts	(20,56,699)	—
	2,32,49,312	2,72,17,393
Other receivables		
- Considered Good	1,69,81,42,702	1,80,03,55,893
	1,72,13,92,014	1,82,75,73,286

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
19. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	14,33,501	13,69,167
Balances with Banks		
On current accounts	2,65,99,447	2,94,43,489
On Cash Credit Account	2,11,66,514	66,53,392
Unpaid dividend account	9,45,465	10,19,562
	5,01,44,927	3,84,85,610
Other bank balances (*)		
Deposits with original maturity of more than 3 months but less than 12 months	1,37,51,970	1,26,95,483
Deposits with original maturity of more than 12 months	24,20,595	47,19,405
	1,61,72,565	1,74,14,888
Less: Amount disclosed under "Other Non-Current Assets" (Note 16)	(15,01,328)	(39,35,405)
	1,46,71,237	1,34,79,483
	6,48,16,164	5,19,65,093

(*) Held as lien by bank against bank guarantees

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
20. Short Term Loans & Advances		
Unsecured, considered good		
Advances to Subsidiaries (Refer Note 40)	1,59,15,620	1,60,58,705
Advances recoverable in cash or kind	5,99,45,033	8,48,93,535
Other loans and advances :		
Prepaid Expenses	50,31,763	30,08,911
Total	8,08,92,416	10,39,61,151

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
21. Other Current Assets		
Unsecured, considered good	6,07,31,147	8,19,00,067
Claims & Refund Receivable	6,07,31,147	8,19,00,067

(Amount in ₹)

	2015-2016	2014-2015
22. Revenue		
Revenue from Operations		
Sale of products :		
Finished Goods	9,84,33,41,121	9,32,35,07,987
Semi-Finished Goods	2,94,71,467	14,02,38,436
Sale of Services	21,14,92,331	17,66,99,996
Other Operating Revenue :		
Sale of Power	47,03,844	93,15,219
Scrap sale	1,12,25,247	95,55,578
Sales Tax Subsidy	1,59,21,509	1,45,77,865
Export Incentive	1,41,40,104	1,67,74,033
Revenue from Operations	10,13,02,95,623	9,69,06,69,114

Notes :

Sales are net of discount and rebates amounting to ₹ 73,60,08,131 (31st March, 2015: ₹ 75,16,60,584)

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
Details of product sold :		
Finished Goods Sold		
Hosiery Goods	9,84,33,41,121	9,32,35,07,987
Semi Finished Goods Sold		
Processed Yarn	71,925	59,47,978
Processed Fabric	2,93,99,542	13,42,90,458
	2,94,71,467	14,02,38,436
Details of Services rendered :		
Dyeing, Bleaching & Knitting	21,14,92,331	17,66,99,996
	10,08,43,04,919	9,64,04,46,419

(Amount in ₹)

	2015-2016	2014-2015
23. Other Income		
Interest Income		
on Bank Deposits	27,45,051	14,79,100
on Receivables	14,16,083	91,96,162
Unspent Liabilities written back	2,89,42,590	3,00,09,397
Net Foreign Exchange gain	38,01,090	29,01,048
Profit on disposal of fixed assets (Net)	—	11,96,212
Miscellaneous Income	8,43,990	47,03,691
Total	3,77,48,804	4,94,85,610

(Amount in ₹)

	2015-2016	2014-2015
24. Cost of Materials Consumed		
Opening inventory	34,22,60,100	34,11,37,493
Add : Purchases	4,24,33,96,358	5,22,64,97,846
Less : Inventory at the end of the year	28,66,37,943	34,22,60,100
Cost of raw materials consumed	4,29,90,18,515	5,22,53,75,239
Details of Raw Materials Consumed		
Yarn/Than	2,86,24,28,536	3,72,02,59,029
Packing material, Accessories & Other Material	1,43,65,89,979	1,50,51,16,210
Total	4,29,90,18,515	5,22,53,75,239

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
25. Purchases of Traded goods		
Hosiery Goods	—	13,50,23,052
Garments	—	68,45,798
Total	—	14,18,68,850

(Amount in ₹)

	2015-2016	2014-2015
26. Increase in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Stock at the end of the year:		
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
	2,71,24,34,237	3,26,53,70,667
Stock at the beginning of the year:		
Finished Goods	2,07,48,00,313	1,45,04,80,674
Traded Goods	99,37,261	3,18,09,219
Work in Progress	1,18,06,33,093	1,04,63,06,492
	3,26,53,70,667	2,52,85,96,385
	55,29,36,430	(73,67,74,282)

(Amount in ₹)

Details of inventory :		
Finished Goods :		
Hosiery Goods	1,74,56,78,340	2,07,48,00,313
Traded Goods :		
Garments	—	99,37,261
Work in progress :		
Hosiery Goods	96,67,55,897	1,18,06,33,093

(Amount in ₹)

	2015-2016	2014-2015
27. Employee Benefits Expenses		
Salaries, Wages and Bonus	28,67,16,975	25,28,44,355
Contribution to Provident and Other Funds	35,68,424	22,79,156
Gratuity	27,30,306	18,57,505
Staff Welfare Expenses	23,41,114	20,58,489
Total	29,53,56,819	25,90,39,505

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
28. Finance Cost		
Interest expense	18,08,35,947	22,52,62,759
(Net of Interest Rebate subsidy from Technology Upgradation Fund Scheme ₹ 18,10,503 (31st March, 2015 ₹ 90,91,968)		
Exchange difference to the extent considered as an adjustment to the borrowing cost	—	27,18,288
Bank Charges	67,53,308	58,28,631
Total	18,75,89,255	23,38,09,678

(Amount in ₹)

	2015-2016	2014-2015
29. Depreciation & Amortisation Expense		
Depreciation of Tangible assets	14,95,89,939	14,94,39,559
Amortisation of Intangible assets	21,13,113	11,60,533
Total	15,17,03,052	15,06,00,092

(Amount in ₹)

	2015-2016	2014-2015
30. Other Expenses		
Consumption of stores and spares	65,10,649	73,25,798
Sub-contracting /Job Worker expenses	1,95,74,48,076	1,95,62,67,877
Power & Fuel	10,57,70,583	11,73,73,604
Freight outwards and Forwarding expenses	13,36,56,449	12,72,90,744
Rent	2,52,32,766	2,21,86,772
Rates and taxes	1,32,48,744	64,40,375
Insurance	83,41,807	58,35,019
Repairs and Maintenance :		
- Plant and Machinery	1,63,74,699	1,36,31,904
- Others	1,94,10,173	2,57,21,758
Advertising	79,61,79,619	70,58,13,128
Dealer's Incentive & Sales Promotion	17,61,96,546	14,57,88,910
Business Convention	4,10,65,399	90,50,628
Brokerage	13,69,24,226	12,50,68,566
Travelling and Conveyance	6,43,88,462	5,34,76,079
Communication costs	1,29,46,572	1,32,09,131
Legal and Professional fees	2,76,73,084	2,34,22,220
Directors' Sitting fees	35,37,922	29,05,742
Payment to Auditor (refer note below)	28,22,103	25,40,730
Bad Debts/ advance written off	1,43,16,021	37,57,149

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
30. Other Expenses (Contd.)		
Provision for Bad and Doubtful Debts	20,56,699	
Loss on sale of fixed assets (net)	14,60,967	—
Royalty on Sales	6,84,253	6,98,407
Contribution for CSR activities #	2,27,37,999	1,44,61,000
Miscellaneous expenses	8,07,83,577	7,96,41,157
Total	3,66,97,67,395	3,46,19,06,698

Includes donation of ₹ 46,76,500 (31st March, 2015: ₹ 1,21,40,000)

Note :**Payment to Auditor:****As Statutory Auditor :**

- For Audit Fees	8,00,000	8,00,000
- For Limited Reviews	9,00,000	9,00,000
- For Certification	50,000	1,00,000
- For Others	2,00,000	2,00,000
Out of pocket expenses	15,549	56,542
Service tax	2,84,054	2,54,188

As Branch Auditor :

- For Audit Fees	4,00,000	1,25,000
- For Limited Reviews	1,00,000	75,000
- For Certification	—	5,000
- For Others	—	25,000
Out of pocket expenses	—	—
Service tax	72,500	—
Total	28,22,103	25,40,730

(Amount in ₹)

	2015-2016	2014-2015
31. Exceptional Items		
Dividend Income	12,29,99,820	—

The Company has received and recognised dividend from one of its subsidiaries during the year. Since the subsidiary has ceased its business operations, the Company does not expect recurrence of the said income and hence the same has been considered as exceptional item during the year.

