



RUPA & COMPANY LIMITED

A large, stylized silhouette of a tiger in a walking pose, facing right. The tiger is filled with a red and white checkered pattern. It is positioned behind the main text on a solid red background.

MAKING INDIA **PROUD** SINCE 1968

MORE THAN 50 YEARS OF DELIVERING EXCELLENCE

ANNUAL REPORT
2019 - 2020

Between the cover

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Please find our online version at
<http://rupa.co.in/annual-report-accounts/>
Or simply scan to download

Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

Readers should bear in mind that we cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.



From being a leader to a market innovator, Rupa has come a long way in delivering excellence in the quality innerwear and fashionwear products.

Over the past five decades, the Company has consistently navigated the competitive and complicated nature of the industry and evolved as per the consumer trends and the underlying shifts in the market. From being present in the mass and economy segments, the Company has also strategically marked its presence across mid premium to Super premium brands. Besides, continuous brand endorsements, product line innovations, licensing of international brands and strong distribution across modern trade and digital channels has enabled the Company to maintain a strong foothold in the market.

Today the Company is a pure '**Make in India**' brand, with variety of products in more than 18 brands for men, women and children and over 18,000 SKUs across its existing range of products.

Our Selfie

Rupa & Company Limited is one of the leading and largest knitwear brand in India. The Company is present across the entire value chain in the knitted garment space offering a gamut of products from innerwear to fashion wear. It is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear across economy, mid-premium, premium and super-premium categories. The Company operates through its state-of-the-art manufacturing facilities in West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh. Its sales offices are situated in West Bengal, Tamil Nadu, Karnataka, Uttar Pradesh, Bihar, Maharastra and Delhi. Some of the major brands include Frontline, Jon, Air, Macroman, Euro, Bumchums, Torrido, Thermocot, Kidline, Footline, Softline, among others.



Vision

Through a constant spirit of innovation and improvement for creating best-quality products, we aim to consolidate our position as the national frontrunner and a global leader in the innerwear and casual wear categories.



Mission

To exceed the customer's expectations by consistently offering the best products across different categories. To promote the latest R & D and to follow eco-friendly production processes. To create and deliver value for all stakeholders.



50+ years
Brand legacy



7,00,000+
finished goods pieces
Capacity per day



18 sub-brands
under brand Rupa



18,000+
SKUs



Millions
of Satisfied Customers catered



100+
Registration of Trademark's
Nationally & Internationally



FRONTLINE

Yeh aaram ka mamla hai!



APNA **FRONTLINE**
DIKHNE DO

Investment Case



Diversified product portfolio:

The Company offers an extensive range of products across all segments including men, women and kids and across all price points. This has helped reaching out to millions of customers across categories and meeting their ever-changing demand.



Robust value chain:

Rupa has a strong framework right from product design and development to distribution. Each operation is under strict quality control ensuring precision at every stage.



Strong network:

The Company has a PAN-India as well as International presence with a large distribution network consisting of 4 central warehouses, 7 EBOs (Exclusive Brand Outlets), more than 1000 dealers and 1,25,000 retailers.



Consistent brand building efforts:

The Company has consistently investing in rich pool of fashion engineers and brand managers who work round the clock and gauge the customer insights. Over the last few years it has made focused investments of around 7% of overall revenues and appointed A-star celebrities to promote the products, which has resulted in top notch brand connect and brand recall.



Fruit of the loom:

The license to manufacture, advertise and sell 'Fruit of the loom' products has favorably positioned the Group amongst the premium and super-premium brands. FCUK, another international licensed brand is all set to meet not only the basic innerwear necessities for the Generation Z but also fulfill their fashion quotient.



Asset-light efficient business model:

Rupa intends to keep itself asset light by strategically outsourcing labour intensive work in manufacturing processes. The Company is utilizing the resources to focus more on value addition, product differentiation, branding and distribution. Also going forward it plans to expand through the franchise Exclusive Brand Outlet (EBO) remain asset light.



Prudent Governance:

The Company is committed to fulfil its goal by strengthening its present operations and leveraging future prospects. It also ensures de-risking from the cyclicity of a single product segment and delivering diversified products.

START
SOMETHING
SEXY

EURO
FASHION INNERS®

*adulting
is the new
Sexy*



Financial Highlights

At Rupa, our constant endeavor is to better the best. As partners in nations progress we aim to give the maximum. However, this year like all, we also faced Covid-19 challenges leading to a disruption in sales and supply chain; and also affected the customer's sentiments. However, we believe that post normalisation of restrictive majors our operations will gain traction.



**I, ME
AND MY
BUMCHUMS**

Bumchums

CASUAL WEAR | ATHLEISURE | KIDS WEAR | INFANT WEAR

Revenue from operations (₹ in Lakhs)

2015-16		1,01,302.96
2016-17		1,08,421.76
2017-18		1,08,975.57
2018-19		1,10,824.10
2019-20		94,140.11

EBIDTA (₹ in Lakhs)

2015-16		14,739.65
2016-17		14,418.80
2017-18		16,945.62
2018-19		17,530.65
2019-20		13,251.98

Earning (₹)

2015-16		9.80*
2016-17		9.71
2017-18		11.90
2018-19		11.74
2019-20		10.07

*Including Exceptional Items

PAT (₹ in Lakhs)

2015-16		7,710.78*
2016-17		7,715.09
2017-18		9,461.43
2018-19		9,337.38
2019-20		8,006.53

*Including Exceptional Items

Networth (₹ in Lakhs)

2015-16		36,590.87
2016-17		44,301.65
2017-18		51,093.04
2018-19		57,555.57
2019-20		62,693.13

Dividend Per Share (₹)

2015-16		2.75
2016-17		2.75
2017-18		3.00
2018-19		3.00
2019-20		3.00*

*Recommended by the Board

CRISIL AA-/Stable and
CRISIL A1+ for the long term and
 short term debt instruments/facilities,
 respectively

Digital inclusion – Evolving with the new India







Innovation and technology are the key enablers to stay relevant in the dynamic business environment. To create differentiated experience for customers, change the time-tested status quo and anticipate the needs of the future, technology is the key to all. Regardless of the size of the Company, the need to be agile, digital and technologically sound will help us deliver at speed and precision.

Consumer experience will be the key focus of the retailers, while technology will play an important part in increasing sales as well as facilitating the enhancement of consumer experience throughout their shopping journey. The next 3 - 5 years will be the defining years for Indian retail as the market will mature and organised retail will penetrate deeper into smaller cities and towns. Technology will replace many 'human roles' in retail and new ways to emotionally connect with consumer will evolve. New markets will develop, and new channels will disrupt and reshape the markets.

While traditional formats or unorganised retail formats continue to dominate the retail market, organised retail is growing at a faster pace and eating up into traditional retail. A major driver of this high growth trajectory has been online retail which is projected to witness a CAGR of 33% between FY 2019-24. Growth in online retail is majorly attributed to factors including increasing internet penetration, growth in number of smartphone users and growing number of online shoppers.

Rupa has adopted this change few years ago, which is helping itself to reap the benefits of the ever evolving consumer mindset. Today, e-commerce is one of our key distribution channels. We are present through the online platforms like Rupaonlinestore, Amazon, Flipkart, Snapdeal, Myntra, Paytm, etc. We also have our own online store and going ahead we intend to develop a robust tech-based warehouse infrastructure to support Pure Play Market Place Business Model.



 rupaonlinestore	
	
	

Bumchums

CASUAL WEAR | ATHLEISURE | KIDS WEAR | INFANT WEAR



I, ME
AND MY
BUMCHUMS

The Brand of India

In order to nurture its brands, the Company has been consistently involved in robust advertisement and brand promotion activities, thereby spending extensively on brand communication. Besides, it has also built a string distribution network to reach out Pan India and enhance the availability of its products. The Company has successfully captured the consumer's mind share across all the segments and has established a strong presence across rural, semi-urban and urban areas.

Celebrity Endorsements



Popular brands

FRONTLINE

Jon

EURO

Bumchums

femm  *ra*



Future plans



Open 50 Rupa EBOs – through franchise route

Tie up with Amazon, Flipkart and other e-retailers as well as with renowned MBOs



THERMOCOT

TORRIDO

footline

MACROMAN  SERIES

MACROWOMAN  series

Softline

fcuk[®]
underwear


FRUIT OF THE LOOM.



Founder's Message

Dear Shareholders,

As we write this letter, we are deeply saddened to see how the entire world is struggling to save the lives and livelihood of people. The Covid-19 pandemic has infected many people in the world and impacted humanity, lifestyles, businesses, economies and most importantly the mental health. In India, timely lockdown measures and proactive steps taken by the Government authorities have helped in containing its spread. But, it impacted the demand, supply and liquidity as the economic activities came to a standstill.

Owing to the lockdown and its consequential affects, the impact on the business was obvious. The revenue and profitability of the Company has also taken a hit owing to the shutdown of factories, supply chain challenges, closure of the shops and malls as well as limited availability of manpower. As a safety measure, the Company has adopted work from home policy. Post the unlocking, our offices have resumed services with staggered presence of employees, as per the

prescribed guidelines. Our factories have started its operations in May, 2020, as per the prescribed guidelines and SOPs like thermal screening, wearing of face mask, hand washing, sanitization & hygiene, social distancing norms and other measures. We expect that the normalcy would return sooner and there will not be significant impact on the business.

Staying relevant

Over the past fifty years, we have managed to capture large mind share of consumers owing to our innovation capabilities as well as our attitude to adapt the changing consumer needs. The mindsets and preferences of consumers are constantly evolving. The world is connected, so are the consumers. Trending designs and makes that are being available to them at just the touch of their smartphone screens. Though the trends last for a shorter period, it keeps us active and adaptive to the needs of the consumers. We have been constantly upgrading our product lines including shapes, patterns, fabric, and finish as well



as raising the standards of our quality and service levels. Besides, our offerings, we have successfully managed to make our mark across the different user segments – right from mass, economy, mid economy, premium to super premium. Each segment has its distinct needs and are ready to pay premium for that.

Digital strategy

It is interesting to note, that for the first time, internet users in rural India surpassed the urban cities and bridged the digital divide. Thanks to the affordable internet packs. With half a billion active users, Indian internet is more rural, local, mobile-first than ever. Even though internet users in rural areas are more than those in urban areas, there is immense headroom for rural growth. This will further contribute to an increase in the overall internet population over the next few years. Our strategic intent to sell our product online on various platforms like Rupaonlinestore, Amazon, Flipkart, Snapdeal, Myntra, Paytm, etc. among others, keeps us moving with the changing times. Moreover, our large presence in the rural and interior of India further helps reaching out to masses through our digital presence.

Building brand recall

Though the mass and economy segments in the men's innerwear space form a bulk of our market share, the former has managed to realise the potential of celebrity brand ambassadors better, especially in a price-sensitive market with a large rural base. We have always roped in A-Star celebrities to endorse our brand and strengthen its proposition among the people. At present, we have top celebrities like Ranveer Singh, Sidharth Malhotra, Ranbir Kapoor and Anushka Sharma promoting various products.

Licencing of international brands

Our wholly-owned subsidiary, Oban Fashions Private Limited, has exclusive license for the brand 'FCUK' and the brand 'Fruit of the Loom (FOTL)', to manufacture, market and sale of innerwear and other products in India. The FCUK and FOTL products has been launched at different locations in India. Going forward, these brands are expected to further

The Government has been extremely vocal about building a self-reliant India through its 'Atmanirbhar Abhiyaan'. It is going to boost the domestic manufacturing industry to a great extent and further boost the 'Make in India' consumersentiments.

strengthen and cement its position in the super-premium and premium segment.

Outlook

We have adapted sustainable practices across the value chain of our business by recognising its scope and relevance, articulating our approach and plan and putting in place an execution framework. We shall review the long term impact of the pandemic and take all steps necessary to adapt ourselves to emerging changes and the new normal. We are highly encouraged by our brand visibility and will continue to meet customer aspirations by delivering best-in-class products in terms of style, design, comfort, fit and quality. The Government has been extremely vocal about building a self-reliant India through its 'Atmanirbhar Abhiyaan'. It is going to boost the domestic manufacturing industry to a great extent and further boost the 'Make in India' consumer sentiments. At Rupa, we have been 'Making in India' and will continue to 'Make for India' and for the world in the years to come.

Closing note

As a closing note, I would like to acknowledge the efforts of our entire team for being calm and resilient despite challenging work situations that prevailed during the year. I would also like to thank for the support of the Board Members and the Leadership Team for their constant guidance to drive the team. As we move forward, we will expect to have your support in conquering newer milestones. We wish and pray for the well-being and safety for everyone and hope that we would overcome the challenges posed by the Covid-19 pandemic together and expect that the normalcy will come sooner.

Prahlad Rai Agarwala, *Chairman*

Ghanshyam Prasad Agarwala, *Vice-Chairman*

Kunj Bihari Agarwal, *Managing Director*

Corporate Social Responsibilities

At Rupa, our CSR vision aims at improving lives in pursuit of collective development and environmental sustainability. Our constant endeavours are 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.

Target areas:



Safe drinking water

Installation of safe drinking water at public places along with its maintenance



Healthcare

Preventive healthcare Eradicating hunger, poverty and malnutrition



Education and Vocational training

Provides vocational training and other social welfare activities to the needy through its trust, Rupa Foundation. Set up Sobhasaria Engineering College in Sikar, Rajasthan



Ensuring environmental sustainability, ecological balance, Animal welfare

The Company is engaged in projects related to environmental sustainability and animal welfare





RUPA®
footline



SOLELY YOURS

A truly Global Indian

This reality across the globe underscores an important point:

Rupa is a global brand of Indian origin. Today this "DESI" Company has extended its reach beyond the Indian diaspora to some important destinations of Europe, South East Asia, Africa and the Middle-east, touching the lives of millions of local citizens. The products of the Company are not mere market participants in those regions, but they also maintain a healthy brand recall in certain categories.



Rupa's WOS, Oban Fashions started its journey in 2016 with the launch of FCUK innerwear.

While FCUK is a globally known premium apparel brand; the design, manufacturing, distribution and marketing by Oban with a view to make luxury accessible to the Indian consumers. FCUK innerwear was launched with a vision to occupy the white space in the category and consumer mindspace where the aspirational Indian consumer can show off his style quotient and discerning taste.



Oban continued its journey in 2017, by acquiring the license to manufacture, market, sell and distribute, Fruit of the Loom (FOTL) in India. FOTL being one of the most well known and largest international brands in the innerwear category, the aim is to make premium innerwear based on comfort accessible to the consumer and become the by word for the category.

The Company export its products at Saudi Arabia, UAE, Kuwait, Iraq, Nigeria, Myanmar, Ukraine, Algeria, Indonesia, Congo among others and it aims to strengthen its presence in the existing markets and introduce localised products as per the varied preferences of the consumers.





TORRIDO

PREMIUM THERMAL



सर्दियों में
— only —
TORRIDO

STRETCHABLE | BODY-HUGGING | ATTRACTIVE COLOURS | SOFT AND NO-ITCHY



THERMOCOT

IT'S VERY VERY HOT

Softline
LINGERIE

EFFORTLESS
YOU



Softline

LEGGINGS

EFFORTLESS
YOU



A stylized black ink signature of Anushka Sharma.

Anushka Sharma

available in
**FREE SIZE
TO FIT ALL**

42 COTTON
STRETCH FABRIC



Corporate Information

Board of Directors

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

Chief Executive Officer

Mr. Dinesh Kumar Lodha

Company Secretary & Compliance Officer

Mr. Kundan Kumar Jha

Statutory Auditors

M/s. Singhi & Co., Chartered Accountants

Secretarial Auditor

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

Bankers

IndusInd Bank Ltd.
 State Bank of India
 Citi Bank N.A.
 Standard Chartered Bank
 HDFC Bank Ltd.
 Kotak Mahindra Bank Ltd.
 DBS Bank Ltd
 The HSBC Ltd.

Registrar and Share Transfer Agent

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

Board Committees

Audit Committee

Mr. Vinod Kumar Kothari, *Chairman*
 Mr. Dipak Kumar Banerjee, *Member*
 Mr. Ashok Bhandari, *Member*
 Mr. Sushil Patwari, *Member*
 Mr. Ramesh Agarwal, *Member*
 Mr. Mukesh Agarwal, *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*
(Upto August 8, 2019)
 Mr. Dipak Kumar Banerjee, *Member*
(With effect from August 8, 2019)

Stakeholders' Relationship Committee

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

Risk Management Committee

Mr. Dipak Kumar Banerjee, *Chairman*
 Mr. Ramesh Agarwal, *Member*
 Mr. Mukesh Agarwal, *Member*
 Mr. Niraj Kabra, *Member*
 Mr. Vikash Agarwal, *Member*
 Mr. Arihant Kumar Baid, *Member*

Operations Committee

Mr. Kunj Bihari Agarwal, *Member*
 Mr. Ramesh Agarwal, *Member*
 Mr. Mukesh Agarwal, *Member*

Registered Office

Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071
 Phone: +91-33-4057 3100, Fax: +91-33-2288 1362
 Website: www.rupa.co.in, E-mail ID: connect@rupa.co.in
 CIN: L17299WB1985PLC038517

Report of the Board of Directors

for the Financial Year ended March 31, 2020

Dear Shareholders,

The Directors have pleasure in presenting their 35th 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, 2020.

Financial Highlights

The financial performance of the Company is summarized hereunder:

Standalone Financial Review

	(₹ in Lakhs)	
Particulars	2019-20	2018-19
Revenue from Operations	94,140.11	1,10,824.10
Profit before Finance Costs, Tax, Depreciation/ Amortization (PBITDA)	13,251.98	17,530.65
Less: Finance Costs	1,481.22	1,672.75
Profit before Tax, Depreciation/Amortization (PBTDA)	11,770.76	15,857.90
Less: Depreciation	1,567.92	1,317.40
Profit before Tax (PBT)	10,202.84	14,540.50
Less: Tax Expense	2,196.31	5,203.12
Net Profit after Tax (PAT)	8,006.53	9,337.38
Other Comprehensive Income	7.16	1.28
Total Comprehensive Income for the year	8,013.69	9,338.66

Consolidated Financial Review

	(₹ in Lakhs)	
Particulars	2019-20	2018-19
Revenue from Operations	97,464.28	1,14,864.78
Profit before Finance Costs, Tax, Depreciation/ Amortization (PBITDA)	12,111.80	15,304.22
Less: Finance Costs	1,862.10	1,855.25
Profit before Depreciation/Amortization (PBTDA)	10,249.70	13,448.97
Less: Depreciation	1,851.45	1,501.17
Profit before Tax (PBT)	8,398.25	11,947.80
Less: Tax Expense	2,207.91	4,530.02
Net Profit after Tax (PAT)	6,190.34	7,417.78
Other Comprehensive Income	14.00	4.29
Total Comprehensive Income for the year	6,204.34	7,422.07

State of Company's Affairs and Future Outlook

The Company achieved a Turnover of ₹ 94,140.11 lakhs during the Financial Year 2019-20, as against ₹ 1,10,824.10 lakhs in 2018-19. During the year, the Profit before Finance Charges, Depreciation and Tax stood at ₹ 13,251.98 lakhs, as against ₹ 17,530.65 lakhs during the previous year. The Net Profit for the year 2019-20 stood at ₹ 8,006.53 lakhs, as compared to ₹ 9,337.38 lakhs, during the previous year.

The entire world is struggling to save the lives and livelihood of people. Covid-19 pandemic has infected many people in the world and impacted humanity, lifestyles, businesses, economies and livelihood. In India timely lock-down measures and proactive steps taken by the Government authorities have helped in containing its spread, but affected the demand, supply and liquidity and have brought the economic activities to a standstill and impacted both consumption and investment.