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
32. Capital and other commitments		
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	2,26,95,376	4,05,84,000

(Amount in ₹)

	2015-2016	2014-2015
33. Contingent Liabilities		
a) Demands / claims by various government authorities and others not acknowledged as debts and contested by the government		
Income Tax matters	14,80,370	15,67,760
Sales Tax matters	55,66,298	5,71,14,600
*	70,46,668	5,86,82,360
b) Bank Guarantees outstanding	2,40,67,000	2,47,34,424
c) Letter of Credits issued by the Banks	–	2,58,74,301
d) 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 ₹ 3,24,14,820 (31st March, 2015: ₹ 23,563,135) has not been provided for	3,24,14,820	2,35,63,135

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

34. 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.

35. 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.

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
Statement of profit and loss		
Net employee benefit expense recognized in employee costs		
Current service cost	30,44,158	24,45,795
Interest cost on benefit obligation	14,10,539	12,75,973
Expected return on plan assets	(12,92,678)	(12,92,566)
Net actuarial (gain) / loss recognized in the year	(4,31,713)	(5,71,697)
Net benefit expense	27,30,306	18,57,505
Actual return on plan assets	14,15,173	12,73,490

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Balance sheet		
Net Benefit liability / (asset)		
Present value of defined benefit obligation	1,94,78,667	1,56,88,456
Fair value of plan assets	1,68,13,561	1,55,03,398
Plan asset / (liability)	(26,65,106)	(1,85,058)

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	1,56,88,456	1,26,66,499
Current service cost	30,44,158	24,45,795
Interest cost	14,10,539	12,75,973
Benefits paid	(3,55,268)	(1,09,038)
Actuarial (gains) / losses on obligation	(3,09,218)	(5,90,773)
Closing defined benefit obligation	1,94,78,667	1,56,88,456

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	1,55,03,398	1,32,20,297
Expected return	12,92,678	12,92,566
Contributions by employer	2,50,258	11,18,649
Benefits paid	(3,55,268)	(1,09,038)
Actuarial gains / (losses)	1,22,495	(19,076)
Closing fair value of plan assets	1,68,13,561	1,55,03,398

The Company expects to contribute ₹30,00,000 (₹ 10,00,000) to Gratuity Fund in the next year.

Notes to the Financial Statements

as at and for the year ended March 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
Investments with insurer	100%	100%

The principal assumptions are shown below :

	As at March 31, 2016	As at March 31, 2015
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.00%	9.00%
Withdrawal Rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 8%

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

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	1,94,78,667	1,56,88,456	1,26,66,499	98,53,957	79,09,665
Plan assets	1,68,13,561	1,55,03,398	1,32,20,297	1,16,07,772	90,53,068
Surplus / (deficit)	(26,65,106)	(1,85,058)	5,53,798	17,53,815	11,43,403
Experience (gain) / loss adjustments on plan liabilities	(3,09,218)	(5,90,773)	2,17,320	5,17,104	16,04,862
Experience gain / (loss) adjustments on plan assets	(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, 2016	As at March 31, 2015
Contribution to Provident / Pension Funds	35,68,424	22,79,156

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

36. Operating Lease

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

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Lease payments made for the year	2,52,32,766	2,21,86,772

(Amount in ₹)

	2015-2016	2014-2015
37. Earnings Per Share		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	77,95,37,149	65,70,70,377
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)	9.80	8.26

38. 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 31st March, 2016			For the year ended 31st March, 2015		
	India	Overseas	Total	India	Overseas	Total
Revenue from Operations	9,95,30,26,708	17,72,68,916	10,13,02,95,623	9,46,46,86,715	22,59,82,399	9,69,06,69,114
<u>Carrying amount:</u>						
Segment assets	6,73,41,73,810	3,89,52,182	6,77,31,25,992	7,35,37,85,944	3,58,84,813	7,38,96,70,757
<u>Additions:</u>						
Tangible assets	34,24,13,636	–	34,24,13,636	7,43,62,304	–	7,43,62,304
Intangible assets	83,54,284	–	83,54,284	4,12,000	–	4,12,000

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
39. Unhedged Foreign Currency Exposure		
a) Particulars of unhedged foreign currency exposure as on the balance sheet date, are as follows :		
Trade receivable	3,89,52,182	3,58,84,813
EEFC Bank Account	30,90,261	1,60,33,697

40. Related Party Disclosure

Names of related parties and related party relationship

Related parties where control exists

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

Related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. P.R. Agarwala	Chairman
	Mr. G.P. Agarwala	Vice Chairman
	Mr. K.B. Agarwal	Managing Director
	Mr. Ramesh Agarwal	Executive Director
	Mr. Mukesh Agarwal	Executive Director
	Mr. Arihant Kumar Baid	Executive Director (Additional) (w.e.f. 5th November, 2015)
	Mr. Neeraj Sureka	Chief Financial Officer
	Mr. Sudip Chatterjee	Company Secretary (Upto 21st December, 2015)

Relatives of Key Management Personnel	Mr. Suresh Agarwal	Son of Mr. P.R. Agarwala
	Mr. Manish Agarwal	Son of Mr. G.P. Agarwala
	Mr. Ravi Agarwal	Son of Mr. K.B. Agarwal
	Mr. Vikash Agarwal	Son of Mr. K.B. Agarwal
	Mr. Rajnish Agarwal	Son of Mr. G.P. Agarwala
	Mr. Siddhant Agarwal	Grand-Son of Mr. P.R. Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. P.R. Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. P.R. Agarwala
	Mrs. Puspa Devi Agarwal	Wife of Mr. G.P. Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. K.B. Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. G.P. Agarwala

Notes to the Financial Statements

as at and for the year ended March 31, 2016

Enterprises owned or significantly influenced by key management personnel or their relatives	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.
	Rajnish Enterprises Ltd.
	Purvanchal Leasing Ltd.
	Siddhant Credit Capital Ltd.
	Rupa Dyeing & Printing Pvt Ltd
Private companies in which directors or relatives are director or members	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	2015-2016	2014-2015
Rent	Mr. P.R. Agarwala	Key Management Personnel	2,82,000	2,82,000
	Mr. G.P. Agarwala		1,14,000	1,14,000
	Mr. K.B. Agarwal		48,000	48,000
	Mr. Mukesh Agarwal		1,08,000	1,08,000
	Mr. Manish Agarwal	Relatives of Key Management Personnel	18,000	18,000
	Mr. Rajnish Agarwal		18,000	18,000
	Mrs. Puspa Devi Agarwal		18,000	18,000
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	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		1,20,000	1,20,000
	Others		96,000	96,000