Due to Covid-19 pandemic and lock-down measures announced by the Central and respective State Government(s) and its consequential affects, the impact on the business was obvious. The revenue and profitability of the Company has been impacted due to Covid-19 pandemic. The supply chain has been affected and the labourers have gone to their home state. There was also restriction on movement of transport vehicles. However, with the commencement of unlock measures, we expect that the normalcy would return sooner and there will not be significant impact on supply chain. Further, considering

Report of the Board of Directors

for the Financial Year ended March 31, 2020

the line of business of the Company being into manufacturing and distribution of hosiery and related goods, it is expected that normalcy would be restored once the strict measures are relaxed.

On consolidated basis, the Turnover for the year 2019-20 was ₹ 97,464.28 lakhs, as against ₹ 1,14,864.78 lakhs in 2018-19. The Profit before Finance Charges, Depreciation and Tax stood at ₹ 12,111.80 lakhs during 2019-20, as against ₹ 15,304.22 lakhs during the previous year and the Net Profit for the year 2019-20 stood at ₹ 6,190.34 lakhs, as compared to ₹ 7,417.78 lakhs, during the previous year. The decrease in profit on consolidated basis was mainly due to losses in Oban Fashions Private Limited, Wholly-owned Subsidiary of the Company, where we are investing in brand building including modern trade and e-commerce, which has a long break-even point. The revenue and profitability was also impacted due to lock-down measures announced by the Government in view of Covid-19 pandemic.

The Company is engaged in the manufacturing, marketing, sell and distribution of Men's and Women's innerwear, thermal wear and casual wear for all sections of the society, like, economy, mid-premium, premium and super-premium. It has over 18 sub-brands and 18000 SKUs (Stock Keeping Unit), having a strong brand recall. In order to nurture its brands, the Company has been consistently involved in robust advertisement and brand promotion activities, thereby spending extensively on brand communication. In innerwear industry, the Company is one of the leader having a distribution network across India. The Company has a PAN-India presence with a large distribution network consisting of 4 central warehouses, 7 EBOs (Exclusive Brand Outlets), more than 1000 dealers and 1,25,000 retailers. It is also looking at enhancing availability through presence in e-commerce, MBOs (Multi-Brand Outlets) and LFRs (Large Format Retail Stores). The Company is looking forward to open Rupa EBOs through the franchisee route across India to expand its retail footprint and also looking to open 50 EBO's through franchisee route by March, 2021. The Company is also expanding its reach in e-commerce with tie-up with Amazon and Flipkart, as looking to double their growth.

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

The Company caters to all segment including men, women and kid segment with its wide bouquet of brands. The various sub-brands of the Company includes, Frontline, Jon, Air, Macroman, Euro, Bumchums, Torrido, Thermocot, Kidline, Footline, Softline, etc., catering to various segments, under its umbrella brand 'Rupa'. The brands are endorsed by leading celebrities including Ranveer Singh, Sidharth Malhotra and Anushka Sharma. The Company has also premium brand, Macroman M-Series, which is being endorsed by youth icon, Ranbir Kapoor, and the premium brand under Female segment, Macrowoman W-Series containing products like, lingerie, active wear and leisurewear.

The Wholly-owned Subsidiary of the Company, Oban Fashions Private Limited, has exclusive license for the brand 'FCUK' and the brand 'Fruit of the Loom', to manufacture, market and sale of innerwear and other products in India. The FCUK and FOTL products has been launched at different locations in India. Going forward, these brands are expected to further strengthen and cement its position in the super-premium and premium segment.

The male innerwear segment contributes significantly to the Company's business in comparison to the female innerwear segment. Presently, the Company is catering to female innerwear and loungewear space through its brands Jon and Softline for economy and premium category; and Macrowoman W-Series for super-premium category. The Company is continuously striving at strengthening its female innerwear segment, and is open to grow in this segment through inorganic route also in domestic market.

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

The Company is focusing on enhancing its product offering in the children and women's segment with the introduction of new products and brands. Both the children and women's segment have a lower presence of organized players and hence, provide a huge opportunity for the Company. The Indian innerwear market is shifting from a price sensitive market to a fashion quotient market. Accordingly, the group is gradually increasing its presence in the premium segment with strategic tie-ups with foreign brands. The Company is also expanding in new international geography.

Report of the Board of Directors

for the Financial Year ended March 31, 2020

Subsidiaries

The Company has the following 5 (five) Wholly-owned Subsidiaries as on March 31, 2020:

- (i) **Euro Fashion Inners International Private Limited**, which was earlier engaged in selling hosiery premium products under the brand name "EURO", designed for the fashion conscious consumers, has transferred its Business Operations to its Holding Company through a Business Collaboration Agreement effective from April 1, 2014.

During the Financial Year under review, the Revenue from Operations, including Other Income, was ₹ 14.83 lakhs, as against ₹ 17.82 lakhs during the previous year. Net Profit during the year was ₹ 5.70 lakhs, as compared to ₹ 8.35 lakhs, during the previous year.

- (ii) **Imoogi Fashions Private Limited**, which is engaged in manufacturing, processing and selling hosiery and outer casual wear products, of premium category for female and kids segments under the brand name "Femmora".

During the Financial Year under review, the Revenue from Operations, including Other Income, was ₹ 402.13 lakhs, as against ₹ 388.97 lakhs during the previous year. Net Profit during the year was ₹ 27.69 lakhs, as compared to ₹ 35.45 lakhs, during the previous year.

- (iii) **Oban Fashions Private Limited**, has been incorporated with the object, *inter alia*, to operate Indian business of international brands managed under licensing/ franchise/ joint venture/ ownership arrangements, etc.

Oban Fashions Private Limited, has exclusive license with respect to brands "FCUK" from the French Connection Limited, and the brand "Fruit of the Loom" from Fruit of the Loom, Inc, a New York Corporation, being a Wholly-owned Subsidiary of Berkshire Hathaway Company, to develop, manufacture, market and sale of the innerwear and related products under the respective brand names, in India.

During the Financial Year under review, the Revenue from Operations, including Other Income was ₹ 3,396.31 lakhs, as against ₹ 3,969.57 lakhs, during the previous year. Net loss during the year was ₹ 1,847.85 lakhs, as compared to ₹ 1,963.40 lakhs, during the previous year.

- (iv) **Rupa Fashions Private Limited**, was incorporated as Wholly-owned Subsidiary of the Company, on December 11, 2019 with the object, *inter alia*, to be engaged in manufacturing and trading activities, etc.

During the period ended March 31, 2020, there was no Revenue from Operations and the Net Loss during the period under review was ₹ 0.34 lakhs.

- (v) **Rupa Bangladesh Private Limited**, was incorporated as Wholly-owned Subsidiary of the Company in Dhaka, Bangladesh, on September 1, 2019 with the object, *inter alia*, to be engaged in manufacturing activities, etc., in Bangladesh.

During the period ended March 31, 2020, there was no Revenue from Operations and the Net Loss during the period under review was ₹ 1.39 lakhs.

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

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

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

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

Report of the Board of Directors

for the Financial Year ended March 31, 2020

Change(s) in the Nature of Business

During the year under review, there was no change in the nature of the business of the Company.

Dividend

For the Financial Year 2019-20, the Board of Directors of the Company has recommended a Final Dividend, for consideration of the shareholders of the Company at the ensuing Annual General Meeting (AGM), @ 300%, i.e., ₹ 3 per share, for 7,95,24,560 equity shares of ₹ 1/- each, amounting to ₹ 23,85,73,680/- (Rupees Twenty-three Crore Eighty-five Lakh Seventy-three Thousand Six Hundred Eighty Only). The dividend payout is in accordance with the Company's Dividend Distribution Policy.

The Dividend Distribution Policy of the Company, adopted by the Board of Directors of the Company, pursuant to Regulation 43A of the SEBI Listing Regulations, as amended, is available on the website of the Company and also annexed hereto, marked as 'Annexure – I'.

Transfer of unclaimed dividends and shares to Investor Education and Protection Fund (IEPF)

During the year ended March 31, 2020, the Company has transferred unclaimed and unpaid dividend for the Financial Year 2011-12, amounting to ₹ 1,67,247/- (Rupees One Lakh Sixty-seven Thousand Two Hundred Forty-seven only), to the IEPF.

During the year ended March 31, 2020, 90 Equity Shares of ₹ 1/- each, held by 5 (five) shareholders, in aggregate, whose dividends have remained unpaid or unclaimed for a period of 7 (seven) consecutive years or more, as on the due date, have been transferred to the IEPF Demat Account, within the due date.

Demat Suspense Account/ Unclaimed Suspense Account

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

Transfer to Reserves

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

Changes in Share Capital

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

Credit Rating

Crissil Limited, the Credit Rating Agency, has assigned the credit ratings CRISIL AA-/Stable and CRISIL A1+ for the long term and short term debt instruments/facilities of the Company, respectively. The details of the rating assigned by the Credit Rating Agency has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

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.	Name	Date of Appointment/ Re-appointment/ Resignation
(i)	Mr. Prahlad Rai Agarwala (DIN: 00847452)	Director retire by rotation, re-appointed at the AGM on September 6, 2019. Re-appointed as the Whole-time Director through Postal Ballot Process on March 25, 2020, for a period of 5 (five) years, w.e.f. April 1, 2020. Designated as the Chairman.
(ii)	Mr. Mukesh Agarwal (DIN: 02415004)	Director retire by rotation, re-appointed at the AGM on September 6, 2019. Re-appointed as the Whole-time Director through Postal Ballot Process on March 25, 2020, for a period of 5 (five) years, w.e.f. April 1, 2020.
(iii)	Mr. Vinod Kumar Kothari (DIN: 00050850)	Re-appointed as the Independent Director at the AGM on September 6, 2019, for a period of 5 (five) consecutive years.
(iv)	Mr. Dipak Kumar Banerjee (DIN: 00028123)	Re-appointed as the Independent Director at the AGM on September 6, 2019, for a period of 5 (five) consecutive years.
(v)	Mr. Sushil Patwari (DIN: 00023980)	Re-appointed as the Independent Director at the AGM on September 6, 2019, for a period of 5 (five) consecutive years.
(vi)	Mr. Dharam Chand Jain (DIN: 00453341)	Re-appointed as the Independent Director at the AGM on September 6, 2019, for a period of 5 (five) consecutive years.

Report of the Board of Directors

for the Financial Year ended March 31, 2020

Sl.	Name	Date of Appointment/ Re-appointment/ Resignation
(vii)	Mrs. Alka Devi Bangur (DIN: 00012894)	Re-appointed as the Independent Director at the AGM on September 6, 2019, for a period of 5 (five) consecutive years, w.e.f. November 14, 2019
(viii)	Mr. Ramesh Agarwal (DIN: 00230702)	Re-appointed as the Whole-time Director through Postal Ballot Process on March 25, 2020, for a period of 5 (five) years, w.e.f. April 1, 2020

Mr. Ghanshyam Prasad Agarwala, Vice-Chairman (Whole-time Director) and Mr. Niraj Kabra, Executive Director, are liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

In the opinion of the Board, the Independent Directors re-appointed during the Financial Year 2019-20 are persons of integrity, expertise and experience.

Further details of Directors are provided in the Corporate Governance Report, which forms part of this Annual Report. None of the Directors of the Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Act. Apart from the aforesaid, no changes in the Directors and KMPs have taken place during the period under review.

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

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

Number of Meetings of Board of Directors

During the Financial Year 2019-20, 4 (four) meetings of the Board of Directors were held, details of which are given in the Corporate Governance Report, which forms part of this Annual Report.

Separate Meeting of Independent Directors

During the year under review, the Independent Directors, without the presence of Non-Independent Directors and members of the Management, met on March 12, 2020 and, *inter alia*:

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

Annual Evaluation of Performance

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

The Independent Directors of the Company, without the participation of Non-Independent Directors and members of management, in their separate meeting held on March 12, 2020, 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, on various parameters, such as, skill, competence, experience, governance, degree of engagement, ideas & planning, attendance, leadership, 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 performance 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.

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

Report of the Board of Directors

for the Financial Year ended March 31, 2020

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

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

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

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

Particulars of Employees

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

Disclosure on Employee Stock Option/Purchase Scheme

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

Committees of the Board

As on March 31, 2020, the Company has 6 (six) Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- Operations Committee

Audit Committee

As on March 31, 2020, the Audit Committee comprised of 6 (six) Members, of which majority were Independent Directors. The details with respect to the composition of the Audit Committee, the number of meetings held during the Financial Year under review and attendance therein, and the terms of reference has been detailed out in the Corporate Governance Report, which forms part of this Annual Report.

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

Nomination and Remuneration Committee

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

Policy on Appointment and Remuneration

The Board, on the recommendation of Nomination and Remuneration Committee, as prescribed under Section 178(3) of the Act, has framed a Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other employees of the Company and the same is available on the website of the Company, at the link, http://rupa.co.in/livesite/wp-content/uploads/2018/12/Remuneration_Policy.pdf and is also annexed hereto, marked as 'Annexure – IV'.

Stakeholders' Relationship Committee

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

Corporate Social Responsibility Committee

The Company recognizes the value of being socially responsible corporate and therefore, it is committed towards the society and its people in a dedicated way.

Report of the Board of Directors

for the Financial Year ended March 31, 2020

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

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/livesite/wp-content/uploads/2019/10/Corporate-Social-Responsibility-Committee.pdf>

Composition of the Committee, Meeting and Attendance

During the Financial Year ended March 31, 2020, 2 (two) meetings of the Corporate Social Responsibility Committee were held. The composition of the Committee, meeting held and attendance therein, are as hereunder:

Name of Member	Position	Category	Meetings held during the year and Attendance	
			May 25, 2019	February 10, 2020
Mr. Prahlad Rai Agarwala	Chairman	Promoter, Executive	Present	Present
Mr. Kunj Bihari Agarwal	Member	Promoter, Executive	Present	Present
Mr. Vinod Kumar Kothari*	Member	Independent, Non-Executive	Present	Not applicable
Mr. Dipak Kumar Banerjee#	Member	Independent, Non-Executive	Not applicable	Present

*upto August 8, 2019. #with effect from August 8, 2019.

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

Risk Management Committee

The Risk Management Committee of the Board of Directors of the Company, comprised of 6 (six) Members, as on March 31, 2020. The details with respect to its composition, the number of meetings held during the Financial Year under review and attendance therein, and the terms of reference has been detailed out in the Corporate Governance Report, which forms part of this Annual Report.

Operations Committee

For administrative convenience and ease of doing business, the Board of Directors of the Company had constituted the Operations Committee. The Operations Committee have met 7 (Seven) times during the year 2019-20. The composition of the Operations Committee and details of the Meeting and attendance thereof are as hereunder:

Name of Member	Category	Meeting held during the year and Attendance						
		May 29, 2019	June 18, 2019	August 16, 2019	September 13, 2019	February 3, 2020	February 11, 2020	March 18, 2020
Mr. Kunj Bihari Agarwal	Executive, Promoter	Present	Present	Present	Present	Present	Present	Present
Mr. Ramesh Agarwal	Executive, Promoter	Present	Present	Present	Present	Present	Present	Present
Mr. Mukesh Agarwal	Executive, Promoter	Present	Present	Present	Present	Present	Present	Present

The terms of reference of the Operations Committee are available on the website of the Company, at the link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Operations_Committee.pdf. The Operations Committee also performs such other functions, as may be assigned to them, by the Board of Directors, from time to time.

Vigil Mechanism

In terms of the Section 177 of the Act, read with the Rules made thereunder and Regulation 22 of the SEBI Listing Regulations, the Company has framed a 'Whistle Blower Policy' with an objective to provide an avenue to address concerns, in line with the policy of the Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, as well as timely redressal of concerns and disclosures to build and strengthen a culture of transparency and trust in the Company. The mechanism also provides for adequate safeguards against victimization of director(s) or employee(s) or any other person for 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

Report of the Board of Directors

for the Financial Year ended March 31, 2020

into the complaints raised, if any, and their redressal. The Whistle Blower Policy of the Company, is available on the website of the Company, at the link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Whistle_Blower_Policy.pdf

Extract of the Annual Return

The extract of the Annual Return, as at the Financial Year ended March 31, 2020, in Form MGT-9, is available on the website of the Company as a part of the Annual Report at the link, <http://rupa.co.in/annual-report-accounts/> and the same is also annexed hereto, marked as 'Annexure – VI'.

Risk Management Policy

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

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

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

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

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

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

- 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 the timely preparation of reliable financial information;
- 3) Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted;
- 4) The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any; and
- 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, Chief Executive Officer and Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, provided in this Annual Report, also certifies the adequacy of our Internal Control systems and procedures.

Statutory Auditors and Auditors' Report

M/s. Singhi & Co. (Firm Registration Number 302049E), Chartered Accountants, had been appointed as the Statutory Auditor of the Company to hold office for a period of 5 (five) years from the conclusion of the 32nd AGM of the Company (for the Financial Year 2016-17), held on August 31, 2017, until the conclusion of the 37th AGM of the Company for the Financial Year 2021-22.

The Notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations/comments.

Report of the Board of Directors

for the Financial Year ended March 31, 2020

Internal Auditor

M/s. Das & Prasad, Chartered Accountants (Firm Registration Number 303054E), was appointed as the Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2019-20. Further, the Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor on a quarterly basis.

Details in respect of Fraud

During the Financial Year 2019-20, the Auditors have not reported any fraud, as prescribed under Section 143(12) of the Act.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed CS Nidhi Bagri of M/s. Nidhi Bagri & Company, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company, for the Financial Year 2019-20. The Secretarial Audit Report in Form MR-3, for the Financial Year 2019-20, is annexed hereto, marked as 'Annexure – VII'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year 2019-20 and the date of this Report.

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

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

Deposits

The Company has not accepted any deposit within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, during the Financial Year ended March 31, 2020.

Particulars of Loans, Guarantees or Investments

The loan and guarantee given by the Company during the financial year ended March 31, 2020 are within the limits prescribed under Section 186 of the Act. Further, the details of the said loan given, guarantee given and investment made are provided in the Notes to the Financial Statements of the Company.

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

Particulars of Contracts or Arrangements with Related Parties

There were no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company. All contracts/ arrangements/ transactions entered by the Company during the Financial Year 2019-20, with its related parties, were in the ordinary course of business and on an arm's length basis and were reviewed and approved by the Audit Committee of the Board. Further, during the 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 except those provided in Form AOC-2, annexed hereto, marked as 'Annexure – VIII'. Further, suitable disclosure as required by the Accounting Standards has been made in the Notes to the Financial Statements.

The Policy on dealing with Related Party Transactions is available on the website of the Company, at the link - <http://rupa.co.in/livesite/wp-content/uploads/2018/12/policy-on-related-party-transactions.pdf>

Particulars of Contract with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company

The details of the transactions entered into by the Company with promoter/ promoter group, which hold(s) 10% or more shareholding in the Company, are as hereunder:

Report of the Board of Directors

for the Financial Year ended March 31, 2020

Name of the Person	% of shares held in the Company	Nature of relationship	Nature of transaction	Amount (₹)
Ullas Sales Promotion Limited* (now converted to Ullas Sales Promotion LLP)	27.20%	Enterprises owned or significantly influenced by key management personnel or their relatives	Dividend	6,48,92,580
Binod Hosiery (shares held in the name of its partners, Mr. Prahlad Rai Agarwala, jointly with Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal)	21.08%		Dividend	5,02,90,968
			Rent payment	14,400

**Pursuant to Scheme of Arrangement approved by Hon'ble NCLT vide Order dated June 28, 2019, Rajnish Enterprises Limited and Purvanchal Leasing Limited were merged with Ullas Sales Promotion Private Limited on August 21, 2019. They were holding 19.90% and 7.30% paid up share capital of the Company, respectively. Ullas Sales Promotion Private Limited was converted to Public Limited Company and subsequently converted to LLP.*

Compliance with Secretarial Standards

The Directors state that the Company is in compliance with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

Maintenance of Cost Records

The provisions of Section 148 of the Companies Act, 2013, with respect to maintenance of Cost records are not applicable to the Company.

Management Discussion and Analysis Report

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

Corporate Governance Report

The Corporate Governance Report, in terms of Regulation 34(3), read with Schedule V, of the SEBI Listing Regulations, forms part of this Annual Report. The Company has obtained a certificate from the Statutory Auditors of the Company, M/s. Singhi & Co. (Firm Registration Number 302049E), regarding compliance of conditions of Corporate Governance and the same forms part of this Annual Report.

Business Responsibility Report

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

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

The Company is committed to provide a safe and conducive work environment to its employees and has formulated 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment. Further, the Company has complied with the provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Directors' Responsibility Statement

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

- 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;

Report of the Board of Directors

for the Financial Year ended March 31, 2020

- (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, 2020 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.

Annexures forming part of this Report of the Directors

Annexure	Particulars
I	Dividend Distribution Policy
II	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
III	Particulars of Employees
IV	Policy on Appointment and Remuneration
V	Annual Report on CSR Activities
VI	Extract of the Annual Return in Form MGT-9
VII	Secretarial Audit Report
VIII	Particulars of Contracts or Arrangements with Related Parties in Form AOC-2

Acknowledgement

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

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

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Place: Kolkata
Date: June 26, 2020

Annexure to the Board's Report

Annexure – I

Dividend Distribution Policy

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

1. Background

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

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

2. Effective Date

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

3. Definitions and Interpretations

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

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

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

4. Purpose, Objectives and Scope

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

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

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

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after

Annexure to the Board's Report

retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

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

5. Considerations relevant for Decision of Dividend Pay-Out

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

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

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

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

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

Prudential requirements: The Company shall analyse the prospective projects and strategic decisions in order to decide: • to build a healthy reserve of retained earnings; • to augment long term strength; • to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company; and • the needs for capital conservation and appreciation.

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

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

6. Other Financial Parameters

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

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

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

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

Annexure to the Board's Report

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

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

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

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

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

7. Factors that may affect Dividend Payout

External Factors: Taxation and other regulatory concern

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

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

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

Internal Factors

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

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

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

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

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

The Board shall consider the factors provided above under Paras 5 to 7, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc.



Annexure to the Board's Report

The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

9. Manner of utilisation of retained earnings

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

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

10. Parameters with regard to various classes of shares

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

11. Range of Dividend

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

12. Amendment

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

Annexure to the Board's Report

Annexure – II

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

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

(A) Conservation of Energy

- (i) Steps taken or impact on conservation of energy:
 - (a) 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.
 - (b) Condensed water from the steam is recycled to heat water, thereby, saving 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. Several cutting machines, knitting machines and spreader machine including accessories have been imported during the year 2018-19. The said machines were purchased from Morgan Tecnica SPA, Italy, Unitex Texmac Pte Ltd, Singapore, Bierrebi Italia SRL, Italy and Mahela Machines India Ltd (Bullmer).
 - (b) Year of import: 2018-19
 - (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	: ₹ 1,951.89 Lakhs
Foreign Exchange outgo during the year in terms of actual outflows	: ₹ 264.27 Lakhs

Place : Kolkata
Date : June 26, 2020

By order of the Board
For **Rupa & Company Limited**
Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Annexure to the Board's Report

Annexure – III

Details pertaining to the Remuneration, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, for the Financial Year 2019-20

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary, during the Financial Year 2019-20, are as under:

Sl. No.	Name of Director/KMP and Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase/ decrease in remuneration received by Director/ KMP in the Financial Year 2019-20
1	Mr. Prahlad Rai Agarwala, Chairman	181:1	6.12
2	Mr. Ghanshyam Prasad Agarwala, Vice-Chairman	89:1	13.33
3	Mr. Kunj Bihari Agarwal, Managing Director	89:1	13.33
4	Mr. Ramesh Agarwal, Whole-time Director-cum-Chief Financial Officer	89:1	17.24
5	Mr. Mukesh Agarwal, Whole-time Director	89:1	17.24
6	Mr. Dipak Kumar Banerjee, Independent Director	11:1	-26.57
7	Mr. Dharam Chand Jain, Independent Director	7:1	-28.57
8	Mr. Sushil Patwari, Independent Director	9:1	-24.44
9	Mrs. Alka Devi Bangur, Independent Director	5:1	-40.63
10	Mr. Vinod Kumar Kothari, Independent Director	11:1	-12.80
11	Mr. Ashok Bhandari, Independent Director [#]	9:1	6.25
12	Mr. Niraj Kabra, Executive Director	16:1	12.09
13	Mr. Dinesh Kumar Lodha, Chief Executive Officer (KMP) [^]	223:1	1098.50
14	Mr. Kundan Kumar Jha, Company Secretary and Compliance Officer	20:1	14.64

Note: Remuneration to Independent Directors consists of Commission and Sitting fees. During the Financial Year 2018-19, the Independent Directors were paid commission for two years, i.e., for the Financial Year 2017-18 and 2018-19. Therefore, the increase/ decrease in remuneration of Independent Directors for the Financial Year 2019-20 is not comparable vis-à-vis Financial Year 2018-19.

[#]Mr. Ashok Bhandari was appointed as an Independent Director of the Company, w.e.f. August 10, 2018. Therefore, remuneration received during the Financial Year 2019-20 vis-à-vis 2018-19 is not comparable.

[^]Mr. Dinesh Kumar Lodha was appointed as Chief Executive Officer (KMP) of the Company, w.e.f. February 25, 2019. Therefore, the increase in remuneration for the Financial Year 2019-20 vis-à-vis 2018-19 is not comparable.

- (ii) There was no increase in the median remuneration of employees of the Company during the Financial Year 2019-20.
- (iii) Number of permanent employees on the rolls of Company as on March 31, 2020 was 1167.
- (iv) Average percentile increase in total remuneration paid to employees other than the managerial personnel in the Financial Year 2019-20 was 24%, whereas the increase in the total managerial remuneration for the same Financial Year was 12%. The managerial remuneration is linked to market trend and industry segment composition.
- (v) We hereby affirm that the remuneration paid is as per the Remuneration Policy of the Company.
- (vi) The Managing Director and the Whole-time Directors of the Company do not receive any remuneration or commission from its Wholly-owned Subsidiaries.

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) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time

Name	Designation	Remuneration (₹ in Lakhs)	Qualification and Experience (years)	Age (years)	Date of Commence- ment of Employment	Last Employ- ment
Employed throughout the financial year						
Mr. Prahlad Rai Agarwala	Chairman (Whole-time Director)	208.00	Bachelor's degree in Law, B. Com, having an experience of more than 52 years	82	February 6, 1985	None
Mr. Ghanshyam Prasad Agarwala	Vice-Chairman (Whole-time Director)	102.00	B. Com, having an experience of more than 47 years	74	July 13, 1987	None
Mr. Kunj Bihari Agarwal	Managing Director	102.00	B. Com, having an experience of more than 45 years	70	July 17, 1987	None
Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer	102.00	B. Com, having an experience of more than 25 years in the textile industries	51	April 1, 2004	None
Mr. Mukesh Agarwal	Whole-time Director	102.00	B. Com, having an experience of more than 20 years in the textile industries	49	April 1, 2004	None
Mr. Ravi Agarwal ⁴	President	72.00	MBA in Marketing from Geneva, Switzerland, having an experience of more than 16 years	46	September 11, 2004	None
Mr. Manish Agarwal ⁵	President	72.00	Bachelor's degree in Mechanical Engineering, having an experience of more than 16 years	45	September 11, 2004	None
Mr. Vikash Agarwal ⁴	President	72.00	Diploma in Marketing Management from University of California, USA, having an experience of more than 16 years	43	September 11, 2004	None
Mr. Rajnish Agarwal ⁵	President	72.00	Master's in Business Administration in Marketing from University of Cardiff, having an experience of more than 16 years	42	September 11, 2004	None
Mr. Dinesh Kumar Lodha ⁶	Chief Executive Officer	255.75	CA, CS, Black Belt (Quality Certification) – Lean Six Sigma, GE USA, Graduated from GE Crotonville, USA in Executive & Strategic Leadership (GE MDC), Global Director Course in Samsung leadership center in Korea for 2 weeks, Graduated from ISB Hyderabad on marketing strategies in competitive environment, having an experience of more than 24 years	48	February 25, 2019	Group CEO – (India and Global Business) Healthium Medtech (Apax portfolio company) Formerly known as Sutures India

Annexure to the Board's Report

Notes:

- 1) *Remuneration includes salary, commission, bonus, allowances and monetary value of perquisites but excludes gratuity provision.*
- 2) *All appointments are contractual.*
- 3) *The inter-se relation between the Directors of the Company has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.*
- 4) *Mr. Ravi Agarwal and Mr. Vikash Agarwal, employed throughout the Financial Year, were in receipt of remuneration for the year, at a rate, which was in excess of that drawn by a Whole-time Director of the Company and they hold 2.19% and 2.21% of the equity shares of the Company, respectively. Mr. Ravi Agarwal and Mr. Vikash Agarwal are sons of Mr. Kunj Bihari Agarwal, Managing Director of the Company.*
- 5) *Mr. Manish Agarwal and Mr. Rajnish Agarwal are sons of Mr. Ghanshyam Prasad Agarwala, Vice-chairman, and brothers of Mr. Mukesh Agarwal, Whole-time Director.*
- 6) *Mr. Dinesh Kumar Lodha is not related to any Director of the Company.*
- 7) *The above details include details of top ten employees of the Company, in terms of remuneration drawn during the Financial Year 2019-20.*

By order of the Board
For **Rupa & Company Limited**
Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Place: Kolkata
Date: June 26, 2020

Annexure to the Board's Report

Annexure – IV

Remuneration Policy

FRAMED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013 AND REGULATION 19 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors (the “Board”) of Rupa and Company Limited (the “Company”) had initially adopted this Remuneration Policy (the “Policy”) on May 21, 2015, as required in terms of Section 178 of the Companies Act, 2013 and revised Clause 49 of the erstwhile Listing Agreement. In view of the amendments made in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Policy has been amended with effect from February 8, 2019.

CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them, in the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder, or SEBI LODR, as amended, from time to time.

INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as:

“Act”	means the Companies Act, 2013 as may be amended from time to time;
“Applicable Law”	includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time;
“Board”	means the Board of Directors of the Company;
“Company”	refers to the Rupa and Company Limited;
“Directors”	refers to the Chairperson, Managing Director and all whole-time Directors;
“Executives”	refers to the Directors, Key Managerial Personnel and Senior management personnel;
“Key Managerial personnel” or “KMP”	Refer to the Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary and such other officer as may be prescribed under applicable law.
“Listing Regulations”	means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time;
“Nomination and Remuneration Committee” or “NRC” or “Committee”	means the committee constituted by the Board of Directors as per the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015;
“Non-Executive Director”	means the Non-executive Director including Independent Director appointed by the Company;
“Policy” or “this Policy”	means the contents herein including any amendments made by the Board of the Company;
“Senior management”	Means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors.

Scope

- This Policy applies to all the “Executives” of the Company.
- In addition, this Policy also extends to the remuneration of Non-Executive Directors, including principles of selection of the Independent Directors of the Company.

Annexure to the Board's Report

- c) The Board of Directors has initially adopted the Remuneration Policy with effect from May 21, 2015 which has been amended with effect from February 8, 2019, on the recommendation of the Committee. This Policy shall be valid for all employment agreements entered into after the approval of the Policy for appointment of the Executives and for changes made to existing employment agreements thereafter.
- d) In order to comply with local regulations, some entities and units within the Group may have remuneration policies and guidelines which shall apply in addition to the Group's remuneration policy.

The Board of Directors of the Company may deviate from this Policy if there are explicit reasons to do so in an individual case. Deviations on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be disclosed in the Annual Report or, in case of an appointment, in good time prior to the appointment of the individual.

PURPOSE

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 are aligned with the Company's business strategies, values, key priorities and goals.

GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Company may attract and retain competent Executives. In determining the Policy, the Committee ensures that a competitive remuneration package for all Executives is maintained and is also benchmarked with other companies in the same markets.

RESPONSIBILITIES AND POWERS OF THE COMMITTEE

The Committee, in addition to the functions and powers as endued by its terms of reference, would be also responsible for –

- a) preparing, and recommending for, the Board's decisions on issues concerning principles for remunerations (including pension and severance pay) and other terms of employment of Executives and Non-executive Directors;
- b) formulating criteria of qualifications and positive attributes to assist the Company in identifying the eligible individuals for the office of Executives;
- c) monitoring and evaluating programs for variable remuneration, both ongoing and those that have ended during the year, for Executives and Non-executive Directors;
- d) monitoring and evaluating the application of this Policy;
- e) monitoring and evaluating current remuneration structures and levels in the Company.

BOARD DIVERSITY CRITERION

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 fifty percent of the Board of Directors comprising non-executive Directors.
- b) Atleast half of the Board should comprise of independent directors (where the Chairman of the Board is executive) or atleast 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.

Annexure to the Board's Report

- d) The Company shall have at least 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 is 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:

- (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 or member of the promoter group of the Company and not related to promoters or directors of the Company, its holding, subsidiary or associate company;
- (c) has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed, 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 -
 - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
 - (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of fifty lakhs rupees or more, at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees or more, at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
 - (iv) has or had any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company or their promoters, or directors amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii) 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 ten percent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two percent 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 twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (f) who is not less than 21 years of age
- (g) possesses 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.
- (h) is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

OVERALL CRITERIA FOR SELECTION OF EXECUTIVES

The assessment for Functional head 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, Organiser & Administrator , Good Analytical skills Creative & Innovative.
- c) **Compatibility:**
 - Can this person get along with colleagues, existing and potential clients and partners.
 - Strong Interpersonal Skills.
 - Flexible & Adaptable.
- d) **Commitment:**
 - Candidate's seriousness about working for the long term
 - Vision & Aim
- e) **Character:**
 - Ethical, honest, team player

Annexure to the Board's Report

f) Culture:

- Fits with the Company's culture. (Every business has a culture or a way that people behave and interact with each other. Culture is based on certain values, expectations, policies and procedures that influence the behavior of a leader and employees. Employees who don't reflect a company's culture tend to be disruptive and difficult
- Presentable & should be known for good social & corporate culture.

GENERAL POLICIES FOR REMUNERATION

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

The five remuneration components are -

- fixed remuneration (including fixed supplements)
- performance-based remuneration (variable salary), if any
- pension schemes, where applicable
- other benefits in kind
- severance payment, where applicable

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 performance-based remuneration 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.

A. Any remuneration payable to the Executives of the Company shall abide by the following norms-

- The base salary shall be competitive and based on the individual Executive's key responsibilities and performance;
- Base salaries would be based on a function-related salary system and be in line with the market developments shown by the benchmark research and additional market studies. When first appointed, an Executive's base salary will usually be below the maximum function-related salary. Normally (and subject to the decision of the Committee), the base salary would reach the maximum function-related salary level over a maximum 3-year period from appointment. The annual review date for the base salary would be April 1;
Adjustment of individual salaries by the Committee is influenced by the (annual) adjustment, if any, of the function related salary levels and the progress to the (maximum) function-related salary level if this level has not yet been reached;
- The Executives may receive variable pay in addition to fixed salaries;
- The performance-based pay to the Executives, including revisions, if any, would be decided by the Head of Human Resources of the Company in consultation with the Managing Director of the Company, as and when necessary, and subject to Applicable law;
- The performance-based pay would be granted to reflect the Company's financial results, the performance of the business unit where the Executive is employed and also, the individual's performance. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives. Such targets will be set by the Board of Directors and may relate to inter alia operating income, operating margin or cash flow. Further, both financial and non-financial factors shall be taken into consideration when determining the individual's bonus. A discretionary assessment would always be ensured that other factors – including factors which are not directly measurable – have been considered;
- The Board may, under specific circumstances, decide to reclaim the variable salary already paid or to cancel or limit or revise such variable salary to be paid to the Executives;
- The Executives will be entitled to customary non-monetary benefits such as company cars, phone and such other fixed entitled benefits;
- Pension contributions shall be made in accordance with applicable laws and employment agreements;
- The Committee has decided to adopt a share-based incentive program for the Executives at an appropriate time;

Annexure to the Board's Report

- x. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
- xi. A Director 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;
- xii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
- xiii. Subject to the provisions of the applicable law, a Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report;
- xiv. The Annual report would specify the Executive remuneration.

B. Any fee/ remuneration payable to the Non-Executive directors of the Company shall abide by the following norms

- i. If any such director draws or receives, directly or indirectly, by way of fee/ remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
- ii. Such directors 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;
- iii. 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 by the Applicable law.
- iv. The Annual Report would specify the remuneration paid to the Non-Executive directors as required under Applicable Law.

POLICY REVIEW

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Applicable Law or as may be otherwise prescribed by the Committee/ Board from time to time.

Annexure to the Board's Report

Annexure – V

Annual Report on CSR Activities

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

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

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

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

During the Financial Year 2019-20, the Company has contributed for making available safe drinking water at public places as well in maintenance thereof. The Company has also contributed significantly towards promoting healthcare including preventive healthcare, education, animal welfare, eradicating hunger, poverty and malnutrition, etc. In order to serve the society, Rupa group has also forayed into the field of education by setting up the Sobhasaria Engineering College in Sikar, Rajasthan. Rupa group also provides vocational training and other social welfare activities to the needy through its trust, Rupa Foundation.

The CSR Policy of the Company is also 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 (Whole-time Director)
Mr. Kunj Bihari Agarwal	- Member (Managing Director)
Mr. Dipak Kumar Banerjee	- Member (Independent Director) (w.e.f. August 8, 2019)
Mr. Vinod Kumar Kothari	- Member (Independent Director) (upto August 8, 2019)

3. Average net profit of the Company for the last 3 (three) Financial Years:

₹ 14,386.33 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

₹ 287.73 lakhs.