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Salary & Perquisites	Mr. P.R. Agarwala	Key Management Personnel	84,00,000	1,03,38,464
	Mr. G.P. Agarwala		78,00,000	84,14,309
	Mr. K.B. Agarwal		78,00,000	87,51,095
	Mr. Ramesh Agarwal		48,00,000	63,00,000
	Mr. Mukesh Agarwal		48,00,000	63,00,000
	Mr. Arihant Kumar Baid		5,48,722	–
	Mr. Neeraj Sureka		38,65,388	4,33,722
	Mr. Sudip Chaterjee		9,75,728	12,37,582
	Mr. Manish Agarwal	Relatives of Key Management Personnel	48,00,000	42,00,000
	Mr. Ravi Agarwal		48,00,000	42,00,000
	Mr. Vikash Agarwal		48,00,000	42,00,000
	Mr. Rajnish Agarwal		48,00,000	42,00,000
	Mr. Suresh Agarwal		30,00,000	24,00,000
	Mr. Siddhant Agarwal		20,00,000	20,00,000
	Mrs Rekha Patodia		15,70,165	2,56,666
Sales	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	53,38,642	1,19,38,196
Royalty	Euro Fashion Inners International Pvt. Ltd.		6,84,253	6,98,407
Purchases	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	33,09,51,857	36,48,22,537
	Euro Fashion Inners International Pvt. Ltd.		–	22,04,04,818
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	7,63,99,716	7,85,77,674
	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members.	35,49,384	24,91,332
	Salasar Processors Pvt. Ltd.		4,66,24,055	4,22,36,660
	Bajarangbali Textiles Pvt. Ltd.		21,59,522	4,40,522
Miscellaneous Expenses	Metro Towers Office Owners Association		47,55,686	44,58,752
Non-Current Investments made during the year	Oban Fashions Pvt Ltd	Subsidiary Company	1,00,000	–

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Dividend Paid	Mr. P.R. Agarwala	Key Management Personnel	4,42,25,940	2,01,02,700
	Mr. G.P. Agarwala		3,98,25,005	1,81,02,275
	Mr. K.B. Agarwal		4,00,29,000	1,81,95,000
	Others		98,38,290	44,71,950
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	96,54,920	43,88,600
	Mr. Ravi Agarwal		95,84,465	43,56,575
	Mr. Rajnish Agarwal		68,38,535	31,08,425
	Mr. Manish Agarwal		67,79,025	30,81,375
	Mr. Suresh Agarwal		58,66,135	26,66,425
	Others		1,30,91,980	59,50,900
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	8,70,16,545	3,95,52,975
	Purvanchal Leasing Ltd.		3,19,42,185	1,45,19,175
	Others		1,59,50,000	72,50,000

Balance at end of the year

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Other Liabilities (Payable to employees)	Mr. P.R. Agarwala	Key Management Personnel	4,10,390	69,74,033
	Mr. G.P. Agarwala		21,54,329	62,45,587
	Mr. K.B. Agarwal		37,15,355	74,37,706
	Mr. Ramesh Agarwal		37,05,674	50,23,710
	Mr. Mukesh Agarwal		50,78,952	63,54,246
	Mr. Arihant Kumar Baid		1,05,004	—
	Mr. Neeraj Sureka		3,16,024	3,14,375
	Mr. Manish Agarwal	Relatives of Key Management Personnel	74,11,527	73,89,105
	Mr. Rajnish Agarwal		34,14,270	54,81,207
	Mr. Ravi Agarwal		14,23,907	2,78,235
	Mr. Vikash Agarwal		10,40,195	35,23,036
	Mr. Suresh Agarwal		92,188	7,79,524
	Mr. Siddhant Agarwal		7,98,822	15,05,723
	Mrs. Rekha Patodia		2,37,220	1,41,438

Notes to the Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Trade Payables	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	9,04,723	15,56,20,733
	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	1,85,10,676	54,70,074
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members.	70,54,036	76,73,363
	Bajrangbali Textiles Pvt. Ltd.		26,57,865	5,41,533
	Metro Towers Office Owners Association		4,02,342	—
Trade Receivables	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members.	2,22,281	43,10,168
Advance recoverable in cash or in Kind	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	1,42,12,020	1,60,58,705
	Oban Fashions Pvt Ltd		17,03,600	—
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. P.R.Agarwala	Key Management Personnel	5,00,00,000	5,00,00,000
	Mr. G.P.Agarwala		5,00,00,000	5,00,00,000
	Mr. K.B.Agarwal		5,00,00,000	5,00,00,000

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 Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016		2014-2015	
	Consumption %	Value	Consumption %	Value
41. Imported and Indigenous Raw Material and Stores & Spares Consumed				
<u>Raw Materials</u>				
Indigenous	100%	4,29,90,18,515	100%	5,22,53,75,239
	100%	4,29,90,18,515	100%	5,22,53,75,239
<u>Stores and spares</u>				
Indigenous	100%	65,10,649	100%	73,25,798
	100%	65,10,649	100%	73,25,798

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

(Amount in ₹)

	2015-2016	2014-2015
42. CIF Value of Imports		
Capital Goods	3,22,89,096	2,97,51,359

(Amount in ₹)

	2015-2016	2014-2015
43. Expenditure in Foreign Currency (On Accrual Basis)		
Finance Charges	5,36,571	21,61,416
Professional Fee	1,16,352	81,050
Advertisement	15,74,731	47,02,927

(Amount in ₹)

	2015-2016	2014-2015
44. Earnings in Foreign Currency (On Accrual Basis)		
Exports (FOB value)	17,72,68,916	22,59,82,399

45. Previous year figures including those given in brackets have been regrouped/re-arranged wherever necessary.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

Sd/-

P. R. AGARWALA

Chairman

DIN: 00847452

Sd/-

NEERAJ SUREKA

Chief Financial Officer

Sd/-

K. B. AGARWAL

Managing Director

DIN: 00224857

Sd/-

KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

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, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of 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 with the requirement of the Companies Act, 2013 (“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 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 companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters 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 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, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act and of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (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 its consolidated financial position of the Group – Refer Note 11 and 32 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in 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.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 1,59,02,63,514 as at March 31, 2016, and total revenues and net cash inflows of ₹ 1,10,85,05,887 and ₹ 1,06,10,614 for the year ended on that date, in respect of 3 subsidiaries and certain branches of the Holding Company, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and branches, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and branches, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, 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 and other financial information certified by the Management.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 30, 2016

Annexure 1 to the Independent Auditor's Report

Annexure 1 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Rupa & Company Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Rupa & Company Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Rupa & Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal financial 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 the respective 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 Act.

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

Annexure 1 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.

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of its subsidiary companies and certain branches, which are companies incorporated in India, the following material weaknesses have been identified as at March 31, 2016:

- (a) The Holding Company's internal control system relating to reconciliation of packing material inventory were not operating effectively which could potentially result in misstatements of packing material inventory and consumption;
- (b) The Holding Company's internal financial controls over timely issuance of purchase orders and their approval were not operating effectively which could potentially result in the Company recording unapproved purchases.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company, its subsidiaries and certain branches, which are incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding 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, and except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Holding Company, its subsidiaries and certain branches, which are companies incorporated in India as of March 31, 2016.

Other Matters

Our report 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 these three subsidiary companies and certain branches, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 30, 2016 expressed unmodified opinion.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 30, 2016

Consolidated Balance Sheet

as at March 31, 2016

(Amount in ₹)

	Notes	As at March 31, 2016	As at March 31, 2015
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	7,96,29,060	7,96,29,060
Reserves & Surplus	4	3,59,46,38,752	3,19,85,73,100
		3,67,42,67,812	3,27,82,02,160
Non-Current Liabilities			
Long Term Borrowings	5	4,28,88,824	7,53,01,252
Deferred Tax Liabilities (Net)	6	14,94,41,902	15,32,87,599
Other Long Term Liabilities	7	26,90,48,720	23,89,17,747
		46,13,79,446	46,75,06,598
Current Liabilities			
Short Term Borrowings	8	1,38,79,70,943	2,00,13,35,471
Trade Payables	9		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than to micro and small enterprises		87,08,02,103	93,26,73,115
Other Current Liabilities	10	36,77,25,930	40,18,77,225
Short Term Provisions	11	5,15,13,762	34,08,92,746
		2,67,80,12,738	3,67,67,78,557
		6,81,36,59,996	7,42,24,87,315
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	1,55,02,34,519	1,36,20,61,564
Intangible Assets	13	93,60,878	31,17,832
Capital Work-in-Progress		6,46,75,130	19,02,60,443
Intangible assets under development		2,31,55,565	-
Non-Current Investments	14	1,18,000	1,18,000
Long Term Loans & Advances	15	19,59,54,137	15,66,27,535
Other Non Current Assets	16	15,01,328	39,35,405
		1,84,49,99,557	1,71,61,20,779
Current Assets			
Inventories	17	3,02,03,78,840	3,63,11,05,456
Trade Receivables	18	1,72,46,50,453	1,83,35,13,867
Cash & Bank Balances	19	9,22,70,568	6,87,77,335
Short Term Loans & Advances	20	7,06,29,432	9,10,69,811
Other Current Assets	21	6,07,31,147	8,19,00,067
		4,96,86,60,440	5,70,63,66,536
		6,81,36,59,996	7,42,24,87,315
Summary of Significant Accounting Policies	2		