5. Details of CSR spent during the Financial Year:

- i) Total amount to be spent for the Financial Year: ₹ 287.73 lakhs
- ii) Amount unspent: ₹ 62.80 lakhs

Annexure to the Board's Report

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

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 for the reporting period (₹ in lakhs)	Amount spent on the project or program. All direct expenses (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Mode of implementation – Direct as well as through implementing agencies
1	Clause (i) of Schedule VII of the Act	Making available safe drinking water - Maintenance of existing facilities Making available safe drinking water - New installations	Local area. West Bengal - Kolkata, Howrah Local and other area. West Bengal - Kolkata, Howrah, Medinipur	65.00 50.00	49.01 29.28	652.17	Rupa & Company Limited/ Rupa Foundation through Ashish Kumar Jain and others
2	Clause (i) of Schedule VII of the Act	Promoting health care including preventive health care	Local & other area. West Bengal - Kolkata, Haryana - Palwal	60.00	62.77	62.76	Marwari Relief Society, S.V.S. Marwari Hospital, Sri Sathya Sai Health & Education Trust, Nagarik Swasthya Sangh, Indian Association of Blood Cancer & Allied Disease, Lions Club of Calcutta, Bengal Hosiery Tailors Association, GFI Clean Road India
3	Clause (i) of Schedule VII of the Act	Eradicating hunger, poverty and malnutrition	Local area. West Bengal - Kolkata	15.00	13.20	13.20	Lions District Welfare Trust, Annamrita Foundation
4	Clause (ii) of Schedule VII of the Act	Promoting education including special education and employment enhancing vocational skills and Livelihood enhancement projects	Local and other area. West Bengal - Kolkata, West Midnapore. Maharashtra- Pune	60.00	44.67	44.67	Vivekananda Vidyavikash Parishad, Shree Burrabazar Kumarsabha Pustakalaya, Arya Seva Girls Education Society, Paschim Bangiya Marwari Sammelan Siksha Kosh, Care for Autism, Manovikas Kendra, Maharshi Vedvyas Pratishthan, Udayan Care, Bharat Scouts & Guides, Nehru Children Museum, Goethals Indian Library and Research Society
5	Clause (iv) of Schedule VII of the Act	Ensuring environmental sustainability, ecological balance, Animal Welfare	Other area. West Bengal - Kolkata, West Medinipur, Tamilnadu- Tirupur	20.00	21.00	21.00	Calcutta Pinjrapole Society, Akhil Bharat Goraksha Sansthan, VETRY
6	Clause (v) of Schedule VII of the Act	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance	-	15.00	-	170.26	Not applicable

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 for the reporting period (₹ in lakhs)	Amount spent on the project or program. All direct expenses (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Mode of implementation – Direct as well as through implementing agencies
7	Clause (xii) of Schedule VII of the Act	Disaster management, including relief, rehabilitation and reconstruction activities	Other area. Kolkata, W.B., Karnataka	3.00	5.00	5.00	Rupa & Company Limited, Karnataka State Disaster Management Authority
Total				288.00	224.93	969.06	

Details of Implementing Agencies:

- 1) Rupa & Company Limited, via, Rupa Foundation, a trust located in Kolkata, engaged in areas like education and healthcare, Ashish Kumar Jain and others.
- 2) (a) Marwari Relief Society, situated in Kolkata, is engaged in healthcare services, including OPD treatment;
 (b) S.V.S. Marwadi Hospital is a reliable institution for medical care. Adhering to the motive of "To Serve the poor", the trust is eradicating diseases and providing quality Medical care with the state-of-the-art techniques to all patients irrespective of their economic status;
 (c) Sri Sathya Sai Health & Education Trust, is engaged entirely to provide completely free and quality education and Paediatric Cardiac care to the sick and needy children and young adults irrespective of Caste, Creed, Religion, Economic status & Nationality;
 (d) Nagarik Swasthya Sangha, is a trust situated in Kolkata, which provides medical and other relief of the needy persons;
 (e) Indian Association of Blood Cancer & Allied Disease is a non-profit organization working for patient suffering from blood cancer;
 (f) Lions Club of Calcutta (Kankurgachhi Netralaya & Research Institute), provide the world class eye treatment to the society, equipped with a range of new generation diagnostic and clinical equipment as well as staffed with a team of highly qualified physicians and medical personnel;
 (g) Bengal Hosiery Tailors Association, towards blood donation camp;
 (h) GFI Clean Road India, situated in Kolkata is involved in Sewage and refuse disposal, sanitation and similar activities.
- 3) (a) Lions District Welfare Trust, is engaged in Annapurna Dry Ration to the economically weaker section of the society;
 (b) Annamrita Foundation (formerly, ISKCON Food Relief Foundation) provide hygienically cooked, balanced, nutritious, wholesome Mid-day Meal food for children in municipal and government aided schools, in India, to improve access to good food and promote education.
- 4) (a) Vivekananda Vidyavikash Parishad, is engaged and committed to the cause of spreading and making education available to the needy and poor students across the length and breadth of the nation;
 (b) Shree Burrabazar Kumarsabha Pustakalaya is a non-governmental organization (NGO) working in West Bengal, India, works in the area of Education & Literacy, etc, and towards the promotion of sustainable development;
 (c) Arya Seva Girls Education Society, is engaged in providing education to poor girls;
 (d) Paschim Bangiya Marwari Sammelan Shiksha Kosh, is a fund constituted and registered as a public charitable trust for educational purpose;

Annexure to the Board's Report

- (e) Care for Autism, works in uplift the quality of life of children through Joyful learning, meaningful education any with many other techniques and interventions;
- (f) Manovikas Kendra, is situated in Kolkata, it's a Rehabilitation and Research Institute for the Handicapped;
- (g) Maharshi Vedvyas Pratishthan is a trust, situated in Pune, which encourage education of Vedas, Vedangas (branches of Vedas) and Sanskrit language;
- (h) Udayan Care, registered in 1994 as a Public Charitable Trust, works to empower vulnerable children, women and youth across India;
- (i) The Bharat Scouts & Guides, providing young people with value-based, attractive and challenging youth programme, through competent leaders, effective communication, optimum use of technology and efficient management;
- (j) Nehru Children's Museum is a project of National Cultural Association;
- (k) Goethals Indian Library and Research Society, a society engaged in maintaining and collecting educational material;
- 5) (a) Calcutta Pinjrapole Society is engaged in animal welfare activities;
- (b) Akhil Bharat Goraksha Sansthan is engaged in animal welfare activities.
- (c) VETRY (Voluntary Organisation for People and for the Empowerment of Rural Areas by Youth) is engaged in projects related to environmental sustainability and ecological balance.
- 6) (a) The Company extended relief to cyclone 'Fani' and 'Bulbul' affected people through Indian Chamber of Commerce and Bharat Chamber Benevolent Fund, respectively. The Company also provided relief to Covid-19 affected poor people;
- (b) Karnataka State Disaster Management Authority (KSDMA), established by Government of Karnataka for the rehabilitation of food victims and reconstruction of flood affected areas;

6. The reasons for not spending 2 (two) percent of the average net profit of the last 3 (three) Financial Years or any part thereof:

Out of total minimum allocation of ₹ 287.73 Lakhs, the Company has spent ₹ 224.93 Lakhs and the unspent amount was ₹ 62.80 Lakhs. As a responsible corporate, over the years, the Company has been contributing for various CSR activities, as prescribed under the law, for the benefit of the society as well as for the economically underprivileged sections of the society, and has been fulfilling its mandatory requirement of CSR expenditure, in line with the CSR Policy of the Company.

The unspent amount of CSR for the year 2019-20 was partly because of delay in execution of the some projects, like, making available safe drinking water and also owing to the reason that some of the projects undertaken by the Company are of long duration, like, restoration of buildings and sites of historical importance, and therefore, further expenditure would be done in stages. Further, Covid-19 pandemic came as an unprecedented challenge, has also contributed to non-spending of the prescribed CSR Budget.

For these reasons, despite the continual efforts, the Company could not entirely spent the allocated CSR Budget. The Company is committed to explore opportunities which align to its CSR Policy that will create sustainable impact on society as well as economically underprivileged sections of the society.

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: June 26, 2020

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

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

Annexure to the Board's Report

Annexure – VI

MGT-9
Extract of Annual Return
as on the Financial Year ended March 31, 2020

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

I. Registration and Other Details:

1	CIN	L17299WB1985PLC038517
2	Registration Date	February 6, 1985
3	Name of the Company	Rupa & Company Limited
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: +91-33-40573100; Fax: +91-33-22881362 E-mail: connect@rupa.co.in; cs@rupa.co.in
6	Whether Listed Company	Yes
7	Name, Address and Contact Details of the Registrar & Transfer Agent	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road, 5th Floor, Kolkata- 700 001 Tel: +91-33-2248 2248, +91-33-22435029; Fax: +91-33-22484787; E-mail: 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	97.28%

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	Wholly-owned Subsidiary	100	2(87)
2.	Imoogi Fashions Private Limited Address: Metro Tower, 1, Ho Chi Minh Sarani, 8th Floor, Kolkata-700071	U17120WB2010PTC140976	Wholly-owned 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	Wholly-owned Subsidiary	100	2(87)

Annexure to the Board's Report

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
4.	Rupa Fashions Private Limited Address: 31 Shibtolla Street, Kolkata- 700007	U17299WB2019PTC235237	Wholly-owned Subsidiary	100	2(87)
5.	RUPA Bangladesh Private Limited Address: 21 Purana Paltan Line, 5th Floor, Dhaka 1000, Bangladesh	Not applicable	Wholly-owned Subsidiary	100	2(87)

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

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the Year April 1, 2019				No. of Shares held at the end of the Year March 31, 2020				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	34959166	-	34959166	43.96	34952665	-	34952665	43.95	-0.01
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	23322880	-	23322880	29.33	23322880	-	23322880	29.33	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	58282046	-	58282046	73.29	58275545	-	58275545	73.28	-0.01
(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)	58282046	-	58282046	73.29	58275545	-	58275545	73.28	-0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	20301	-	20301	0.02	10553	-	10553	0.01	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-

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Category of Shareholders	No. of Shares held at the beginning of the Year April 1, 2019				No. of Shares held at the end of the Year March 31, 2020				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	327090	-	327090	0.41	950	-	950	0.00	-0.41
Sub-total(B)(1)	347391	-	347391	0.43	11503	-	11503	0.01	-0.42
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	18393518	8000	18401518	23.14	18411127	-	18411127	23.15	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	2111407	223627	2335034	2.94	2449005	217415	2666420	3.35	0.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
NBFCs	117	-	117	0.00	-	-	-	-	0.00
Non Resident Indians	88819	-	88819	0.11	87203	-	87203	0.11	-0.00
Clearing Members	39104	-	39104	0.05	45131	-	45131	0.06	0.01
Investor Education and Protection Fund Authority	30531	-	30531	0.04	27621	-	27621	0.04	-0.00
Trusts	-	-	-	-	10	-	10	0.00	0.00
Sub-total (B)(2)	20663496	231627	20895123	26.28	21020097	217415	21237512	26.71	0.43
Total Public Shareholding (B)=(B)(1)+ (B)(2)	21010887	231627	21242514	26.71	21031600	217415	21249015	26.72	0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	79292933	231627	79524560	100.00	79307145	217415	79524560	100.00	0.00

Annexure to the Board's Report

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year – April 1, 2019			Shareholding at the end of the Year – March 31, 2020			% Change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1.	Ullas Sales Promotion Limited (converted to Ullas Sales Promotion LLP)*	0	0.00	0.00	21630860	27.20	0.00	27.20
2.	Prahlad Rai Agarwala**	16763656	21.08	0.00	16763656	21.08	0.00	0.00
3.	Prahlad Rai Agarwal	2891340	3.64	0.00	2888876	3.63	0.00	-0.01
4.	Vikash Agarwal	1755440	2.21	0.00	1755440	2.21	0.00	0.00
5.	Ravi Agarwal	1742630	2.19	0.00	1742630	2.19	0.00	0.00
6.	Sidhant Credit Capital Limited	1692020	2.13	0.00	1692020	2.13	0.00	0.00
7.	Ghanshyam Prasad Agarwal	1319490	1.66	0.00	1317148	1.66	0.00	0.00
8.	Kunj Bihari Agarwal	1279660	1.61	0.00	1277965	1.61	0.00	0.00
9.	Rajnish Agarwal	1243370	1.56	0.00	1243370	1.56	0.00	0.00
10.	Manish Agarwal	1232550	1.55	0.00	1232550	1.55	0.00	0.00
11.	Suresh Agarwal	1066570	1.34	0.00	1066570	1.34	0.00	0.00
12.	Ramesh Agarwal	1059230	1.33	0.00	1059230	1.33	0.00	0.00
13.	Shanti Devi Agarwal	776320	0.98	0.00	776320	0.98	0.00	0.00
14.	Mukesh Agarwal	729550	0.92	0.00	729550	0.92	0.00	0.00
15.	K B & Sons	665330	0.84	0.00	665330	0.84	0.00	0.00
16.	Pushpa Devi Agarwal	593920	0.75	0.00	593920	0.75	0.00	0.00
17.	Lalita Devi Agarwal	346310	0.44	0.00	346310	0.44	0.00	0.00
18.	Seema Agarwal	293640	0.37	0.00	293640	0.37	0.00	0.00
19.	Mukesh Kumar Agarwal-HUF	282510	0.36	0.00	282510	0.36	0.00	0.00
20.	Sudha Agarwal	274720	0.35	0.00	274720	0.35	0.00	0.00
21.	Seema Agarwal	220160	0.28	0.00	220160	0.28	0.00	0.00
22.	Ghanshyam Prasad Manish Kumar - HUF	185090	0.23	0.00	185090	0.23	0.00	0.00
23.	Prahlad Rai Suresh Kumar (HUF)	151970	0.19	0.00	151970	0.19	0.00	0.00
24.	Sarita Patwari	52600	0.07	0.00	52600	0.07	0.00	0.00
25.	Suresh Kumar Agarwal - HUF	13630	0.02	0.00	13630	0.02	0.00	0.00
26.	Ravi Agarwal - HUF	11690	0.01	0.00	11690	0.01	0.00	0.00
27.	Shalini Agarwal	7790	0.01	0.00	7790	0.01	0.00	0.00
28.	Purvanchal Leasing Ltd*	5807670	7.30	0.00	0	0.00	0.00	-7.30
29.	Rajnish Enterprises Ltd*	15823190	19.90	0.00	0	0.00	0.00	-19.90
	TOTAL	58282046	73.29	0.00	58275545	73.28	0.00	-0.01

*Pursuant to Scheme of Arrangement approved by Hon'ble NCLT vide Order dated June 28, 2019, Rajnish Enterprises Limited and Purvanchal Leasing Limited were merged with Ullas Sales Promotion Private Limited on August 21, 2019. They were holding 19.90% and 7.30% paid up share capital of the Company, respectively. Ullas Sales Promotion Private Limited was converted to Public Limited Company and subsequently converted to LLP.

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

Annexure to the Board's Report

iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the Year and changes during the Year		Cumulative Shareholding during the Year and as at the end of the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Ullas Sales Promotion Limited (converted to Ullas Sales Promotion LLP)*				
	01/04/2019	0	0.00		
	21/08/2019 - Transfer	21630860	27.20	21630860	27.20
	31/03/2020			21630860	27.20
2.	Rajnish Enterprises Ltd*				
	01/04/2019	15823190	19.90		
	21/08/2019 - Transfer	-15823190	19.90	0	0.00
	31/03/2020			0	0.00
3.	Purvanchal Leasing Limited*				
	01/04/2019	5807670	7.30		
	21/08/2019 - Transfer	-5807670	7.30	0	0.00
	31/03/2020			0	0.00
4.	Prahlad Rai Agarwal				
	01/04/2019	2891340	3.64		
	30/09/2019 – Transfer	-2464	0.00	2888876	3.63
	31/03/2020			2888876	3.63
5.	Ghanshyam Prasad Agarwal				
	01/04/2019	1319490	1.66		
	30/09/2019 - Transfer	-2342	0.00	1317148	1.66
	31/03/2020			1317148	1.66
6.	Kunj Bihari Agarwal				
	01/04/2019	1279660	1.61		
	30/09/2019 - Transfer	-1695	0.00	1277965	1.61
	31/03/2020			1277965	1.61

*Pursuant to Scheme of Arrangement approved by Hon'ble NCLT vide Order dated June 28, 2019, Rajnish Enterprises Limited and Purvanchal Leasing Limited were merged with Ullas Sales Promotion Private Limited on August 21, 2019. They were holding 19.90% and 7.30% paid up share capital of the Company, respectively. Ullas Sales Promotion Private Limited was converted to Public Limited Company and subsequently converted to LLP.

Annexure to the Board's Report

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 and changes during the Year		Cumulative Shareholding during the Year and as at the end of the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Ziyan Developers LLP				
	01/04/2019	8650000	10.88		
	Change during the year	-	-	-	-
	31/03/2020			8650000	10.88
2.	Girika Advisory Services LLP				
	01/04/2019	3000000	3.77	-	-
	Change during the year	-	-	-	-
	31/03/2020			3000000	3.77
3.	Lambodar Ferro Alloys Ltd.				
	01/04/2019	2600000	3.27		
	Change during the year	-	-	-	-
	31/03/2020			2600000	3.27
4.	Satvichar Consultancy Services LLP				
	01/04/2019	1846000	2.32		
	Change during the year				
	31/03/2020			1846000	2.32
5.	Suvichar Advisors LLP				
	01/04/2019	1830000	2.30		
	Change during the year	-	-	-	-
	31/03/2020			1830000	2.30
6.	Kredent Brokerage Services Pvt Ltd*				
	01/04/2019	0	0.00		
	10/01/2020 - Transfer	37094	0.05	37094	0.05
	17/01/2020 - Transfer	82000	0.10	119094	0.15
	24/01/2020 - Transfer	15487	0.02	134581	0.17
	14/02/2020 - Transfer	-100000	0.13	34581	0.04
	13/03/2020 - Transfer	100000	0.13	134581	0.17
	31/03/2020			134581	0.17
7.	K. D. Plaza Private Limited				
	01/04/2019	36600	0.05		
	31/05/2019 - Transfer	1500	0.00	38100	0.05
	23/08/2019 - Transfer	500	0.00	38600	0.05
	27/09/2019 - Transfer	500	0.00	39100	0.05
	11/10/2019 - Transfer	997	0.00	40097	0.05
	18/10/2019 - Transfer	2	0.00	40099	0.05
	20/03/2020 - Transfer	2816	0.00	42915	0.05
	31/03/2020			42915	0.05
8.	Prem Lata Jain				
	01/04/2019	41970	0.05		
	Change during the year	-	-	-	-
	31/03/2020			41970	0.05

Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the Year and changes during the Year		Cumulative Shareholding during the Year and as at the end of the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
9.	D A Srinivas				
	01/04/2019	40000	0.05		
	Change during the year	-	-	-	-
	31/03/2020			40000	0.05
10.	KTD Trading Advisory LLP*				
	01/04/2019	32011	0.04		
	24/05/2019 - Transfer	10000	0.01	42011	0.05
	05/07/2019 - Transfer	-1500	0.00	40511	0.05
	02/08/2019 - Transfer	926	0.00	41437	0.05
	09/08/2019 - Transfer	-4426	0.01	37011	0.05
	30/08/2019 - Transfer	-500	0.00	36511	0.05
	03/01/2020 - Transfer	2300	0.00	38811	0.05
	10/01/2020 - Transfer	97700	0.12	136511	0.17
	17/01/2020 - Transfer	-63144	0.08	73367	0.09
	24/01/2020 - Transfer	-15948	0.02	57419	0.07
	14/02/2020 - Transfer	100000	0.13	157419	0.20
	13/03/2020 - Transfer	-100000	0.13	57419	0.07
	20/03/2020 - Transfer	-20908	0.03	36511	0.05
	31/03/2020			36511	0.05
11.	Nomura Singapore Limited#				
	01/04/2019	326140	0.41		
	10/05/2019 - Transfer	-6100	0.01	320040	0.40
	17/05/2019 - Transfer	-5000	0.01	315040	0.40
	24/05/2019 - Transfer	-59800	0.08	255240	0.32
	31/05/2019 - Transfer	-43000	0.05	212240	0.27
	07/06/2019 - Transfer	-6300	0.01	205940	0.26
	05/07/2019 - Transfer	-50000	0.06	155940	0.20
	26/07/2019 - Transfer	-174	0.00	155766	0.20
	09/08/2019 - Transfer	-5000	0.01	150766	0.19
	30/08/2019 - Transfer	-2000	0.00	148766	0.19
	13/09/2019 - Transfer	-22000	0.03	126766	0.16
	20/09/2019 - Transfer	-39000	0.05	87766	0.11
	01/11/2019 - Transfer	-11000	0.01	76766	0.10
	08/11/2019 - Transfer	-25000	0.03	51766	0.07
	15/11/2019 - Transfer	-51766	0.07	0	0.00
	31/03/2020			0	0.00
12.	Gunina Advisory Services LLP#				
	01/04/2019	142989	0.18		
	24/05/2019 - Transfer	14500	0.02	157489	0.20
	02/08/2019 - Transfer	2105	0.00	159594	0.20
	09/08/2019 - Transfer	-1205	0.00	158389	0.20
	13/09/2019 - Transfer	-900	0.00	157489	0.20
	10/01/2020 - Transfer	-137094	0.17	20395	0.03
	17/01/2020 - Transfer	-20395	0.03	0	0.00
	20/03/2020 - Transfer	20908	0.03	20908	0.03
	31/03/2020			20908	0.03

Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the Year and changes during the Year		Cumulative Shareholding during the Year and as at the end of the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
13.	Edelweiss Custodial Services Limited^				
	01/04/2019	15773	0.02		
	05/04/2019 - Transfer	4042	0.01	19815	0.02
	12/04/2019 - Transfer	-1979	0.00	17836	0.02
	19/04/2019 - Transfer	5185	0.01	23021	0.03
	26/04/2019 - Transfer	236	0.00	23257	0.03
	03/05/2019 - Transfer	-12621	0.02	10636	0.01
	10/05/2019 - Transfer	200	0.00	10836	0.01
	17/05/2019 - Transfer	2707	0.00	13543	0.02
	24/05/2019 - Transfer	9124	0.01	22667	0.03
	31/05/2019 - Transfer	-427	0.00	22240	0.03
	07/06/2019 - Transfer	5062	0.01	27302	0.03
	14/06/2019 - Transfer	2448	0.00	29750	0.04
	21/06/2019 - Transfer	-137	0.00	29613	0.04
	28/06/2019 - Transfer	-123	0.00	29490	0.04
	30/06/2019 - Transfer	-200	0.00	29290	0.04
	05/07/2019 - Transfer	3792	0.00	33082	0.04
	12/07/2019 - Transfer	763	0.00	33845	0.04
	19/07/2019 - Transfer	909	0.00	34754	0.04
	26/07/2019 - Transfer	4942	0.01	39696	0.05
	02/08/2019 - Transfer	2798	0.00	42494	0.05
	09/08/2019 - Transfer	5828	0.01	48322	0.06
	16/08/2019 - Transfer	-240	0.00	48082	0.06
	23/08/2019 - Transfer	3773	0.00	51855	0.07
	30/08/2019 - Transfer	-1322	0.00	50533	0.06
	06/09/2019 - Transfer	3531	0.00	54064	0.07
	13/09/2019 - Transfer	-314	0.00	53750	0.07
	20/09/2019 - Transfer	381	0.00	54131	0.07
	27/09/2019 - Transfer	912	0.00	55043	0.07
	30/09/2019 - Transfer	-3	0.00	55040	0.07
	04/10/2019 - Transfer	2265	0.00	57305	0.07
	11/10/2019 - Transfer	-330	0.00	56975	0.07
	18/10/2019 - Transfer	-1629	0.00	55346	0.07
	25/10/2019 - Transfer	-364	0.00	54982	0.07
	01/11/2019 - Transfer	-36	0.00	54946	0.07
	08/11/2019 - Transfer	-179	0.00	54767	0.07
	15/11/2019 - Transfer	5	0.00	54772	0.07
	22/11/2019 - Transfer	-6747	0.01	48025	0.06
	29/11/2019 - Transfer	-124	0.00	47901	0.06
	06/12/2019 - Transfer	-23519	0.03	24382	0.03
	13/12/2019 - Transfer	25	0.00	24407	0.03
	20/12/2019 - Transfer	54	0.00	24461	0.03
	27/12/2019 - Transfer	2	0.00	24463	0.03
	31/12/2019 - Transfer	4	0.00	24467	0.03
	03/01/2020 - Transfer	-64	0.00	24403	0.03
	10/01/2020 - Transfer	378	0.00	24781	0.03

Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the Year and changes during the Year		Cumulative Shareholding during the Year and as at the end of the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	17/01/2020 - Transfer	468	0.00	25249	0.03
	24/01/2020 - Transfer	632	0.00	25881	0.03
	31/01/2020 - Transfer	166	0.00	26047	0.03
	07/02/2020 - Transfer	-727	0.00	25320	0.03
	14/02/2020 - Transfer	-112	0.00	25208	0.03
	21/02/2020 - Transfer	166	0.00	25374	0.03
	28/02/2020 - Transfer	460	0.00	25834	0.03
	06/03/2020 - Transfer	-528	0.00	25306	0.03
	13/03/2020 - Transfer	-14450	0.02	10856	0.01
	20/03/2020 - Transfer	-240	0.00	10616	0.01
	31/03/2020 - Transfer	-2100	0.00	8516	0.01
14.	Umesh Kumar Kamani [^]				
	01/04/2019	0	0.00		
	24/01/2020 - Transfer	60000	0.08	60000	0.08
	31/01/2020 - Transfer	10000	0.01	70000	0.09
	28/02/2020 - Transfer	-5000	0.01	65000	0.08
	06/03/2020 - Transfer	-35000	0.04	30000	0.04
	13/03/2020 - Transfer	-30000	0.04	0	0.00
	31/03/2020			0	0.00
15.	Saroj Jhunjhunwala [^]				
	01/04/2019	0	0.00		
	24/01/2020 - Transfer	35745	0.04	35745	0.04
	07/02/2020 - Transfer	5000	0.01	40745	0.05
	14/02/2020 - Transfer	-7369	0.01	33376	0.04
	13/03/2020 - Transfer	-19325	0.02	14051	0.02
	20/03/2020 - Transfer	-182	0.00	13869	0.02
	31/03/2020 - Transfer	-10053	0.01	3816	0.00

^{*}Not in the list of Top 10 shareholders as on April 1, 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2020.

[#]Ceased to be in the list of Top 10 shareholders as on March 31, 2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2019.

[^]Not in the list of Top 10 shareholders on April 1, 2019 and March 31, 2020. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year.

Annexure to the Board's Report

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the Year and changes during the Year		Cumulative Shareholding during the Year and as at the end of the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Prahlad Rai Agarwala				
	01/04/2019	2891340	3.64		
	Transfer by way of gift	-2464	0.00	2888876	3.63
	31/03/2020			2888876	3.63
2	Ghanshyam Prasad Agarwala				
	01/04/2019	1319490	1.66		
	Transfer by way of gift	-2342	0.00	1317148	1.66
	31/03/2020			1317148	1.66
3	Kunj Bihari Agarwal				
	01/04/2019	1279660	1.61		
	Transfer by way of gift	-1695	0.00	1277965	1.61
	31/03/2020			1277965	1.61
4	Ramesh Agarwal				
	01/04/2019	1059230	1.33		
	Change during the year	-	-	-	-
	31/03/2020			1059230	1.33
5	Mukesh Agarwal				
	01/04/2019	729550	0.92		
	Change during the year	-	-	-	-
	31/03/2020			729550	0.92
6	Ashok Bhandari				
	01/04/2019	0	0		
	Transfer – Buy	2500	0.00	2500	0.00
	Transfer – Sale	-2500	0.00	0	0
	31/03/2020			0	0
7	Dharam Chand Jain				
	01/04/2019	40000	0.05		
	Change during the year	-	-	-	-
	31/03/2020			40000	0.05
8	Niraj Kabra				
	01/04/2019	0	0		
	Transfer – by way of gift	123	0.00	123	0.00
	31/03/2020			123	0.00

Annexure to the Board's Report

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

(₹ in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	17,566.94	-	-	17,566.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.93	-	-	11.93
Total (i+ii+iii)	17,578.87	-	-	17,578.87
Change in Indebtedness during the Financial Year				
* Addition	-	-	-	-
* Reduction	3,663.42	-	-	3,663.42
Net Change	(3,663.42)	-	-	(3,663.42)
Indebtedness at the end of the Financial Year				
i) Principal Amount	13,882.60	-	-	13,882.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32.85	-	-	32.85
Total (i+ii+iii)	13,915.45	-	-	13,915.45

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager, their Designation and Remuneration						Total amount
		Mr. Prahlad Rai Agarwala	Mr. Ghanshyam Prasad Agarwala	Mr. Kunj Bihari Agarwal	Mr. Ramesh Agarwal	Mr. Mukesh Agarwal	Mr. Niraj Kabra	
		Chairman (Whole-time Director)	Vice-Chairman (Whole-time Director)	Managing Director	Whole-time Director	Whole-time Director	Executive Director	
1	Gross salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	108.00	102.00	102.00	72.00	72.00	18.43	474.43
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	100.00	-	-	-	-	-	100.00
5	Others- Performance Bonus	-	-	-	30.00	30.00	-	60.00
	Total (A)	208.00	102.00	102.00	102.00	102.00	18.43	634.43
	Overall Ceiling as per the Act	<i>(Being 10% of the Net Profits of the Company, as calculated under Section 198 of the Act)</i>						1,152.13

Annexure to the Board's Report

B. Remuneration to Other Directors

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors and their Remuneration						Total Amount
		Mr. Vinod Kumar Kothari	Mr. Dipak Kumar Banerjee	Mr. Sushil Patwari	Mrs. Alka Devi Bangur	Mr. Dharam Chand Jain	Mr. Ashok Bhandari	
1	Independent Directors							
	Fee for attending Board/ Committee Meetings	7.60	7.85	5.05	2.70	4.50	5.20	32.90
	Commission*	5.00	5.00	5.00	3.00	3.00	5.00	26.00
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	12.60	12.85	10.05	5.70	7.50	10.20	58.90
2	Other Non-Executive Directors							
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	12.60	12.85	10.05	5.70	7.50	10.20	58.90
	Total Managerial Remuneration (A+B)							693.33
	Overall Ceiling as per the Act	(Being 11% of the Net Profits of the Company, as calculated under Section 198 of the Act)						1,267.34

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO – Mr. Dinesh Kumar Lodha	CFO*	CS – Mr. Kundan Kumar Jha	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	255.75	-	23.08	278.83
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	255.75	-	23.08	278.83

*Mr. Ramesh Agarwal, Whole-time Director, was appointed as the Chief Financial Officer of the Company, w.e.f. February 10, 2017 and consequently, was re-designated as Whole-time Director-cum-Chief Financial Officer. Details of remuneration paid to him, has been disclosed in Table VI(A) above.

Annexure to the Board's Report

VII. Penalties/ Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			None		
Compounding					

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

Sd/-

Prahlad Rai Agarwala

Chairman

DIN: 00847452

Place: Kolkata
Date: June 26, 2020

Annexure to the Board's Report

Annexure – VII

MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR FROM APRIL 1, 2019 TO MARCH 31, 2020

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

To,
The Members,
Rupa & Company Limited
1, Ho Chi Minh Sarani,
Metro Tower, 8th Floor
Kolkata-700071

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 1, 2019 to March 31, 2020 (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, 2020 and as shown to us during our audit, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. Secretarial Standard -1 & Secretarial Standard – 2 issued by ICSI.
3. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
4. The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings, if any;
6. 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 Audit Period;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008– Not applicable during the Audit Period;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009– Not applicable during the Audit Period;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998– Not applicable during the Audit Period; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
7. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a. Environment Protection Act, 1986;
 - b. The Air (Prevention & Control of Pollution) Act, 1981;

Annexure to the Board's Report

- c. The Water (Prevention & Control of Pollution) Act, 1974
- d. The Legal Metrology Act, 2009;
- e. Intellectual Property Acts;
- f. Consumer Protection Act, 1986

The Company has further confirmed that during the Audit Period they have not contravened any of the provisions of the above specific laws and had obtained all the requisites registrations, permits and licenses except in some units where few licenses are under process of renewal.

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent directors. No changes in the composition of the Board of Directors took place during the Audit Period.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.
4. We have found following material events during the year under review which has major bearing on the Company's affairs in pursuance of any of the laws, Rules, Regulations or Guidelines covered by this audit:

a) Incorporation of Rupa Bangladesh Private Limited, WOS in Bangladesh

The Board, at its meeting held on May 25, 2019, approved to set up a WOS in Bangladesh under the name and style 'Rupa Bangladesh Private Limited' with an initial capital of TK 45,00,000. In addition to Rupa & Company Limited, Mr. Ramesh Agarwal, Mr. Mukesh Agarwal, Mr. Vikash Agarwal, Mr. Naseem Shafi have been authorized to subscribe to the Memorandum of the said WOS as nominees of the Company. The above persons are authorised to act as first directors of the WOS. Rupa Bangladesh Private Limited, WOS was incorporated on September 1, 2019.

b) Incorporation of Rupa Fashions Private Limited, WOS in India

The Board at its meeting held on November 12, 2019 has approved incorporating a new WOS in West Bengal, India under the name and style 'Rupa Fashions Private Limited' with an initial capital of ₹ 5,00,000/-. In addition to the Company, Mr. Ramesh Agarwal, Mr. Vikash Agarwal and Mr. Rajnish Agarwal have been authorized to subscribe to the Memorandum of the said WOS as nominees of the Company and to act as first directors of the WOS. Rupa Fashions Private Limited was successfully incorporated on December 11, 2019 under the jurisdiction of RoC, West Bengal.

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, 2020 of even date is to be read along with the annexure to this letter.

Thanking you,
For **Nidhi Bagri & Company**
(Practising Company Secretaries)
Sd/-
(Nidhi Bagri)
Proprietor
ACS No. 24765
C.P. No. 9590

Date: June 19, 2020
Place: Kolkata

Annexure to the Board's Report

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Rupa & Company Limited
1, Ho Chi Minh Sarani,
Metro Tower, 8th Floor
Kolkata-700071

Our Secretarial Audit Report for the financial year ended March 31, 2020 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 Regulations 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**
(Practising Company Secretaries)
Sd/-
(Nidhi Bagri)
Proprietor
ACS No. 24765
C.P. No. 9590

Date: June 19, 2020
Place: Kolkata

Annexure to the Board's Report

Annexure – VIII

FORM AOC - 2

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

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

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

a	Name(s) of the related party and nature of relationship	: Mr. Suresh Agarwal, President in the Company and Relative of Director	Mr. Manish Agarwal, President in the Company and Relative of Director	Mr. Ravi Agarwal, President in the Company and Relative of Director	Mr. Vikash Agarwal, President in the Company and Relative of Director	Mr. Rajnish Agarwal, President in the Company and Relative of Director	Mr. Siddhant Agarwal, Vice-President in the Company and Relative of Director	Arrow-link Stitches Private Limited and Related Party. Directors/ relative of director of the Company are shareholder(s) of the Related Party
b	Nature of contracts/ arrangement/ transactions	: The aforesaid related parties have been appointed as President/Vice-President in the Company, being office or place of profit within the meaning of Section 188(1) (f) of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014. Mr. Siddhant Agarwal was appointed as Whole-time Director (KMP) in Oban Fashions Private Limited, Wholly-owned Subsidiary of the Company, w.e.f. March 16, 2020, on deputation basis. The Company shall pay remuneration to Mr. Siddhant Agarwal, and Oban Fashions Private Limited will debit the said expenses, incurred/to be incurred by the Company, till the time it is able to reimburse the same to the Company or dispose of the same in the manner, as may be determined by the Board of Directors of the Company						The related party is providing job work services to the Company
c	Duration of the contracts/ arrangements/ transactions	: Ongoing						
d	Salient terms of the contracts or arrangements or transactions including the value	: Value of transactions: Financial Year 2019-20 – ₹ 48 lakhs	Value of transactions: Financial Year 2019-20 – ₹ 72 lakhs, each.			Value of transactions: Financial Year 2019-20 – ₹ 42 lakhs		Value of transactions: Financial Year ₹ 5,669.79 lakhs
e	Date(s) of approval by the Board	: The terms of remuneration has been approved by the Board of Directors at their Meeting held on 25/05/2019 as well as by the Members at the Annual General Meeting (AGM) held on 31/08/2017 and 06/09/2019. The appointment of Mr. Siddhant Agarwal on deputation has been appointed by the Board on June 26, 2020 and the same is subject to approval of the members at the ensuing AGM.						By the Board: 25/05/2019 At the AGM: 06/09/2019
f	Amount paid as advances	: Nil						

By Order of the Board
For **Rupa & Company Limited**
Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Place: Kolkata
Date: June 26, 2020

Management Discussion and Analysis



Industry Structure and Development

The Indian economy is expected to slow down this fiscal (2020-21) with growth rate in the 1.5-2.8 percent range. However, the good news is that the next fiscal, 2021-22 - is expected to see a growth reversal. The World Bank's report on South Asia noted that the Indian government imposed a lockdown on March 25 to contain the spread of Covid-19. The resulting domestic supply and demand disruptions (on the back of weak external demand) are expected to result in a sharp growth deceleration in FY21 to 2.8 percent in a baseline scenario (an estimate subject to wide confidence intervals). The lockdown brought almost 70 percent of economic activities to a standstill. An SBI research report estimated that the first 21 days of the lockdown could result in losses of over ₹ 8-lakh crore.

The government is undertaking measures to contain the health and economic fallout, and the RBI has begun providing calibrated support in the form of policy rate cuts and regulatory forbearance.

Given the uncertainties, there is a wide confidence interval around the baseline estimate. If a large-scale domestic contagion scenario is avoided, early policy measures pay off, and restrictions on the mobility of goods and people are lifted swiftly, an upside scenario could materialise in FY21, with growth around 4 percent. However, if the domestic contagion is not contained, and the shutdown is extended, growth projections could be revised downwards to 1.5 percent, and fiscal slippages would be larger.¹

The *Asian Development Outlook (ADO) 2020* stated that in late March, the Government of India took prompt action to strengthen the health system and support the poor and vulnerable. The Reserve Bank of India has cut its policy rate to the lowest ever and committed to using all instruments to fight the pandemic.

Government initiatives introduced in late FY2019 and in the FY2020 budget will aid recovery and sustain growth in the coming years. Both urban and rural consumption will be supported by reduced personal income taxes and increased assistance to agriculture sector and rural areas. Corporate tax cuts and increased public investment in infrastructure, including the National Infrastructure Pipeline, will revive investment. The recapitalization of state-owned banks and financial sector reform to revive credit will help alleviate much of the financial sector stress.

The report forecasts inflation of 3.0% in FY2020 due to decreased demand and lower oil prices; and then a rise to 3.8% in FY2021 as domestic demand improves. With inflation expected to ease into the target zone soon, the central bank will have more headroom to support the economy.

In FY2020, the current account deficit is projected to narrow to the equivalent of 0.3% of GDP as global growth and oil prices falter. In FY2021, imports of goods and services, supported by rising domestic demand and oil prices, are likely to outgrow exports, and the current account deficit is forecast to rise to equal 1.2% of GDP. The government had committed in its FY2020 budget to a moderate path of fiscal consolidation, lowering the fiscal deficit to the equivalent of 3.5% of GDP in FY2020, 3.3% in FY2021, and 3.1% in FY2022. The fiscal deficit is unlikely to shrink as budgeted. However, the Covid-19 pandemic requires fiscal stimulus to mitigate its effects and facilitate recovery.²

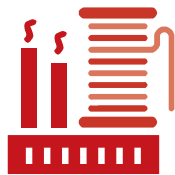
The Government of India introduced bold reforms across sectors to drive the Country's economy and push towards self-reliant India. The Government has stressed to become vocal for local products and make them global, and announced Self-reliant India or "**Atmanirbhar Bharat**" in five phases, consisting of five pillars, namely, Economy, Infrastructure, System, Vibrant Demography and Demand.