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

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

Sd/-

P. R. AGARWALA

Chairman

DIN: 00847452

Sd/-

NEERAJ SUREKA

Chief Financial Officer

Sd/-

K. B. AGARWAL

Managing Director

DIN: 00224857

Sd/-

KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

Statement of Consolidated Profit & Loss

for the year ended March 31, 2016

(Amount in ₹)

	Notes	2015-2016	2014-2015
Revenue			
Revenue From Operations	22	10,14,83,39,040	9,72,59,91,061
Other Income	23	3,77,95,691	5,03,98,511
Total Revenue		10,18,61,34,731	9,77,63,89,572
Expenses			
Cost of materials consumed	24	4,29,96,50,265	5,17,62,96,919
Purchases of traded goods	25	—	68,45,798
(Increase)/Decrease in inventories of Finished Goods, Work-in-progress and traded goods	26	55,53,70,835	(56,50,14,807)
Employee Benefits Expense	27	29,68,34,708	25,99,63,385
Finance Cost	28	18,78,11,466	23,53,83,967
Depreciation & Amortisation expense	29	15,23,98,852	15,13,18,025
Other expenses	30	3,67,55,69,950	3,47,04,91,897
Total Expenses		9,16,76,36,076	8,73,52,85,184
Profit before Tax		1,01,84,98,655	1,04,11,04,388
Tax Expense			
Current Tax [Including ₹ 8,90,379 (31st March, 2015: ₹ 1,10,000) for earlier years) and after adjustment of refund of income tax for earlier years ₹ 28,24,875) (31st March, 2015 Nil)]		36,30,65,504	36,66,47,630
Deferred Tax		(38,45,697)	(72,09,581)
Profit for the year		65,92,78,848	68,16,66,339
Earning per Equity Share - Basic and Diluted (Nominal value per equity share ₹ 1)	38	8.29	8.57
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

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Executive Director

DIN: 02415004

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(Amount in ₹)

	2015-16	2014-15
A. Cash Flow Arising from Operating Activities		
Profit Before Tax	1,01,84,98,655	1,04,11,04,388
Adjustment to reconcile profit before tax to net cash flows		
(a) Depreciation and Amortisation	15,23,98,852	15,13,18,025
(b) Finance Cost	18,78,11,466	23,53,83,967
(c) Loss/(Profit) on disposal of fixed assets (Net)	14,60,967	(11,96,212)
(d) Bad debts / Advances written off/ Provision for Bad and Doubtful Debts	1,63,72,720	39,24,717
(e) Unspent Liabilities written back	(2,89,89,477)	(3,08,19,316)
(f) Interest Income	(41,61,134)	(1,07,12,703)
Operating Profit before Working Capital Changes	1,34,33,92,049	1,38,90,02,866
Changes in Working capital		
(a) Increase in Other Long Term Liabilities	3,01,30,973	1,65,27,847
(b) Decrease in Trade Payables	(6,18,71,012)	(36,16,444)
(c) Increase / (Decrease) in Other Current Liabilities	(1,18,31,158)	20,56,35,929
(d) (Increase) / Decrease in Short-term Loans & Advances	2,04,40,379	(83,40,855)
(e) (Increase) / Decrease in Long-term Loans & Advances	36,27,086	(1,10,61,441)
(f) (Increase) / Decrease in Inventories	61,07,26,616	(53,42,20,223)
(g) (Increase) / Decrease in Trade Receivables	9,24,90,693	(20,46,70,084)
(h) Decrease in Other Current Assets	2,11,68,920	70,48,82,497
Cash Generated from Operations	2,04,82,74,546	85,21,50,138
Less : (a) Direct Taxes Paid	(39,94,44,689)	(30,71,18,635)
Net Cash from Operating Activities	1,64,88,29,857	54,50,31,503
B. Cash Flow Arising from Investing Activities		
(a) Sale of Fixed Assets	25,85,000	22,51,274
(b) Interest received	41,61,134	1,07,12,703
(c) Purchase of Fixed Assets	(27,96,18,817)	(21,67,47,408)
(d) Redemption of Fixed Deposits (net)	12,42,323	5,62,014
Net Cash used in Investing Activities	(27,16,30,360)	(20,32,21,417)
C. Cash Flow Arising from Financing Activities		
(a) Dividend (including interim dividend) and Tax paid thereon	(52,65,00,488)	(23,25,25,530)
(b) Finance Cost	(18,96,20,568)	(23,78,93,639)
(c) Proceed from Long Term Borrowings	1,93,65,344	1,56,34,586
(d) Repayment of Long Term Borrowings	(4,47,77,778)	(11,77,77,777)
(e) Proceed / (Repayment) of ShortTerm Borrowings (net)	(61,33,64,528)	24,13,43,703
Net Cash used in Financing Activities	(1,35,48,98,018)	(33,12,18,657)
Net increase in Cash & Cash Equivalent (A+B+C)	2,23,01,479	1,05,91,429
Cash & Cash Equivalents at the beginning of the year #	5,52,97,852	4,47,06,423
Cash & Cash Equivalents at the end of the year #	7,75,99,331	5,52,97,852

as disclosed in Note 19 and includes ₹ 9,45,465 (31st March 2015 : ₹ 10,19,562) lying as unclaimed dividend account, which is not available for use by the Company.

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

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P. R. AGARWALA

Chairman

DIN: 00847452

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Chief Financial Officer

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K. B. AGARWAL

Managing Director

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KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

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:

- 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".
- 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.
- The subsidiary companies considered in the financial statements are as follows:

Name	% of Voting power as on 31.03.2016	% of Voting power as on 31.03.2015	Country of Incorporation
Euro Fashion Inners International Pvt. Ltd.	100%	100%	India
Imoogi Fashions Pvt. Ltd.	100%	100%	India
Oban Fashions Pvt. Ltd.*	100%	—	India

* Incorporated during the year

- 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.
- 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, 2016.

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.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

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 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 fixed assets.

Class of Assets	Useful lives estimated by the management (Years)
Factory Buildings	30
Non-factory Buildings	60
Plant and Equipments	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 equipment as 10 years. These lives are lower than those indicated in schedule II.

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 & Trade marks	10
Computer software	5

2.5 Borrowing Costs

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

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

2.6 Impairment

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

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

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 Statements

as at and for the year ended March 31, 2016

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 Statements

as at and for the year ended March 31, 2016

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

2.13 Provisions and Contingent Liabilities

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

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

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 Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
3. Share Capital		
Authorised:		
20,00,00,000 (31st March, 2015: 20,00,00,000) Equity Shares of ₹ 1/- each	20,00,00,000	20,00,00,000
Issued:		
7,97,33,560 (31st March, 2015: 7,97,33,560) Equity Shares of ₹ 1/- each	7,97,33,560	7,97,33,560
Subscribed and paid up:		
7,95,24,560 (31st March, 2015: 7,95,24,560) Equity Shares of ₹ 1/- each, fully paid-up	7,95,24,560	7,95,24,560
2,09,000 (31st March, 2015: 2,09,000) Forfeited Shares of ₹ 1/- each ₹ 0.50/- per share paid up	1,04,500	1,04,500
	7,96,29,060	7,96,29,060

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 31st March, 2016, the Company has paid an interim dividend of ₹ 2.75 per share (31st March, 2015 Nil) and proposed final dividend of Nil per share (31st March, 2015: ₹ 2.75 per share)