Source

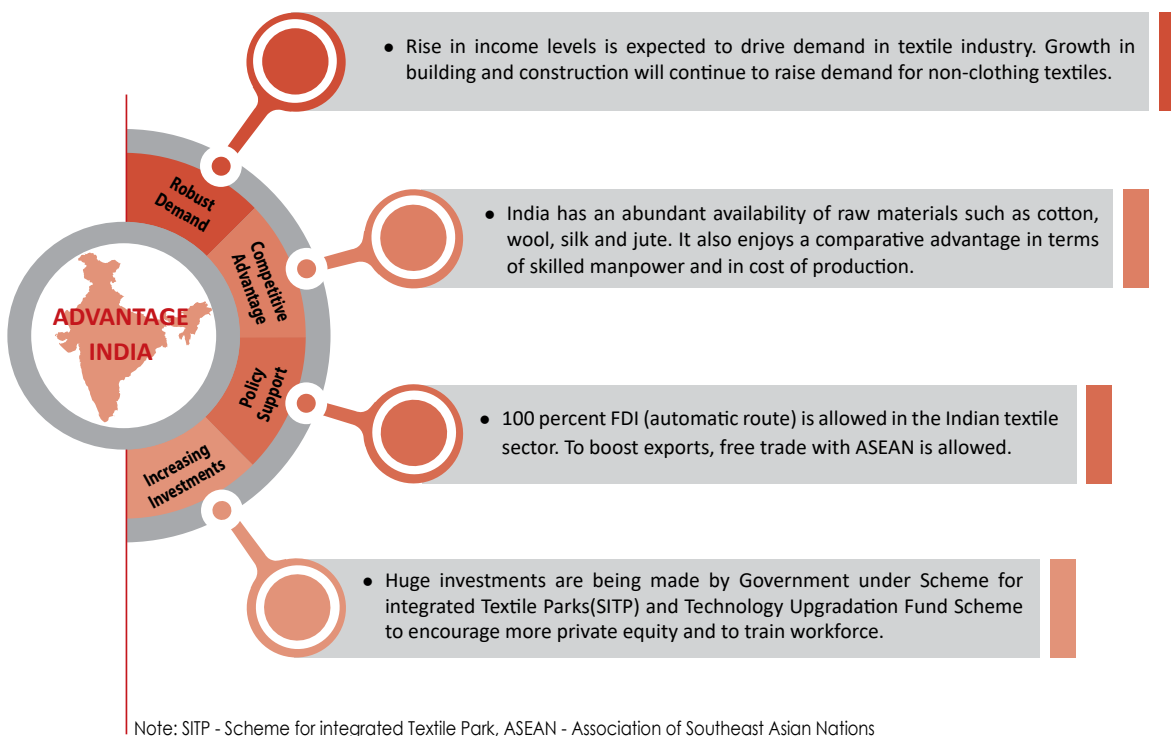
1. <https://www.thehindubusinessline.com/news/world-bank-sees-fy21-india-growth-at-15-28-pe-cent/article31322048.ece>
2. <https://www.adb.org/news/indias-growth-slow-4-fy2020-recover-6-2-fy2021>

Management Discussion and Analysis



Textile Industry

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.



Market size: India's textiles industry contributed seven percent of the industry output (in value terms) of India in FY19. It contributed two percent to the GDP of India and employs more than 45 million people in FY19. The sector contributed 15 percent to the export earnings of India in FY19. The textile industry has around 4.5 crore workers employed including 35 lakh handloom workers across the country.

Government initiatives: The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 percent FDI in the Indian textiles sector under the automatic route.

Road ahead: The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.³



Source

3. <https://www.ibef.org/industry/textiles.aspx>

Management Discussion and Analysis



Innerwear Category

Among the core apparel categories, innerwear appears to be a potential growth category across all segments. With rising incomes, higher discretionary spending, greater number of working women and growing fashion consciousness, the innerwear segment is expected to continue to progress. Currently, the Indian innerwear market is worth ₹ 19,950 crore (2014) and is estimated to grow at 13 percent to reach ₹ 68,270 crore by 2024. The innerwear market has traditionally been largely unorganised, although in the past few years, the organised innerwear segment has shown promising growth in both men's and women's categories.⁴

In the last few years, innerwear industry has seen big changes happening on all fronts. Today, the market has expanded, the market size has increased, there is availability of quality raw material, manufacturing and production capabilities and all of this is a result of the change in the customer choices and awareness. A rise in the disposable incomes and exposure to global trends have unfolded major shifts in the industry. Also the current CAGR growth show promising results for the industry.

Previously, lingerie buying was a taboo for a long time in India, but with the technology and new generation's contribution, we are seeing a lot of changes in the entire inner-wear sector. Now, women are very assertive and also are very independent in everything. They know what they are looking for and this change has made us become more trendy and quick with updating our product offerings. Today the market is customer centric and we are moving ahead with the same approach and evolving with our organization.

Digitization has also been a major driver that is responsible for this change and we have seen in the industry and we feel that it is an important aspect to be in sync with the trends and technology.⁵

The 4Ps of the Innerwear Industry

The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four Ps: product, price, place and promotion. These four Ps determine the future of the brand in the market.⁶



Source

4. <http://www.technopak.com/Files/Innerwear-Market-in-India.pdf>
5. <https://www.indianretailer.com/interview/retail-people/startup/how-digitisation-has-impacted-the-growth-of-innerwear-category.i1744/>
6. <https://wazir.in/pdf/Galleria%20Intima%20Whitepaper%202016.pdf>

Management Discussion and Analysis

Men's Innerwear Category

Consumer studies have confirmed that men are looking for more from their inner wear and essential wear than ever before. Gone are the days where underwear was a mere functional necessity. Indian men are demanding more variety and design in their underwear drawer and brands have to adapt and comply. Men's changing lifestyle has resulted into demand for new inner-wear and loungewear categories that once seemed too niche. The most important factors that men consider today are comfort, style, function and sustainability. Men want to look good, they want to feel physically comfortable during their myriad activities and with the attention so firmly on environmental concerns, they want to feel good about what they wear because they know that the clothes minimize negative impact on the environment.

The 5 key innovations in men's innerwear space for 2020: New-Age Fabric, Fashion In Focus, Performance Perfected, Crafted For Comfort, Size Evolution.⁷

Challenges & bottlenecks in India: The biggest challenge is the low level of awareness regarding what one should wear that will last for a good life span and the proper wash care instructions. Retailers don't try to educate their customers either as they are either not aware themselves or consider it delicate to talk to customers regarding a personal product such as underwear. Also the general public isn't aware of the value or existence of superior fabrics such as micro Modal, Tencel, Supima fabric, etc.

The future of the segment: In the days to come it would no longer be the norm where one shops for innerwear as an after-thought. Innerwear, once considered only as a basic necessity for personal hygiene, will become a proper fashion statement. What was once the bastion of staid white will be breached by the emergence, and acceptance, of bright colours, funky prints, and kinky designs. Underwear too would become like apparel where new products would be launched every season and the current shelf life of a particular product style would come down considerably. Men will look for comfort, functionality, and style, while ensuring it matches their outfit and the occasion. The growing aspirations and increasing disposable incomes will only ensure higher consumption of premium brands and goods but will insure increasing the market share of the organised sector.⁸

Women's Innerwear Category

The Indian innerwear market is primarily dominated by women's innerwear which accounts for 64 percent of the total innerwear market and it accounts for 15 percent of the total women's apparel market. Various product categories in women's innerwear are – brassieres, camisoles, panties, tees, nighties, shorts, etc. Brassieres and panties contribute 85 percent of the total women's innerwear segment.

Women's innerwear segment is poised to grow at an impressive growth rate of 12 percent over the next decade to reach ₹56,364 crore by 2027 from current market size of ₹ 18,454 crore. Branded innerwear contributes 38-42 percent of the total women's innerwear market and this share is expected to grow to 45-48 percent of the total women's market by 2022.

Women are conscious about the brands and styles for their intimate wear. The trend is not restricted to just metros but can be witnessed spreading in Tier I, II and III cities. This adoption of branded lingerie has led to influx of international and domestic innerwear brands.⁹

Source

7. <https://www.indianretailer.com/article/whats-hot/trends/5-new-innovation-2020-will-bring-for-men-innerwear-space.a6421/>
8. <https://www.indiaretailing.com/2019/05/31/fashion/the-changing-dynamics-of-the-mens-innerwear-market-in-india/>
9. <https://www.indiaretailing.com/2018/09/19/fashion/the-innerwear-market-a-research-analysis/>



Management Discussion and Analysis

The India Women Innerwear Market was valued at USD 2,900.97 Million in the year 2018. The market is expected to grow due to a number of factors including rise in disposable income, increase in grooming awareness, rising number of women participation in sports and physical activities, increased changing preferences, deep expertise in design of the innerwear.

The market is primarily driven by rise in adoption of western culture, growing urbanization, increasing disposable income, expansion of online marketplace and social media impact. The market condition of women innerwear market in India has been improving gradually with easy availability of innerwear products in vast number of hypermarkets, supermarkets, multi-brand outlets, exclusive business outlets, online platforms, etc. coupled with rising consumer base.¹⁰



Looking to the Future

The future of the textile industry in India has a positive outlook and is mirrored by increasingly strong consumption rates in the domestic market as well as the growing demand for exports. Moreover, the industry has earned a unique place in the economy due to its strong future outlook, numerous employment opportunities it has generated and the strong export numbers it has generated.

This is a critical time for the textile value chain in India. Customers are feeling the impact of shifting fiber trends, changing consumer preferences, higher operating costs and the requirement of meeting different environmental standards. Also, the companies in India are now turning towards innovative dyeing methods and processes that facilitate greater water saving, as the government aims to cut industrial water use by 50% in the next five years.¹¹

In the context of fashion and trends, India is still way behind in comparison to other countries in spite of enormous manufacturing potential. Shortly, Indian brands will make their place in the colossal fashion market, a global presence with the help of technology.

The nationwide lockdown in India is likely to impact the textiles sector both in terms of demand and supply and the EBITDA might drop by least 15 percent in 2020-21 across the industry portfolio.

India Ratings and Research (Ind-Ra) in a report said the fall in consumer income and increase in household leverage will continue to have a negative sentiment through FY21. While India's dependency on imports is limited, it is dependent on exports and hence, the return of demand from the key markets including the US, the UK, the UAE and China is critical.

The agency estimated that India's exports will be substantially hit till the first half of FY21, which had already reduced by more than 40 percent till January 2020 due to the US-China trade war.

The fabric industry is dominated by few players which have strong liquidity to manage the downside caused by COVID-19, while small and medium-size players would face the brunt of economic lockdown.¹²

The fashion industry in the future will be more about the experience instead of appearance. It will be a task for brand owner and key market players as consumers will be more critical about the experience than mere looks. So, there will be a paradigm shift from appearance to fashion with lifestyle solutions.

At present, India is a centre of manufacturing and production, but shortly, the world will see brands from India. The west will adopt the tags as the future of technology in the textile industry is going to change in a significant way.¹³

Source

10. <https://www.businesswire.com/news/home/20191203005997/en/Indias-Women-Innerwear-Market-Analysis-Opportunities-Forecast>

11. <https://www.financialexpress.com/industry/indian-textile-industry-to-take-economy-to-new-height-know-about-technical-textile/1810622/>

12. <https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/textiles-sector-ebitda-likely-to-dip-by-15-in-fy21-ind-ira/articleshow/75016197.cms?from=mdr>

13. <https://www.ciol.com/future-of-textile-technology-apparels-trend-2050/>



Management Discussion and Analysis

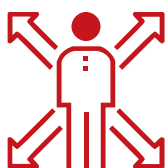
The burgeoning millennial population, growing middle income households and increasing women workforce provide a highly positive outlook for the retail businesses in India. As internet penetration increases, more international retailers set up shops in India and established Indian brands and retailers set themselves on a high growth trajectory, the share of organized retail market is expected to increase from 12 percent in FY 2019 to 25 percent in FY 2024. The e-commerce market itself is estimated to grow from US\$ 24 billion in FY 2019 to US\$ 98 billion in FY 2024. Going forward, given the strong retail and consumer outlook, India is expected to witness redefining trends which will shape the future of the retail market.

Consumer experience will be the key focus of the retailers, while technology will play an important part in increasing sales as well as facilitating the enhancement of consumer experience throughout their shopping journey. The next 10-12 years will be the defining years for Indian retail as the market will mature and organized retail will penetrate deeper into smaller cities and towns. Technology will replace many 'human roles' in retail and new ways to emotionally connect with consumer will evolve. New markets will develop, and new channels will disrupt and reshape the markets.

The government now intends to focus on the manufacturing sector to create new jobs and has launched many initiatives like "Vocal for Local" and "Make in India" for this. This will further help in increasing the GDP per capita, thereby putting more money into the hands of people to improve their lifestyle, thereby supporting consumption and the retail market.

Due to the sharp rise and changing consumption pattern of Indian consumers, share of organised segment is growing rapidly. While traditional formats or unorganised retail formats continue to dominate the retail market, organized retail is growing at a faster pace and eating up into traditional retail. A major driver of this high growth trajectory has been online retail which is projected to grow at a CAGR of 33 percent between FY 2019-24. Growth in online retail is majorly attributed to factors including Increasing internet penetration, Growth in number of smartphone users and Growing number of online shoppers.¹⁴

The textile and apparel trade is predicted to grow at a CAGR of 3.7% during the period 2018-28. During this period, the increase in apparel trade is expected to be at a CAGR of 4.5% and textiles at a CAGR of 2.5%. The sector also has the capability to manufacture all categories of products and a conducive ecosystem to provide complete service offering to brands and retailers. The sector also has the capability to manufacture all categories of products and a conducive ecosystem to provide complete service offering to brands and retailers. The global apparel manufacturers are finding Bangladesh, Vietnam and India as competitive markets over China.¹⁵



Opportunities

- **Vocal for Local:** Initiatives taken by the Government to promote local products and make it global will boost huge opportunities to local manufacturers. Additionally, consumers are more expected to look for locally manufactured products.
- **Space vacated by China in the global apparel market:** The domestic industry should take advantage of the huge \$20-billion space vacated in the global apparel market especially in the man-made fiber (MMF), by China, which is going through a tough time following the outbreak of the deadly coronavirus.
- **Increasing Women Workforce as well as increased Women participation in Fitness and Sports and other physical activities:** With changing societal mind set and increasing gender equality at office, women entering workforce has been on the rise in past few years. This coupled with aspirations to spend on self-development, is giving rise to the consumption of new categories like personal care, readymade products, etc.

Source

14. <https://www.indiaretailing.com/2019/08/29/retail/the-rise-and-growth-of-the-indian-retail-industry/>

15. <https://www.equitymaster.com/research-it/sector-info/textiles/Textiles-Sector-Analysis-Report.asp>



Management Discussion and Analysis

- **Growth of Markets including malls:** With online players now delivering to the smallest of towns, consumers in these cities are aware of many international and indigenous brands available in the market. This spells a big opportunity for the modern retailers who are looking to enter into Tier III & IV markets. Many consumers living in Tier III & IV towns have now experienced the brands, through online purchases. Mall development is expected to come from Tier III cities, which would make the brands more visible and lead to opportunities.
- **Abundant availability of raw material:** India is the largest producer of cotton and second largest producer of polyester in the world after China. Large scale availability of important textile fibers has helped the development of downstream manufacturing value chain-yarns, fabrics and garments.
- **Manpower availability, quality and cost:** India's current population is approximately 1.30 billion and around 65% of the total population falls under the working age bracket at present with many youth joining the workforce every year. Under the Make in India campaign, the Government has also put a lot of focus on increasing the skill level of the work force to not only ensure the quantity but also the quality of the workforce.
- **Large existing manufacturing set-up:** India also has well established production facilities in the textile value chain from fiber to finished products (apparel, home textiles and technical textiles). India has one of the best and the largest state-of-the-art spinning capacities in the world.

Threats



- The biggest challenge is the low level of awareness regarding what one should wear that will last for a good life span. Retailers do not educate their customers either as they are either not aware themselves or consider it delicate to talk to customers regarding a personal product such as underwear.
- Changing consumer behavior.
- Emerging multi-national brands and their entry to the Indian market.
- High cost of brand building.
- Infrastructural bottlenecks and efficiency.
- Imports from other countries.
- Rise of e-commerce and increasing online purchase making it easier
- Investment in New Technology

Risks and Concerns



- **Pandemic Covid-19 situation:** Spread of Covid-19 disease worldwide and consequent lock-down as well as restrictive measures, have affected the demand, supply and liquidity, and have brought the economic activities to a standstill and impacted both consumption and investment. There is no certainty when the vaccine/medicine for cure of the disease shall be found. The situation is unforeseen and exceptional, which keeps changing very fast, therefore, it becomes difficult to gauge the impact on the economy, livelihood, business, employment and consumers spending with certainty.
- **Volatility in the raw material prices:** Cotton yarn and fabric accounts for approximately, 70% of the total raw material cost. Currently, the Company is able to pass on any rise in the prices of raw material to the consumer. Any inability to pass on the impact of rise in raw material prices may negatively impact the estimated margin of the Company, resulting in lower earnings.
- **Entry of Foreign Players:** With markets being global and digital, it is becoming easier for foreign brands to penetrate into Indian domestic markets, *via* direct and indirect strategic tie-ups, largely, in the premium and super-premium segments, thus, creating stiff competition for the existing players in the organized sector.
- **Changing customer's behavior and spending capacity:** Rapid change in the customers' preferences, from one

brand to another, makes it very difficult for a Company to establish a permanent connect and in gaining brand loyalty, consequently, leading to loss of business to its competitors. Furthermore, where, the improving Indian demographics have given credence to the Indian consumption story, any downward deviation in economic growth, will impact the consumers' discretionary spends, thereby, negatively impacting the earning potential of the Company.

Internal Control System and their Adequacy

The Company has adequate system of Internal Controls System commensurate with its nature of business and size of operations to safeguard and protect from loss, unauthorized use or disposition of Company's resources. There are proper procedures for authorization, recording and reporting of transactions 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 applicable accounting standards and principles or any other criteria applicable to such statements, and to maintain accountability for aspects. The Company's internal audit process covers all significant operational areas and reviews the in-system checks regularly. The Internal Audit Report, submitted by the Internal Auditors, is placed before the Audit Committee of the Company's Board of Directors, on quarterly basis, for reviewing. Suggestions for improvements are considered and the Audit Committee asserts stringent corrective actions and follows up on the implementations thereof. The Audit Committee periodically meets the Statutory and Internal Auditors of the Company, 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

(₹ in lakhs)

Particulars	2019-20	2018-19	Change	%
Revenue from Operations	94,140.11	1,10,824.10	-16,683.99	-15.05
Other Income	790.95	539.18	251.77	46.69
Profit before Finance Charges, Tax, Depreciation/ Amortization(PBITDA)	13,251.98	17,530.65	-4,278.67	-24.41
Less: Finance Charges	1,481.22	1,672.75	-191.53	-11.45
Profit before Tax, Depreciation/ Amortization (PBTDA)	11,770.76	15,857.90	-4,087.14	-25.77
Less: Depreciation/ Amortization	1,567.92	1,317.40	250.52	19.02
Profit before Taxation (PBT)	10,202.84	14,540.50	-4,337.66	-29.83
Less: Tax Expense	2,196.31	5,203.12	-3,006.81	-57.79
Profit after Taxation (PAT)	8,006.53	9,337.38	-1,330.85	-14.25

Key Financial Ratios

As required pursuant to Schedule V(B) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Key Financial Ratios for the financial year 2019-20 vis-à-vis 2018-19 are reproduced herein below:

Sl. No.	Ratio	Financial Year 2019-20	Financial Year 2018-19
i.	Debtors Turnover (Based on Gross Sales Value)	3.13	3.17
ii.	Inventory Turnover	2.37	3.34
iii.	Interest Coverage Ratio	7.89	9.69
iv.	Current Ratio	2.16	1.89
v.	Debt Equity Ratio	0.23	0.30
vi.	Operating Profit Margin (%)	36.78	36.86
vii.	Net Profit Margin (%)	8.50	8.43
viii.	Return on Net Worth (%)	12.77	16.22

Notes:

- 1) *The relatively lower Inventory Turnover ratio for the Financial Year ended March 31, 2020 was due to inventory lying in hand owing to Covid-19 pandemic and abrupt lockdown measures announced by Government(s).*
- 2) *Return on Net Worth is lower for the Financial Year ended March 31, 2020 was due to lower profits owing to lower revenue due to Covid-19 pandemic and abrupt lockdown measures announced by Government(s).*

In the preparation of Financial Statements, the treatment as prescribed in the applicable IND Accounting Standards are followed.