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

	As at March 31, 2016		As at March 31, 2015	
	No of Shares	%	No of Shares	%
<u>Equity Shares of ₹ 1/- each, fully paid up</u>				
Rajnish Enterprises Ltd.	1,58,21,190	19.89%	1,58,21,190	19.89%
Prahlad Rai Agarwala	90,21,090	11.34%	90,21,090	11.34%
Karuna Impex Enterprises Limited	86,50,000	10.88%	86,50,000	10.88%
Ghanshyam Prasad Agarwala	72,40,910	9.11%	72,40,910	9.11%
Kunj Bihari Agarwal	72,01,080	9.06%	72,01,080	9.06%
Purvanchal Leasing Ltd.	58,07,670	7.30%	58,07,670	7.30%

As per records of the Company, including its register of shareholders / members as on 31st March, 2016, the above shareholding represents legal ownership of shares.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
4 Reserves & Surplus		
Capital Subsidy		
Balance as per the last financial statement	60,75,040	60,75,040
General Reserve		
Balance as per the last financial statement	42,31,16,862	32,71,74,041
Add: Transferred from Surplus in Statement of Profit & Loss	—	10,00,00,000
Less: Adjustment for change in useful life of fixed assets (net of deferred taxes)	—	(40,57,179)
Balance as at the end of the year	42,31,16,862	42,31,16,862
Securities Premium Account		
Balance as per the last financial statement	68,80,30,890	68,80,30,890
Surplus in Statement of Profit & Loss		
Balance as per the last financial statement	2,08,13,50,308	1,76,28,97,164
Profit for the year	65,92,78,848	68,16,66,339
Less : Appropriations		
Interim Dividend ₹ 2.75 per share (31st March, 2015: Nil)	21,86,92,540	
Tax on interim equity dividend	4,45,20,656	
Proposed final equity dividend Nil per share (31st March, 2015: ₹ 2.75)	—	21,86,92,540
Tax on proposed equity dividend	—	4,45,20,655
Transfer to General Reserve	—	10,00,00,000
Total Appropriations	26,32,13,196	36,32,13,195
Net Surplus in the Statement of Profit & Loss	2,47,74,15,960	2,08,13,50,308
Total Reserves & Surplus	3,59,46,38,752	3,19,85,73,100

(Amount in ₹)

	Non Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
5. Long Term Borrowings				
Secured Term Loans				
Indian Rupee loans from a Bank	4,28,88,824	6,66,66,667	5,17,77,772	3,77,77,778
Unsecured Term Loans				
Indian Rupee loan from a Bank		86,34,585		70,00,000
	4,28,88,824	7,53,01,252	5,17,77,772	4,47,77,778
Less : Amount disclosed under the head "Other Current Liabilities" (Note 10)	—	—	(5,17,77,772)	(4,47,77,778)
	4,28,88,824	7,53,01,252	—	—

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

Term Loan from a bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur Unit. Further, term loan of ₹ 2,77,77,778 (31st March, 2015: ₹ 5,00,00,000) is also secured by personal guarantee of three Directors of the Company.

Term Loan with a balance of ₹ 2,77,77,778 (31st March, 2015: ₹ 5,00,00,000) is repayable in 5 equal quarterly installments of ₹ 55,55,556 by 14th June, 2017 and carries interest @ 12.00% per annum (31st March, 2015: 12.40% per annum).

Term Loan with a balance of ₹ 3,88,88,889 (31st March, 2015: ₹ 5,44,44,445) is repayable in 10 equal quarterly installments of ₹ 38,88,889 by 28th September, 2018 and carries interest @ 12.30% per annum (31st March, 2015: 12.30% per annum).

Term Loan with a balance of ₹ 2,79,99,929 (31st March, 2015: ₹ 1,56,34,585) is repayable in 8 equal quarterly installments of ₹ 35,00,000 by 31st March, 2018 and carries interest @ 11.10% per annum (31st March, 2015: 11.50% per annum). The Loan pending creation of the charge was disclosed as unsecured in the last year.

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
6. Deferred Tax Liabilities		
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	15,01,53,684	15,32,87,599
Deferred Tax Asset		
Provision for Doubtful Debts and Advances	7,11,782	—
Net Deferred Tax Liabilities	14,94,41,902	15,32,87,599

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
7. Other Long Term Liabilities		
Security Deposits from Customers	26,90,48,720	23,89,17,747
	26,90,48,720	23,89,17,747

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
8. Short Term Borrowings		
Secured:		
From Banks		
Cash Credit	48,79,70,943	37,13,35,471
Working Capital Demand Loans		
Indian Rupee loans	90,00,00,000	1,63,00,00,000
	1,38,79,70,943	2,00,13,35,471

Cash Credit including Working Capital Demand Loan from banks 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.

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

Working Capital Demand Loans are repayable in 16 days to 179 days and carries interest @6.10% to 9.60% p.a. (31st March, 2015: @9.20% p.a. to 10.85% p.a.)

Cash Credit are repayable on demand and carries interest @10.40% to 12.50% p.a. (31st March, 2015: @ 10.50% p.a. to 12.50% p.a.)

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
9. Trade Payables		
Trade payables		
Due to Micro and Small Enterprises (Refer Note 33)	—	—
Due to Others	87,08,02,103	93,26,73,115
	87,08,02,103	93,26,73,115

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
10. Other Current Liabilities		
Capital Creditors	1,17,65,939	—
Current Maturities of Long Term Borrowings (Refer Note 5)	5,17,77,772	4,47,77,778
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	9,45,465	10,19,562
Advances from customers	18,13,088	5,03,95,868
Interest Accrued but not due on borrowings	2,95,217	21,04,319
Statutory dues payable	8,09,84,411	8,81,67,052
Book overdraft in Current Account	49,54,319	40,88,585
Payable to employees	5,57,03,621	7,34,09,739
Dealers Incentive payable	15,21,63,825	13,04,21,672
Others	73,22,273	74,92,650
	36,77,25,930	40,18,77,225

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
11. Short Term Provisions		
Provision of Income tax (Net of Advance)	4,17,93,257	7,04,39,094
Provision for Litigation, Claims and Contingencies	70,55,399	70,55,399
Provision for Gratuity (Refer Note 34)	26,65,106	1,85,058
Proposed Equity Dividend	—	21,86,92,540
Tax on proposed Equity dividend	—	4,45,20,655
	5,15,13,762	34,08,92,746

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

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, 2016	As at March 31, 2015
At the beginning of the year [Refer note 32 (d)]	70,55,399	70,55,399
Add: Arisen during the year	—	—
Less: Utilised/Unused amount reversed during the year.	—	—
	70,55,399	70,55,399

(Amount in ₹)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Lease Hold						
12. Tangible Assets								
Cost								
As at April 1, 2014	10,15,73,783	1,30,23,384	61,26,43,346	94,91,25,212	5,99,60,388	4,28,63,508	4,14,34,136	1,82,06,23,757
Additions	63,34,928	1,53,93,684	1,26,45,725	1,53,20,997	69,37,199	1,08,77,424	68,52,347	7,43,62,304
Disposals	5,51,010	—	—	—	—	7,72,283	45,400	13,68,693
As at March 31, 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
As at March 31, 2016	11,79,27,789	2,84,17,068	84,90,63,832	1,04,08,48,859	7,04,32,317	6,43,88,740	5,66,95,995	2,22,77,74,600
Depreciation								
As at April 1, 2014	—	6,05,740	6,35,25,417	24,59,06,990	2,85,74,129	1,33,08,697	2,36,94,613	37,56,15,586
Adjusted with opening balance of General Reserve (Refer Note 2.2)	—	—	—	28,90,317	4,85,265	—	27,70,728	61,46,310
Charge for the year	—	1,51,435	1,42,41,421	11,51,37,357	50,10,919	59,08,869	96,57,537	15,01,07,538
Disposals	—	—	—	—	—	2,99,924	13,706	3,13,630
As at March 31, 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	78,10,352	56,65,419	15,02,35,614
Disposals	—	—	—	—	—	42,51,337	—	42,51,337
As at March 31, 2016	—	12,50,175	9,31,60,445	47,92,61,639	3,96,16,574	2,24,76,657	4,17,74,591	67,75,40,081
Net Block								
As at March 31, 2015	10,73,57,701	2,76,59,893	54,75,22,233	60,05,11,545	3,28,27,274	3,40,51,007	1,21,31,911	1,36,20,61,564
As at March 31, 2016	11,79,27,789	2,71,66,893	75,59,03,387	56,15,87,220	3,08,15,743	4,19,12,083	1,49,21,404	1,55,02,34,519