Human Resources and Industrial Relations

The Human Resources (HR) function of an organization is vital to creation and development of good quality and dedicated human capital, essential to the Company's business and operations. Rupa always focusses in grooming and training its workforce via imparting specialized and technical training, at regular intervals, which helps improve their knowledge, skill and competency, to execute their assignments, effectively and efficiently. Employee incentivisation, professional growth, participation and recognition are always part of the Company's HR management, with focus on upgrading their quality of life and job satisfaction. This HR policy empowers the Company to attract, integrate and retain the best talent, requisite to its line of business and necessary for powering its growth. As on March 31, 2020, the number of permanent employees, on the rolls of Company, was 1167. Further, the industrial relations have remained cordial, during the period under review.

Cautionary Statement

Statements in this Management Discussion and Analysis Report, describing the objectives, projections, estimates and expectations are 'forward-looking statements', within the meaning of applicable laws and regulations and are subject to volatile market conditions. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, includes economic conditions affecting demand/ supply and price conditions in the markets in which the Company operates, changes in Government regulations, tax laws, statutes and other incidental factors.

Corporate Governance Report

Company's Philosophy on Code of Governance

Corporate Governance is a system by which corporate entities are directed and controlled, encompassing the entire mechanics of the functioning of a Company. Good Corporate Governance practices are a *sine qua non* for sustainable business that aims at generating long term value to all its shareholders and other stakeholders.

The Company believes that strong governance standards, focusing on fairness, transparency, accountability and responsibility are vital not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. The Company has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth and long term value creation for its stakeholders. The Company has measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks that measures up to the required standards. The Company believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organizational excellence leading to increasing employee and customer satisfaction and shareholder value. The Company always endeavors to leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

Listing Regulations

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

Board of Directors

The Board of Directors ('Board') of the Company provides leadership, strategic guidance and independent view to the Company's management while discharging its responsibilities. The Board consists of distinguished persons having requisite knowledge and expertise in business & industry, corporate governance, corporate finance, taxation, legal matters, strategic & risk management, marketing, etc.

Composition of the Board

The Board of the Company has an optimum combination of Executive Directors and Non-Executive Directors, including Independent Directors and Woman Director, meeting with the requirement of Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ('Act') read with the allied Rules. On March 31, 2020, the Board consisted of 12 (twelve) Directors, 6 (six) of whom were Independent Non-executive Directors including one Women Director, constituting 50% of the Board's strength and other 6 (six) were Executive Directors, 5 (five) of them belonging to promoter group of the Company and 1 (one) Executive Director Non-Promoter. The Chairman is an Executive Director.

The Composition of the Board of Directors as on March 31, 2020, the number of other Directorships and Board Committee Memberships/Chairmanships held by each Directors and their attendance at the Board Meetings and the last Annual General Meeting (AGM) of the Company are as follows:

Sl. No.	Name of the Director	Category of Directors	Number of Directorship in other Companies [#]	Number of Membership/ Chairmanship in other Company's Committee(s)*	Number of Board Meetings attended during the year	Attendance at the last AGM held on September 6, 2019
1	Mr. Prahlad Rai Agarwala	Chairman, Executive, Promoter	10	Nil	3	Yes
2	Mr. Ghanshyam Prasad Agarwala	Vice-chairman, Executive, Promoter	2	Nil	2	No
3	Mr. Kunj Bihari Agarwal	Managing Director, Promoter	6	Nil	4	Yes
4	Mr. Ramesh Agarwal	Executive, Promoter	17	2	3	Yes
5	Mr. Mukesh Agarwal	Executive, Promoter	18	Nil	3	No
6	Mr. Dipak Kumar Banerjee	Independent Non-Executive	5	5 (including 1 as a Chairman)	4	Yes
7	Mr. Dharam Chand Jain	Independent Non-Executive	5	Nil	4	Yes
8	Mr. Sushil Patwari	Independent Non-Executive	14	2	3	No

Corporate Governance Report

Sl. No.	Name of the Director	Category of Directors	Number of Directorship in other Companies [#]	Number of Membership/ Chairmanship in other Company's Committee(s)*	Number of Board Meetings attended during the year	Attendance at the last AGM held on September 6, 2019
9	Mrs. Alka Devi Bangur	Independent Non-Executive	5	2 (including 1 as a Chairman)	2	Yes
10	Mr. Vinod Kumar Kothari	Independent Non-Executive	5	1	4	No
11	Mr. Ashok Bhandari	Independent Non-Executive	11	7	3	No
12	Mr. Niraj Kabra	Executive, Non-promoter	Nil	Nil	4	Yes

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

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

The name of the other listed companies in which the Directors of the Company is a Director and the category of directorship, as on March 31, 2020, are as hereunder :

Sl. No.	Name of the Director	Name of the other listed companies	Category of Directorship in other companies
1	Mr. Prahlad Rai Agarwala	Nil	Not applicable
2	Mr. Ghanshyam Prasad Agarwala	Nil	Not applicable
3	Mr. Kunj Bihari Agarwal	Nil	Not applicable
4	Mr. Ramesh Agarwal	Nil	Not applicable
5	Mr. Mukesh Agarwal	Nil	Not applicable
6	Mr. Dipak Kumar Banerjee	DIC India Limited Tayo Rolls Limited Shristi Infrastructure Development Corporation Limited	Non-Executive, Independent
7	Mr. Dharam Chand Jain	Nil	Not applicable
8	Mr. Sushil Patwari	Nagreeka Exports Ltd. Nagreeka Capital & Infrastructure Ltd	Promoter Executive Promoter Non-Executive
9	Mrs. Alka Devi Bangur	The Peria Karamalai Tea and Produce Company Limited	Managing Director, Executive
10	Mr. Vinod Kumar Kothari	Greenply Industries Ltd	Non-Executive, Independent
11	Mr. Ashok Bhandari	Intrasoft Technologies Limited Maithan Alloys Ltd. Skipper Limited IFB Industries Ltd Maharashtra Seamless Limited	Non-Executive, Independent
12	Mr. Niraj Kabra	Nil	Not applicable

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the SEBI Listing Regulations. Further, in the opinion of the Board, the independent directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

Further, none of the independent director(s) of the Company have resigned during the year.

Skills/ Expertise/ Competence of the Board of Directors

Details of core skills/ expertise/ competencies required by the Board for efficient functioning of the Company, in the context

Corporate Governance Report

of business of the Company and sector to which the Company belongs and status of those skills/expertise/competence available with the Board as well as the directors who have such skills/ expertise/ competence, are as hereunder:

SI	Broad parameters and summary	Skills/ Expertise/ Competencies	Status of availability with the Board	Name of Directors, who have such skills/ expertise/ competence											
				Prahlad Rai Agarwala	Ghanshyam Prasad Agarwala	Kunj Bihari Agarwal	Ramesh Agarwal	Mukesh Agarwal	Niraj Kabra	Dharam Chand Jain	Dipak Kumar Banerjee	Ashok Bhandari	Sushil Patwari	Alka Devi Bangur	Vinod Kumar Kothari
1	Understanding of business/ industry	Experience and knowledge of textile and hosiery business and sector and associated businesses;	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.	Yes	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
3	Critical and innovative thoughts	The ability to critically analyse the information and develop innovative approaches and solutions to the problems.	Yes	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓
4	Financial understanding	Ability to analyse and understand the key financial statements, assess financial viability of the business and efficient use of resources.	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Market understanding	Understanding of market, consumer behaviour and sales.	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Corporate governance	Understanding of the corporate governance norms and practices for sustainable growth and for generation of long term value to all its stakeholders.	Yes	✓	x	✓	✓	x	x	x	✓	✓	✓	✓	✓
7	Risk and compliance oversight	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, monitor risk and compliance management frameworks.	Yes	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	x	✓

Board Procedure

The Board meets at least once in a quarter to review the quarterly business and the financial performance of the Company, apart from other Board business. However, the Board's function is not limited to matters requiring approval of the Board statutorily. The Board is involved in all the important decisions relating to the Company and policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/ regulatory requirements, major accounting provisions, etc. The Independent Directors provide an effective monitoring role and play an important role in the deliberations at the Board and Committee Meetings and bring to the Company their expertise in the fields of business, corporate governance, strategic & risk management, finance, management and law.

The Company, from time to time, familiarizes its Independent Director with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of familiarization programme is disclosed on the website of the Company. The same is available on the website of the Company at the link, http://rupa.co.in/livesite/wp-content/uploads/2018/12/Familiarization_Programme_for_Independent_Directors1.pdf

Corporate Governance Report

The Meetings of the Board are generally convened at the Company's Registered Office in 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.

The Board Meetings are generally scheduled in advance and the notice of the same is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information, are circulated to the Directors in advance as prescribed by law, to enable the Directors to take an informed decision and in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to take up any matter, not included in the Agenda, for consideration with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

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 SEBI Listing Regulations and Secretarial Standard – 1, as amended, 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.

The Board of Directors of the Company met 4 (four) times during the Financial Year 2019-20. At least 1 (one) Board Meeting was held in every quarter and the time gap between any 2 (two) Board Meetings did not exceed 120 days as prescribed under the SEBI Listing Regulations and the Act. The Board of Director has passed resolution by circulation on April 18, 2019, which was taken on record at the Board Meeting held on May 25, 2019. The Details of Board Meetings held are as follows:

Sl. No.	Date of the Board Meetings	Board strength (Number of Directors)	Number of Directors Present	Number of Independent Directors Present
1	May 25, 2019	12	10	4
2	August 8, 2019	12	9	5
3	November 12, 2019	12	9	5
4	February 10, 2020	12	11	6

Directors seeking re-appointment at the ensuing AGM

Mr. Ghanshyam Prasad Agarwala, Director (DIN: 00224805), and Mr. Niraj Kabra, Director (DIN: 08067989), being liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal, are recommended by the Board and Nomination and Remuneration Committee for re-appointment at the ensuing AGM, as the Whole-time Director and Managing Director of the Company, respectively, for a further period of 5 (five) years, w.e.f. April 1, 2021.

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

Inter-se Relationship amongst Directors

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

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

Corporate Governance Report

Sl. No.	Name	Designation	Relationship
4	Mr. Ramesh Agarwal	Whole-time Director	Son of Mr. Prahlad Rai Agarwala
5	Mr. Mukesh Agarwal	Whole-time Director	Son of Mr. Ghanshyam Prasad Agarwala

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

Audit Committee

Terms of Reference

Terms of Reference of the Audit Committee are as hereunder:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
5. Review and monitor the Auditor's independence and performance and effectiveness of audit process;
6. Examination of the Financial Statement and the Auditors' Report thereon;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Reviewing, with the management, performance of Statutory and Internal Auditors;
11. Discussion with Internal Auditors of any significant findings and follow up there on;
12. evaluation of internal financial controls and risk management systems;
13. To review the functioning of the Whistle Blower Mechanism.

The detailed terms of reference of the Audit Committee as per Section 177(4) of the Act and Regulation 18 of the SEBI Listing Regulations, is available on the website of the Company at the link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Audit_Committee.pdf

Composition

As on March 31, 2020, Audit Committee comprised of 6 (six) members, of which majority were Independent Directors. All the members of the Audit Committee are financially literate and bring in expertise in the fields of accounting or related finance management. The composition of the Audit Committee is in accordance with the provisions of the Regulation 18 of the SEBI 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. Ashok Bhandari	Member	Independent Non-Executive
Mr. Sushil Patwari	Member	Independent Non-Executive
Mr. Ramesh Agarwal	Member	Promoter, Executive
Mr. Mukesh Agarwal	Member	Promoter, Executive

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

Corporate Governance Report

Audit Committee Meeting and Attendance

During the Financial Year ended March 31, 2020, 4 (four) Audit Committee Meetings were held and the time gap between any 2 (two) such Meetings was not more than 120 days as prescribed under the SEBI Listing Regulations. The details of the Meetings and attendance thereof are as hereunder:

Name of Member	Meetings held during the year and Attendance			
	May 25, 2019	August 8, 2019	November 12, 2019	February 10, 2020
Mr. Vinod Kumar Kothari	Present	Present	Present	Present
Mr. Dipak Kumar Banerjee	Present	Present	Present	Present
Mr. Sushil Patwari	Present	Absent	Present	Present
Mr. Ashok Bhandari	Absent	Present	Present	Present
Mr. Ramesh Agarwal	Present	Absent	Present	Present
Mr. Mukesh Agarwal	Present	Absent	Absent	Present

Mr. Dipak Kumar Banerjee, Member of the Audit Committee, duly authorized by the Chairman of the Audit Committee, attended the last AGM of the Company held on September 6, 2019 and replied to the queries related to Accounts to the satisfaction of the Shareholders.

Nomination and Remuneration Committee

Terms of Reference

Terms of Reference of the Nomination and Remuneration Committee are as hereunder:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
4. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
5. recommend to the board, all remuneration, in whatever form, payable to senior management;
6. shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; and
7. To perform such other function as may be delegated by the Board of Directors from time to time.

The detailed terms of reference of the Nomination and Remuneration Committee as per Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, is available on the website of the Company at the Link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Nomination__Remuneration_Committee.pdf

Composition

As on March 31, 2020, Nomination and Remuneration Committee comprised of 3 (three) members, all being Independent Non-Executive Directors. The composition of the Committee is as per the provisions of Regulation 19 of the SEBI 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

Corporate Governance Report

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

Nomination and Remuneration Committee Meeting and Attendance

During the Financial Year ended March 31, 2020, 3 (three) Nomination and Remuneration Committee Meetings were held. The details of the Meetings and attendance thereof are as hereunder:

Name of Member	Meetings held during the year and Attendance		
	May 25, 2019	November 12, 2019	February 10, 2020
Mr. Dipak Kumar Banerjee	Present	Present	Present
Mr. Vinod Kumar Kothari	Present	Present	Present
Mr. Sushil Patwari	Present	Present	Present

Performance Evaluation Criteria for Independent Directors

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

Remuneration to Directors

Non-Executive Directors

The shareholders of the Company at the AGM held on August 31, 2018, has approved the payment of profit related commission to Non-executive Directors (Independent) of the Company, annually, for a period not exceeding 5 (five) consecutive Financial Years, commencing from the financial year 2017-18, up to 1% of the net profits of the Company in any Financial Year, subject to a maximum ceiling of ₹ 26,00,000/- (Rupees Twenty Six Lacs only), in aggregate, per annum. The said Commission would be divided amongst the Non-executive Directors (Independent) in such manner, as decided by the Board of Directors of the Company.

The Non-Executive Directors are also being paid sitting fees. The sitting fees were paid to each Non-Executive Director @ ₹ 90,000/- (Rupees Ninety Thousand only) for each Meeting of the Board, ₹ 50,000/- (Rupees Fifty Thousand only) for each Meeting of the Audit Committee, revised to ₹ 60,000/- (Rupees Sixty Thousand only) w.e.f. February 10, 2020, for each meeting of the Audit Committee and ₹ 25,000/- (Rupees Twenty-five Thousand only) for each Meeting of the Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee, of the Board, attended by them. Further, each Independent Director was paid sitting fees @ ₹ 90,000/- (Rupees Ninety Thousand only) for their separate Meeting, attended by them.

The criteria of making payment to the Non-Executive Directors of the Company have been uploaded on the website of the Company at the link, http://rupa.co.in/livesite/wp-content/uploads/2018/12/Remuneration_Policy.pdf

The sitting fees and commission paid during the Financial Year 2019-20, is given in the table below:

Name of Directors	Sitting Fees (₹ in lakhs)	Commission (₹ in lakhs)	Number of shares held	Period of appointment
Mr. Dipak Kumar Banerjee	7.85	5.00	Nil	Re-appointed in the AGM held on September 6, 2019, for a consecutive period of 5 (five) years, w.e.f. September 6, 2019.
Mr. Vinod Kumar Kothari	7.60	5.00	Nil	
Mr. Sushil Patwari	5.05	5.00	Nil	
Mr. Dharam Chand Jain	4.50	3.00	40,000	Re-appointed in the AGM held on September 6, 2019, for a consecutive period of 5 (five) years, w.e.f. November 14, 2019.
Mrs. Alka Devi Bangur	2.70	3.00	Nil	

Corporate Governance Report

Name of Directors	Sitting Fees (₹ in lakhs)	Commission (₹ in lakhs)	Number of shares held	Period of appointment
Mr. Ashok Bhandari	5.20	5.00	Nil	Appointed w.e.f. August 10, 2018 for a consecutive period of 5 (five) years.
Total	32.90	26.00	40,000	

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company except for payment of remuneration.

Executive Directors

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

Further, the remuneration paid to the Executive Directors during the Financial Year 2019-20 is stated below:

Name of Directors	Salary & Allowances (₹ in lakhs)	Commission (₹ in lakhs)	Performance based Incentive (₹ in lakhs)	Perquisites (₹ in lakhs)	Total (₹ in lakhs)	Service Contract/ Notice Period/ Severance Fees*
Mr. Prahlad Rai Agarwala, Chairman (Whole-time Director)	108.00	100.00	-	-	208.00	Period of office ended on March 31, 2020. Re-appointed w.e.f. April 1, 2020 for 5 (five) years
Mr. Ghanshyam Prasad Agarwala, Vice-Chairman (Whole-time Director)	102.00	-	-	-	102.00	Re-appointed w.e.f. April 1, 2016 for 5 (five) years
Mr. Kunj Bihari Agarwal, Managing Director	102.00	-	-	-	102.00	Re-appointed w.e.f. April 1, 2016 for 5 (five) years
Mr. Ramesh Agarwal, Whole-time Director-cum-Chief Financial Officer	72.00	-	30.00	-	102.00	Period of office ended on March 31, 2020. Re-appointed w.e.f. April 1, 2020 for 5 (five) years
Mr. Mukesh Agarwal, Whole-time Director	72.00	-	30.00	-	102.00	Period of office ended on March 31, 2020. Re-appointed w.e.f. April 1, 2020 for 5 (five) years
Mr. Niraj Kabra, Executive Director	18.43	-	-	-	18.43	Appointed for a period of 5 years w.e.f. February 12, 2018
Total	474.43	100.00	60.00	-	634.43	

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

Corporate Governance Report

Stakeholders' Relationship Committee

Terms of Reference

Terms of Reference of the Stakeholders' Relationship Committee are as hereunder:

1. Resolving the grievances of the security holders including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.
5. All such complaints directly concerning the shareholders/ investors as stakeholders of the Company;
6. To review, approve or delegate transfer, transmission, transposition and mutation of shares/securities, including issue of duplicate certificates and new certificates on split/ sub-division/ consolidation/ renewal, and to deal with all related matters;
7. To review the dematerialization and rematerialisation of securities of the Company and such other related matters;

The detailed terms of reference of the Stakeholders' Relationship Committee, as per Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations are available on the website of the Company at the link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Stakeholders_Relationship_Committee.pdf

Composition, Meeting and Attendance

The composition of the Stakeholders' Relationship Committee is in compliance with the provision of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act. During the Financial Year ended March 31, 2020, 3 (three) Stakeholders' Relationship Committee Meetings were held. The composition of the Committee and details of the Meeting and attendance thereof are as hereunder:

Name of Member	Position	Category	Meetings held during the year and Attendance		
			June 10, 2019	July 12, 2019	August 27, 2019
Mr. Sushil Patwari	Chairman	Independent, Non-Executive	Absent	Absent	Absent
Mr. Ramesh Agarwal	Member	Executive, Promoter	Present	Present	Present
Mr. Mukesh Agarwal	Member	Executive, Promoter	Present	Present	Present

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

Risk Management Committee

Terms of Reference

Terms of Reference of the Risk Management Committee are as hereunder:

1. To consider and review, the Company's risk management strategies and whether it is consistent with the Company's strategy and business plan;
2. To consider, review and approve risk management policies and guidelines;
3. To decide on risk levels, risk appetite and related resource allocation;
4. To review major risk management activities such as hedging transactions;
5. To review the Company's approach to risk management and approve changes or improvements to key elements of its processes and procedures;

Corporate Governance Report

6. To review the cyber-security function and examine the subsequent findings and take corrective actions as required.

The detailed terms of reference of the Risk Management Committee, are available on the website of the Company at the link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Risk_Management_Committee.pdf

Composition, Meeting and Attendance

The Risk Management Committee of the Board of Directors of the Company comprised of 6 (six) Members. The composition of the Risk Management Committee is in compliance with the provision of Regulation 21 of the SEBI Listing Regulations. During the Financial Year ended March 31, 2020, 1 (one) Meeting of Risk Management Committee was held. The composition of the Committee and details of the Meeting and attendance thereof are as hereunder:

Name of Member	Position	Category (Designation)	Meeting held during the year and Attendance
			March 14, 2020
Mr. Dipak Kumar Banerjee	Chairman	Independent Director	Present
Mr. Ramesh Agarwal	Member	Whole-time Director-cum-Chief Financial Officer	Present
Mr. Mukesh Agarwal	Member	Whole-time Director	Present
Mr. Niraj Kabra	Member	Executive Director	Present
Mr. Vikash Agarwal	Member	President	Present
Mr. Arihant Kumar Baid	Member	Manager-Finance & Accounts	Present

Compliance Officer

Mr. Kundan Kumar Jha, Company Secretary, act as the Compliance Officer of the Company.