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	Copyrights and Trademarks	Computer Software	Total
13. Intangible Assets			
Cost			
At April 1, 2014	6,55,00,000	2,87,49,892	9,42,49,892
Additions	-	4,12,000	4,12,000
At March 31, 2015	6,55,00,000	2,91,61,892	9,46,61,892
Additions	-	84,06,284	84,06,284
At March 31, 2016	6,55,00,000	3,75,68,176	10,30,68,176
Amortisation			
At April 1, 2014	6,53,50,137	2,49,83,436	9,03,33,573
Charge for the year	49,954	11,60,533	12,10,487
At March 31, 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
At March 31, 2016	6,54,50,045	2,82,57,253	9,37,07,298
Net Block			
At March 31, 2015	99,909	30,17,923	31,17,832
At March 31, 2016	49,955	93,10,923	93,60,878

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
14. Non-Current Investments (Fully Paid up) (At Cost)		
Trade Investments		
Unquoted Equity Shares		
Investment in Others		
1,800 (31st March, 2015: 1,800)	18,000	18,000
Equity Shares of ₹ 10 each in West Bengal Hosiery Park Infrastructure Limited	18,000	18,000
Non-Trade Investments		
In Mutual Funds (quoted)		
10,000 (31st March, 2015: 10,000)	1,00,000	1,00,000
Mutual Fund Units of ₹ 10 each in HDFC Large Cap Fund	1,00,000	1,00,000
	1,18,000	1,18,000
Aggregate amount of quoted investments	1,00,000	1,00,000
Market Value of quoted investments	8,19,600	7,34,130
Aggregate amount of unquoted investments	18,000	18,000

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
15. Long Term Loans and Advances		
(Unsecured, considered good)		
Capital Advances*	17,51,81,789	13,22,28,101
Security Deposits	2,07,72,348	2,33,99,434
Advances paid under protest	—	10,00,000
	19,59,54,137	15,66,27,535

* Includes advance amounting to ₹ 4,00,92,000 (31st March, 2015: ₹ 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 ₹)

Security deposits includes		
Dues from private companies in which any director is a director	55,40,000	55,40,000

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
16. Other Non Current Assets		
Unsecured, considered good		
Non-Current bank balances (Note 19)	15,01,328	39,35,405
	15,01,328	39,35,405

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
17. Inventories		
(At lower of cost and net realisable value)		
Raw Materials & Packing Materials (Refer Note 24)	29,55,39,088	35,08,94,869
Work in Progress (Refer Note 26)	96,78,05,247	1,18,20,71,563
Finished Goods (Refer Note 26)	1,75,70,34,505	2,08,82,01,763
Traded Goods (Refer Note 26)	—	99,37,261
	3,02,03,78,840	3,63,11,05,456
Note		
The above includes Stock in transit		
Work in Progress	1,23,21,289	74,08,833
Finished Goods	7,64,74,304	9,92,98,290

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
18. Trade Receivables		
Unsecured, considered good		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered Good	2,33,45,440	2,73,13,522
- Considered Doubtful	20,56,699	—
Less : Provision for bad and doubtful debts	(20,56,699)	—
	2,33,45,440	2,73,13,522
Other receivables		
- Considered Good	1,70,13,05,013	1,80,62,00,345
	1,72,46,50,453	1,83,35,13,867

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
19. Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	14,88,574	14,27,899
Balances with Banks		
On current accounts	5,39,98,778	4,61,96,999
On Cash Credit Account	2,11,66,514	66,53,392
Unpaid dividend account	9,45,465	10,19,562
	7,75,99,331	5,52,97,852
Other bank balances (*)		
Deposits with original maturity of more than 3 months but less than 12 months	1,37,51,970	1,26,95,483
Deposits with original maturity of more than 12 months	24,20,595	47,19,405
	1,61,72,565	1,74,14,888
Less : Amount disclosed under "Other Non-Current Assets" (Note 16)	(15,01,328)	(39,35,405)
	1,46,71,237	1,34,79,483
	9,22,70,568	6,87,77,335

(*) Held as lien by bank against bank guarantees

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
20. Short Term Loans & Advances		
Unsecured, considered good		
Advances recoverable in cash or kind	6,55,97,669	8,80,60,900
Other loans and advances :		
Prepaid Expenses	50,31,763	30,08,911
Total	7,06,29,432	9,10,69,811

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
21. Other Current Assets		
Unsecured, considered good	6,07,31,147	8,19,00,067
Claims & Refund Receivable	6,07,31,147	8,19,00,067

(Amount in ₹)

	2015-2016	2014-2015
22. Revenue		
Revenue from Operations		
Sale of products :		
Finished Goods	9,86,67,23,180	9,36,40,32,405
Semi-Finished Goods	2,41,32,825	13,50,35,965
Sale of Services	21,14,92,331	17,66,99,996
Other Operating Revenue :		
Sale of Power	47,03,844	93,15,219
Scrap sale	1,12,25,247	95,55,578
Sales Tax Subsidy	1,59,21,509	1,45,77,865
Export Incentive	1,41,40,104	1,67,74,033
Revenue from Operations	10,14,83,39,040	9,72,59,91,061

Notes :

Sales are net of discount and rebates amounting to ₹ 73,60,08,130 (31st March, 2015: ₹ 75,16,60,584)

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
23. Other Income		
Interest Income		
on Bank Deposits	27,45,051	14,79,100
on Receivables	14,16,083	92,33,603
Unspent Liabilities written back	2,89,89,477	3,08,19,316
Net Foreign Exchange gain	38,01,090	29,01,048
Profit on disposal of fixed assets (Net)	—	11,96,212
Miscellaneous Income	8,43,990	47,69,232
Total	3,77,95,691	5,03,98,511

(Amount in ₹)

	2015-2016	2014-2015
24. Cost of Materials Consumed		
Opening inventory	35,08,94,869	38,16,89,453
Add : Purchases	4,24,42,94,484	5,14,55,02,335
Less : Inventory at the end of the year	29,55,39,088	35,08,94,869
Cost of raw materials consumed	4,29,96,50,265	5,17,62,96,919

(Amount in ₹)

	2015-2016	2014-2015
25. Purchases of Traded goods		
Garments	—	68,45,798
Total	—	68,45,798

(Amount in ₹)

	2015-2016	2014-2015
26. Increase in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Stock at the end of the year:		
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
	2,72,48,39,752	3,28,02,10,587
Stock at the beginning of the year:		
Finished Goods	2,08,82,01,763	1,59,30,64,705
Traded Goods	99,37,261	3,18,09,219
Work in Progress	1,18,20,71,563	1,09,03,21,856
	3,28,02,10,587	2,71,51,95,780
	55,53,70,835	(56,50,14,807)

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
27. Employee Benefits Expenses		
Salaries, Wages and Bonus	28,81,94,864	25,37,68,235
Contribution to Provident and Other Funds	35,68,424	22,79,156
Gratuity	27,30,306	18,57,505
Staff Welfare Expenses	23,41,114	20,58,489
Total	29,68,34,708	25,99,63,385

(Amount in ₹)

	2015-2016	2014-2015
28. Finance Cost		
Interest expense	18,10,12,197	22,68,03,693
(Net of Interest Rebate subsidy from Technology Upgradation Fund Scheme ₹ 18,10,503 (31st March, 2015 ₹ 90,91,968)		
Exchange difference to the extent considered as an adjustment to the borrowing cost	—	27,18,288
Bank Charges	67,99,269	58,61,986
Total	18,78,11,466	23,53,83,967

(Amount in ₹)

	2015-2016	2014-2015
29. Depreciation & Amortisation Expense		
Depreciation of Tangible assets	15,02,35,614	15,01,07,538
Amortisation of Intangible assets	21,63,238	12,10,487
Total	15,23,98,852	15,13,18,025

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
30. Other Expenses		
Consumption of stores and spares	65,10,649	73,25,798
Sub-contracting /Job Worker expenses	1,95,94,52,431	1,96,19,12,662
Power & Fuel	10,57,70,583	11,73,73,604
Freight outwards and Forwarding expenses	13,36,57,048	12,22,43,581
Rent	2,52,32,766	2,21,86,772
Rates and taxes	1,35,21,745	65,16,980
Insurance	83,88,832	58,35,019
Repairs and Maintenance :		
- Plant and Machinery	1,63,74,699	1,36,31,904
- Others	1,94,10,173	2,57,21,758
Advertising	79,71,40,415	70,55,92,747
Dealer's Incentive & Sales Promotion	17,61,96,546	14,57,88,910
Business Convention	4,10,65,399	90,50,628
Brokerage	13,70,43,181	12,53,16,419
Travelling and Conveyance	6,52,02,318	5,39,53,376
Communication costs	1,29,46,572	1,82,70,021
Legal and Professional fees	2,85,29,647	2,58,34,036
Directors' Sitting fees	35,37,922	29,05,742
Payment to Auditors	29,30,291	24,24,776
Bad Debts/ advance written off	1,43,16,021	39,24,717
Provision for Bad and Doubtful Debts	20,56,699	—
Loss on sale of fixed assets (net)	14,60,967	—
Contribution for CSR activity #	2,27,37,999	1,44,61,000
Preliminary Expenses written off	11,60,434	—
Miscellaneous expenses	8,09,26,613	8,02,21,447
Total	3,67,55,69,950	3,47,04,91,897

Includes donation of ₹ 46,76,500 (31st March, 2015: ₹ 1,21,40,000)

(Amount in ₹)

	2015-2016	2014-2015
31. Capital and other commitments		
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	2,26,95,376	4,05,84,000

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	2015-2016	2014-2015
32. Contingent Liabilities		
a) Demands / claims by various government authorities and others not acknowledged as debts and contested by the government		
Income Tax matters	18,62,310	15,67,760
Sales Tax matters	55,66,298	5,71,14,600
ESI	39,967	39,967
*	74,68,575	5,87,22,327
b) Bank Guarantees outstanding	2,40,67,000	2,47,34,424
c) Letter of Credits issued by the Banks	—	2,58,74,301
d) 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 ₹ 3,24,14,820 (31st March, 2015: ₹ 23,563,135) has not been provided for	3,24,14,820	2,35,63,135

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

33. 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.

34. Employee Benefit (Defined Benefit Plan)

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

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

(Amount in ₹)

	2015-2016	2014-2015
Statement of profit and loss		
Net employee benefit expense recognized in employee costs		
Current service cost	30,44,158	24,45,795
Interest cost on benefit obligation	14,10,539	12,75,973
Expected return on plan assets	(12,92,678)	(12,92,566)
Net actuarial (gain) / loss recognized in the year	(4,31,713)	(5,71,697)
Net benefit expense	27,30,306	18,57,505
Actual return on plan assets	14,15,173	12,73,490

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Balance sheet		
Net Benefit liability / (asset)		
Present value of defined benefit obligation	1,94,78,667	1,56,88,456
Fair value of plan assets	1,68,13,561	1,55,03,398
Plan asset / (liability)	(26,65,106)	(1,85,058)
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	1,56,88,456	1,26,66,499
Current service cost	30,44,158	24,45,795
Interest cost	14,10,539	12,75,973
Benefits paid	(3,55,268)	(1,09,038)
Actuarial (gains) / losses on obligation	(3,09,218)	(5,90,773)
Closing defined benefit obligation	1,94,78,667	1,56,88,456
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	1,55,03,398	1,32,20,297
Expected return	12,92,678	12,92,566
Contributions by employer	2,50,258	11,18,649
Benefits paid	(3,55,268)	(1,09,038)
Actuarial gains / (losses)	1,22,495	(19,076)
Closing fair value of plan assets	1,68,13,561	1,55,03,398

The Company expects to contribute ₹30,00,000 (₹ 10,00,000) to Gratuity Fund in the next year.

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

	As at March 31, 2016	As at March 31, 2015
Investments with insurer	100%	100%

The principal assumptions are shown below :

	As at March 31, 2016	As at March 31, 2015
Discount rate	8.00%	8.25%
Expected rate of return on assets	9.00%	9.00%
Withdrawal Rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 8%

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

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

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	1,94,78,667	1,56,88,456	1,26,66,499	98,53,957	79,09,665
Plan assets	1,68,13,561	1,55,03,398	1,32,20,297	1,16,07,772	90,53,068
Surplus / (deficit)	(26,65,106)	(1,85,058)	5,53,798	17,53,815	11,43,403
Experience (gain) / loss adjustments on plan liabilities	(3,09,218)	(5,90,773)	2,17,320	5,17,104	16,04,862
Experience gain / (loss) adjustments on plan assets	(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 Group has recognised the following amount as an expense and included under, “Contribution to Provident & Other Funds”.

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Contribution to Provident / Pension Funds	35,68,424	22,79,156

35. 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 subleases. The leases are cancellable.

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Lease payments made for the year	2,52,32,766	2,21,86,772

(Amount in ₹)

	2015-2016	2014-2015
36. Earnings Per Share		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	65,92,78,848	68,16,66,339
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)	8.29	8.57

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

37. 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 31st March, 2016			For the year ended 31st March, 2015		
	India	Overseas	Total	India	Overseas	Total
Revenue from Operations (Gross sales)	9,97,10,70,125	17,72,68,916	10,14,83,39,040	9,50,00,08,662	22,59,82,399	9,72,59,91,061
Carrying amount:						
Segment assets	6,77,16,17,553	4,20,42,443	6,81,36,59,996	7,38,66,02,502	3,58,84,813	7,42,24,87,315
Additions:						
Tangible assets	34,24,54,536	–	34,24,54,536	7,43,62,304	–	7,43,62,304
Intangible assets	84,06,284	–	84,06,284	4,12,000	–	4,12,000

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
38. Unhedged Foreign Currency Exposure		
a) Particulars of unhedged foreign currency exposure as on the balance sheet date, are as follows:		
Trade receivable	3,89,52,182	3,58,84,813
EEFC Bank Account	30,90,261	1,60,33,697

39. Related Party Disclosure

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. P. R. Agarwala	Chairman
	Mr. G. P. Agarwala	Vice Chairman
	Mr. K. B. Agarwal	Managing Director
	Mr. Ramesh Agarwal	Executive Director
	Mr. Mukesh Agarwal	Executive Director
	Mr. Arihant Kumar Baid	Executive Director (Additional) (w.e.f. 5th November, 2015)
	Mr. Neeraj Sureka	Chief Financial Officer (w.e.f. 18th February, 2015)
	Mr. Sudip Chatterjee	Company Secretary (Upto 21st December, 2015)

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

Relatives of Key Management Personnel	Mr. Suresh Agarwal	Son of Mr. P. R. Agarwala
	Mr. Manish Agarwal	Son of Mr. G. P. Agarwala
	Mr. Ravi Agarwal	Son of Mr. K. B. Agarwal
	Mr. Vikash Agarwal	Son of Mr. K. B. Agarwal
	Mr. Rajnish Agarwal	Son of Mr. G. P. Agarwala
	Mr. Sidhant Agarwal	Grand-Son of Mr. P. R. Agarwala
	Mrs. Rekha Patodia**	Daughter of Mr. P. R. Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. P. R. Agarwala
	Mrs. Puspa Devi Agarwal	Wife of Mr. G. P. Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. K. B. Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. G. P. Agarwala
Enterprises owned or significantly influenced by key management personnel or their relatives	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.	
	Rajnish Enterprises Ltd.	
	Purvanchal Leasing Ltd.	
	Siddhant Credit Capital Ltd.	
	Rupa Dyeing & Printing Pvt Ltd	
Private companies in which directors or relatives are director or members	Tushar Knitting Pvt. Ltd.	
	Salasar Processors Pvt. Ltd.	
	Bajrangbali Textiles Pvt. Ltd.	
	Metro Towers Office Owners Association	

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Related party transactions

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Rent	Mr. P.R.Agarwala	Key Management Personnel	2,82,000	2,82,000
	Mr. G.P.Agarwala		1,14,000	1,14,000
	Mr. K.B.Agarwal		48,000	48,000
	Mr. Mukesh Agarwal		1,08,000	1,08,000
	Mr. Manish Agarwal	Relatives of Key Management Personnel	18,000	18,000
	Mr. Rajnish Agarwal		18,000	18,000
	Mrs. Puspa Devi Agarwal		18,000	18,000
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	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		1,20,000	1,20,000
	Others		96,000	96,000

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Salary & Perquisites	Mr. P. R. Agarwala	Key Management Personnel	84,00,000	1,03,38,464
	Mr. G. P.Agarwala		78,00,000	84,14,309
	Mr. K. B.Agarwal		78,00,000	87,51,095
	Mr. Ramesh Agarwal		48,00,000	63,00,000
	Mr. Mukesh Agarwal		48,00,000	63,00,000
	Mr. Arihant Kumar Baid		5,48,722	—
	Mr. Neeraj Sureka		38,65,388	4,33,722
	Mr. Sudip Chatterjee		9,75,728	12,37,582
	Mr. Manish Agarwal	Relatives of Key Management Personnel	48,00,000	42,00,000
	Mr. Ravi Agarwal		48,00,000	42,00,000
	Mr. Vikash Agarwal		48,00,000	42,00,000
	Mr. Rajnish Agarwal		48,00,000	42,00,000
	Mr. Suresh Agarwal		30,00,000	24,00,000
	Mr. Siddhant Agarwal		20,00,000	20,00,000
	Mrs. Rekha Patodia		15,70,165	2,56,666

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	7,63,99,716	14,86,825
	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members.	1,00,000	-
	Salasar Processors Pvt. Ltd.		4,42,25,940	2,01,02,700
	Bajarangbali Textiles Pvt. Ltd.		3,98,25,005	1,81,02,275
Miscellaneous Expenses	Metro Towers Office Owners Association		47,55,686	
Dividend Paid	Mr. P. R. Agarwala	Key Management Personnel	4,42,25,940	2,01,02,700
	Mr. G. P. Agarwala		3,98,25,005	1,81,02,275
	Mr. K. B. Agarwal		4,00,29,000	1,81,95,000
	Others		98,38,290	44,71,950
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	96,54,920	43,88,600
	Mr. Ravi Agarwal		95,84,465	43,56,575
	Mr. Rajnish Agarwal		68,38,535	31,08,425
	Mr. Manish Agarwal		67,79,025	30,81,375
	Mr. Suresh Agarwal		58,66,135	26,66,425
	Others		1,30,91,980	59,50,900
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	8,70,16,545	3,95,52,975
	Purvanchal Leasing Ltd.		3,19,42,185	1,45,19,175
	Others		1,59,50,000	72,50,000

Balance at end of the year

(Amount in ₹)

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Other Liabilities (Payable to employees)	Mr. P. R. Agarwala	Key Management Personnel	17,81,495	69,74,033
	Mr. G. P. Agarwala		35,25,434	62,45,587
	Mr. K. B. Agarwal		50,86,460	74,37,706
	Mr. Ramesh Agarwal		48,62,096	50,23,710
	Mr. Mukesh Agarwal		62,35,374	63,54,246
	Mr. Arihant Kumar Baid		1,05,004	-
	Mr. Neeraj Sureka		3,16,024	3,14,375
	Mr. Manish Agarwal	Relatives of Key Management Personnel	74,11,527	73,89,105
	Mr. Rajnish Agarwal		45,70,692	54,81,207
	Mr. Ravi Agarwal		14,23,907	32,78,235
	Mr. Vikash Agarwal		21,96,617	35,23,036
	Mr. Suresh Agarwal		92,188	7,79,524
	Mr. Siddhant Agarwal		7,98,822	15,05,723
	Mrs. Rekha Patodia		2,37,220	1,41,438

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Particulars	Party	Nature of relationship	2015-2016	2014-2015
Trade Payables	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	1,85,10,676	54,70,074
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members.	70,54,036	76,73,363
	Bajarangbali Textiles Pvt. Ltd.		26,57,865	5,41,533
	Metro Towers Office Owners Association		4,02,342	—
Trade Receivables	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members.	2,22,281	43,10,168
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
	Others		15,00,000	15,00,000
Guarantees taken*	Mr. P.R. Agarwala	Key Management Personnel	5,00,00,000	5,00,00,000
	Mr. G.P. Agarwala		5,00,00,000	5,00,00,000
	Mr. K.B. Agarwal		5,00,00,000	5,00,00,000

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.

40. 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 31.03.2016 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
Parent				
Rupa & Company Limited	98.09%	3,60,38,76,491	99.58%	65,65,39,901
Subsidiaries				
Indian				
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 Pvt Ltd	0.00%	80,471	-0.27%	(18,09,456)
Total	100.00%	3,67,42,67,812	100.00%	65,92,78,848

Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2016

(Amount in ₹)

Name of the entity	As at 31.03.2015 Net Assets, i.e., total assets minus total liabilities		for 2014-15 Share in Profit	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or loss	Amount
Parent				
Rupa & Company Limited	95.86%	3,14,27,60,681	96.72%	65,92,83,489
Subsidiaries				
Indian				
Imoogi Fashions Private Limited	0.35%	1,13,21,800	1.00%	68,35,277
Euro Fashion Inners International (P) Limited	3.79%	12,41,19,679	2.28%	1,55,47,575
Total	100%	3,27,82,02,160	100.00%	68,16,66,341

41. Previous year figures including those given in brackets have been regrouped/re-arranged wherever necessary.

As per our report of even date

For **S.R.Batliboi & Co. LLP**

Firm Registration No. 301003E/E300005

Chartered Accountants

per **Kamal Agarwal**

a Partner

Membership No. 58652

Place: Kolkata

Date: May 30, 2016

For and on behalf of the Board of Directors

Sd/-

P. R. AGARWALA

Chairman

DIN: 00847452

Sd/-

NEERAJ SUREKA

Chief Financial Officer

Sd/-

K. B. AGARWAL

Managing Director

DIN: 00224857

Sd/-

KUNDAN KUMAR JHA

Company Secretary

Sd/-

MUKESH AGARWAL

Executive Director

DIN: 02415004

AOC – 1

[Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of 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
Name of the Subsidiary Company	Euro Fashion Inners International Private Limited	Imoogi Fashions Private Limited	Oban Fashions Private Limited
Financial Year ending on	March 31, 2016	March 31, 2016	March 31, 2016
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	1,00,000
Reserves and Surplus	3,44,971	1,66,44,910	(18,09,456)
Total Assets	4,70,40,386	5,19,15,716	1,92,516
Total Liabilities	56,95,415	3,51,70,806	19,01,972
Investments	3,000	–	–
Turnover	6,84,253	2,46,34,698	–
Profit/ (Loss) before Tax	(4,53,897)	90,79,218	(18,02,199)
Provision for Tax	3,20,810	37,56,108	(7,257)
Profit/ (Loss) after Tax	(7,74,707)	53,23,110	(18,09,456)
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/-
P. R. AGARWALA
Chairman
DIN: 00847452

Sd/-
K. B. AGARWAL
Managing Director
DIN: 00224857

Sd/-
MUKESH AGARWAL
Executive Director
DIN: 02415004

Sd/-
NEERAJ SUREKA
Chief Financial Officer

Sd/-
KUNDAN KUMAR JHA
Company Secretary

Place: Kolkata
Date: May 30, 2016

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