Details of Shareholders' Complaints Received, Resolved and Pending

There were no Shareholders' complaints received during the Financial Year 2019-20. Further, there were no Shareholders' complaints pending either at the beginning of the Financial Year as well as at end of the Financial Year.

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

Subsidiary Companies

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

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

CEO and CFO Certification

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

Corporate Governance Report

General Body Meetings

Details of the location and time where the last 3 (three) AGMs of the Company were held and the Special Resolutions passed therein:

Financial Year	Location	Date & Time	Special Resolutions Passed
2016-17	Satyajit Ray Auditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata - 700 071	August 31, 2017 at 11:00 a.m.	a) Approval of revision in the remuneration of Mr. Prahlad Rai Agarwala (DIN: 00847452), Chairman (Whole-time Director) of the Company, w.e.f. April 1, 2018; b) Approval of revision in the remuneration of Mr. Ghanshyam Prasad Agarwala (DIN: 00224805), Vice-Chairman (Whole-time Director) of the Company, w.e.f. April 1, 2018; and c) Approval of revision in the remuneration of Mr. Kunj Bihari Agarwal (DIN: 00224857), Managing Director of the Company, w.e.f. April 1, 2018.
2017-18	Satyajit Ray Auditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata - 700 071	August 31, 2018 at 11:00 a.m.	a) Approval of the payment of existing remuneration to the Executive Directors of the Company, who are promoters or members of the promoter group
2018-19	Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700 017	September 6, 2019 at 11:00 a.m.	a) Approval of re-appointment of Mr. Vinod Kothari (DIN: 00050850), as an Independent Director of the Company. b) Approval of re-appointment of Mr. Dipak Kumar Banerjee (DIN: 00028123), as an Independent Director of the Company. c) Approval of re-appointment of Mr. Sushil Patwari (DIN: 00023980), as an Independent Director of the Company. d) Approval of re-appointment of Mr. Dharam Kumar Jain (DIN: 00453341), as an Independent Director of the Company. e) Approval of re-appointment of Mrs. Alka Devi Bangur (DIN: 00012894), as an Independent Director of the Company. f) Adoption of a new set of Articles of Association of the Company

Resolutions passed through Postal Ballot during the Financial Year 2019–20

During the Financial year 2019-20, the Company has conducted Postal Ballot process for the re-appointment including remuneration of Mr. Prahlad Rai Agarwala, Mr. Ramesh Agarwal and Mr. Mukesh Agarwal, as the Whole-time Directors of the Company, for a period of 5 (five) years, with effect from April 1, 2020. The Company had issued Postal Ballot Notice dated February 25, 2020 for passing of 3 (three) Special Resolutions and the cut-off date for determining voting rights was reckoned as February 14, 2020. The details of the said Special Resolutions are as hereunder:

1. Re-appointment including remuneration of Mr. Prahlad Rai Agarwala (DIN: 00847452), as a Whole-time Director of the Company;

Corporate Governance Report

- Re-appointment including remuneration of Mr. Ramesh Agarwal (DIN: 00230702), as a Whole-time Director of the Company;
- Re-appointment including remuneration of Mr. Mukesh Agarwal (DIN: 02415004), as a Whole-time Director of the Company.

The said Special Resolutions were duly approved by the Shareholders on March 25, 2020, with requisite majority, as required under the Act. The details of voting pattern are as hereunder:

Special Resolution Number	Number of votes polled	Number of valid votes polled	Number of invalid votes polled	Number of valid votes – In Favour	Number of valid votes – Against	% of votes in favour, on total valid votes polled	% of votes against, on total valid votes polled
1	64963069	64963067	2	64962033	1034	99.998	00.002
2	64963067	64963065	2	64962051	1014	99.998	00.002
3	64963066	64963064	2	64962050	1014	99.998	00.002

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

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

Details of utilization of funds raised through preferential allotment or qualified institutions placement

The Company has not raised funds through preferential allotment or qualified institutions placement.

PCS Certificate on Directors' eligibility to hold office

The Certificate from M/s Nidhi Bagri & Company, Practising Company Secretaries, stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority, forms part of this Annual Report.

Incidence where recommendation of the Committees has not been accepted by the Board

During the Financial Year, there were no such instances where the Board had not accepted any recommendation of any Committee.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part

Name of the Company – fees paid by	Name of the Party	Total fees (₹ in lakhs)
Rupa & Company Limited	M/s Singhi & Co., Statutory Auditor	30.91
Euro Fashion Inners International Private Limited, WOS of Rupa & Company Limited	M/s K. Agarwal & Co., Statutory Auditor	0.71
Imoogi Fashions Private Limited, WOS of Rupa & Company Limited	M/s Mittal & Agarwal, Statutory Auditor	0.50
Oban Fashions Private Limited, WOS of Rupa & Company Limited	M/s Singhi & Co., Statutory Auditor	3.90
Rupa Fashions Private Limited, WOS of Rupa & Company Limited	M/s MSKA & Associates, Statutory Auditor	0.25

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Name of the Company – fees paid by	Name of the Party	Total fees (₹ in lakhs)
RUPA Bangladesh Private Limited, WOS of Rupa & Company Limited	M/s Pinaki & Company, Statutory Auditor	0.20

Code of Conduct

The Company has adopted a comprehensive Code of Conduct as required under the SEBI Listing Regulations and the said code is available on the website of the Company at the link, http://rupa.co.in/site/wp-content/uploads/2015/10/Code_of_Conduct_Rupa_30_05_2016.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, 2020, as required under Regulation 26(3) of the SEBI Listing Regulations and a declaration to this effect signed by the Managing Director and the Chief Executive Officer, forms part of this Annual Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

There were no complaint pending at the beginning of the year, no complaint received/ resolved during the year and no complaint pending at the end of the year.

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

General Shareholder's Information

Detailed information in this regard is provided herein below:

Corporate Governance Report

i) Annual General Meeting

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs, *vide*, Circular No.20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, *inter alia*, permitted conduct of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) facility.

Day, Date and Time: Friday, September 18, 2020, at 11:00 A.M.

Venue: Annual General Meeting through VC/ OAVM facility

[Deemed Venue for Annual General Meeting - Registered Office: Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata – 700 071, West Bengal, India]

ii) Financial Year Calendar for 2020-21

The Company follows 1st April to 31st March as its Financial Year. The tentative calendar for consideration of the Financial Results during the Financial Year 2020-21, is as follows:

Financial Results for the quarter ending June 30, 2020	2nd week of August, 2020
Financial Results for the half year ending September 30, 2020	2nd week of November, 2020
Financial Results for the quarter ending December 31, 2020	2nd week of February, 2021
Financial Results for the quarter and year ending March 31, 2021	3rd week of May, 2021

iii) Book Closure Date

From September 12, 2020 to September 18, 2020 (both days inclusive).

iv) Dividend

The dividend, as recommended by the Board of Directors, if approved at the ensuing AGM, will be paid at par to those Members, whose name shall appear on the Register of Members as on close of business hours on Friday, the September 11, 2020. The dividend payout shall be made on or after September 23, 2020.

Unclaimed Dividends

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

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2012-13	September 28, 2013	November 4, 2020
2013-14	September 11, 2014	October 18, 2021
2014-15	September 15, 2015	October 22, 2022
2015-16 (Interim)	March 11, 2016	April 17, 2023
2016-17	August 31, 2017	October 7, 2024
2017-18	August 31, 2018	October 7, 2025
2018-19	September 6, 2019	October 13, 2026

The details of the unpaid dividend can be accessed through the link: <http://rupa.co.in/unpaid-dividend/>

Note: During the year ended March 31, 2020, the Company has transferred unclaimed and unpaid dividend for the Financial Year 2011-12, amounting to ₹ 1,67,247/- (Rupees One Lakh Sixty Seven Thousand Two Hundred Forty Seven only), to the IEPF.

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During the year ended March 31, 2020, 90 Equity Shares of ₹ 1/- each, held by 5 shareholders, in aggregate, whose dividends have remained unpaid or unclaimed for a period of seven consecutive years or more, as on the due date, i.e., November 5, 2019, have been transferred to the IEPF Demat Account within the due date, i.e. on December 3, 2019.

v) Stock Exchanges on which shares are listed

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

Sl. No.	Name of the Stock Exchange	Address
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 by the Company to BSE and NSE, for the Financial Year 2019-20.

vi) Stock Code

NSE – RUPA

BSE – 533552

Demat ISIN for National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) – INE895B01021

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

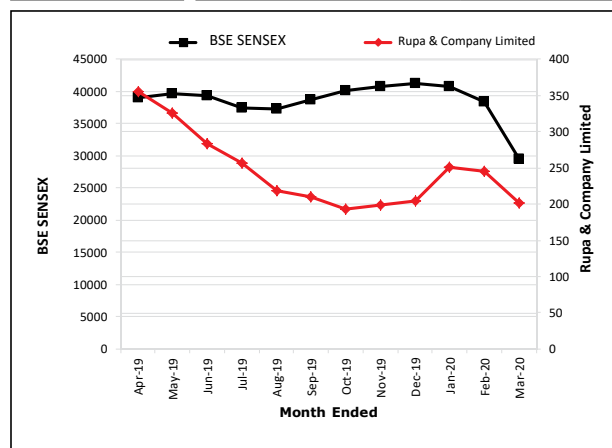
The monthly high and low quotations and volume of shares traded on BSE and NSE during the year are given below:

Month & Year	BSE			NSE		
	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)
April, 2019	355.10	320.00	15,832	354.20	320.00	2,00,188
May, 2019	325.70	277.35	37,316	325.00	276.05	3,53,645
June, 2019	283.25	225.00	58,952	282.05	225.45	7,23,332
July, 2019	257.00	170.00	40,631	257.80	173.35	4,04,109
August, 2019	217.90	157.90	48,688	218.00	158.00	5,54,605
September, 2019	210.25	173.70	76,142	210.00	172.20	6,92,009
October, 2019	193.00	157.05	49,129	194.00	158.10	4,17,093
November, 2019	198.50	175.20	84,840	198.90	174.00	11,24,945
December, 2019	204.00	181.00	62,845	204.50	181.05	9,94,662
January, 2020	251.00	187.90	2,02,592	251.60	187.00	24,26,639
February, 2020	245.00	187.50	40,384	244.90	185.95	7,75,315
March, 2020	201.00	101.90	59,287	199.50	100.50	6,00,733

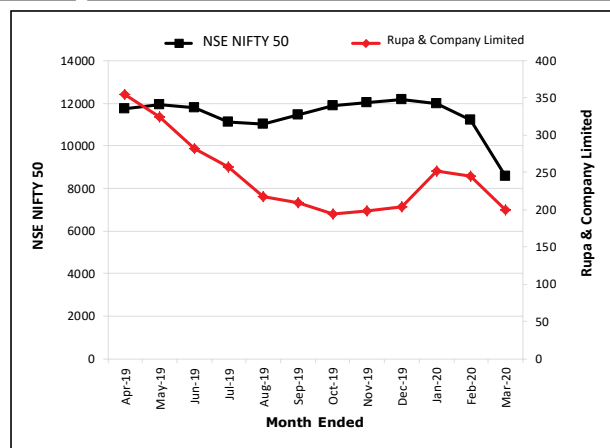
Corporate Governance Report

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

Financial Year	BSE		NSE	
	% change in RUPA share price	% change in BSE SENSEX	% change in RUPA share price	% change in NSE NIFTY 50
2019-20	-66.10	-23.80	-66.31	-26.03



The graph is made on the basis of monthly high price of Rupa share and BSE SENSEX



The graph is made on the basis of monthly high price of Rupa share and NSE Nifty 50

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

x) Registrar and Share Transfer Agents (RTA)

Name: Maheshwari Datamatics Pvt. Ltd.

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

Tel: +91-33-2243 5029/2248 2248, Website: www.mdpl.in

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

xi) Address for Correspondence

RTA	Company's Registered Office
Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Tel: +91-33-2243 5029/ 2248 2248 Fax: +91-33-2248 4787 E-mail ID: mdpldc@yahoo.com	Rupa & Company Limited Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata – 700 071 Tel: +91-33-4057 3100; Fax: +91-33-2288 1362 E-mail ID: cs@rupa.co.in

xii) Share Transfer System

The work relating to Share Registry both in physical and electronic form are handled by the RTA of the Company. The transfer/ transmission requests received from the shareholders/ investors are promptly processed by the RTA after due verification of the documents in consultation with the Company. In compliance with the SEBI Listing Regulations, a Practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued half yearly as required under Regulation 40(9) of the said Regulations. The Company provides investor and depository services through its RTA

Corporate Governance Report

xiii) Distribution of Shareholding as on March 31, 2020

Shareholding Range	Number of Holders	% of total number of shareholders	Number of Shares	% of Shareholding
Upto 500	11,715	93.04	9,77,895	1.23
501 to 1,000	426	3.38	3,37,327	0.42
1,001 to 2,000	223	1.77	3,50,803	0.44
2,001 to 3,000	64	0.51	1,70,961	0.22
3,001 to 4,000	34	0.27	1,27,871	0.16
4,001 to 5,000	18	0.15	82,892	0.11
5,001 to 10,000	43	0.34	3,26,910	0.41
Above 10,000	68	0.54	7,71,49,901	97.01
Grand Total	12,591	100.00	7,95,24,560	100.00

xiv) Shareholding Pattern as on March 31, 2020

Category	Number of Shares held	% of Share capital
A. Promoter & Promoter Group Shareholding		
Promoter & Promoter Group (Indian)	5,82,75,545	73.28
Sub-total (A)	5,82,75,545	73.28
B. Public Shareholding		
Public – Institutions		
Banks, Financial Institutions	10,553	0.01
Foreign Portfolio Investors	950	0.00
Sub-total (B)	11,503	0.01
Public – Non-Institutions		
Bodies Corporate	1,84,11,127	23.15
Indian Public	26,66,420	3.35
Non Resident Individuals	87,203	0.11
IEPF Authority	27,621	0.04
Others	45,141	0.06
Sub-total (C)	2,12,37,512	26.71
Total (A+B+C)	7,95,24,560	100.00

xv) Dematerialization of Shares

As on March 31, 2020, 99.73% of the equity shares of the Company were held in dematerialized form, with 100% of the shareholding of Promoter(s) and Promoter Group being in dematerialized form. The Company is into an agreement with NSDL and CDSL, whereby shareholders have the option to dematerialize their shares with either of the two depositories.

Status of Dematerialization as on March 31, 2020

Particulars	Number of Shares	% to Total Paid-up Capital
NSDL	7,10,79,986	89.38
CDSL	82,27,159	10.35
Total Dematerialized	7,93,07,145	99.73
Physical	2,17,415	0.27
Total	7,95,24,560	100.00

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xvi) Liquidity

The Company's Equity Shares are liquid and actively traded on the Indian Stock Exchanges, i.e., NSE and BSE are the only stock exchanges where the shares of the Company are listed.

xvii) Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (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.

xviii) 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 3.9 and Note 48 in the Notes to the Standalone Financial Statements.

xix) Details of credit ratings obtained by the Company along with any revisions thereto during the financial year 2019-20

The details of credit ratings obtained by the Company along with any revisions thereto during the financial year 2019-20, for all debt instruments are as hereunder:

Nature of instrument	Rating Agency	Date of Rating	Amount	Rating outstanding
Long Term Rating	CRISIL	Rating outstanding as on 31/03/2019	₹ 293 crores	CRISIL AA-/Stable
Short Term Rating				CRISIL A1+ (Reaffirmed)
Commercial Paper				CRISIL A1+
Commercial Paper	CRISIL	05/04/2019	₹ 180 crores	CRISIL A1+
Long Term Rating	CRISIL	23/04/2019	₹ 293 crores	CRISIL AA-/Stable
Short Term Rating				CRISIL A1+ (Reaffirmed)
Long Term Rating	CRISIL	22/07/2019	₹ 308 crores	CRISIL AA-/Stable
Short Term Rating				CRISIL A1+ (Reaffirmed)
Commercial Paper	CRISIL	22/07/2019	₹ 180 crores	CRISIL A1+
Commercial Paper	CRISIL	27/09/2019	₹ 180 crores	CRISIL A1+
Commercial Paper	CRISIL	09/12/2019	₹ 180 crores	CRISIL A1+
Commercial Paper	CRISIL	03/03/2020	₹ 180 crores	CRISIL A1+

xx) Plant Locations

Jalan Industrial Complex,
Bombay Road (National Highway 6)
P.O. - Begri, Vill - Biprannapara
Howrah, West Bengal – 711 411

Paridhan Garment Park, 19, Canal South Road, Kolkata – 700105

E-4, and E-6, Sector D-1 (P-3), Tronica City, Ghaziabad,
U.P. – 201 102

S.F. No.387/4, Angeripalayam Road, Angeripalayam Post,
Dist. - Tirupur, Tamil Nadu – 640 602

Premises No.2/104, Thekkalur Avinashi Road, Avinashi,
Tirupur, Tamilnadu – 641 654

284/11, Garvebhavipalya, Hosur Road, Near
Chamundeshwari and Saibaba Temple, Bengaluru,
Karnataka – 560 068

Sy. No.36/5, AGR Industrial Area, Somasandrapalya, HSR
Layout, Sector-2, Bengaluru, Karnataka – 560 102

Disclosures

i) Disclosure on materially significant related party transactions, that may have potential conflict with the interests of the Company at large

All related party transactions entered by the Company during the financial year with related party were in the ordinary

Corporate Governance Report

course of business and at an arm's length basis. 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 42 and 45 in Notes to the Standalone Financial Statements, forming part of this Annual Report.

The policy on Related Party Transactions and policy for determining 'material' subsidiaries has been uploaded on the website of the Company.

The same are available at the links: <http://rupa.co.in/livesite/wp-content/uploads/2018/12/policy-on-related-party-transactions.pdf> and http://rupa.co.in/livesite/wp-content/uploads/2018/12/Policy_for_determining.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.

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

Audit Committee looks into the complaints raised, if any, and their redressal. No personnel have been denied access to the Audit Committee and there were no cases reported during the Financial Year ended March 31, 2020.

The Policy has been uploaded on the website of the Company and the same is available at the link, http://rupa.co.in/livesite/wp-content/uploads/2019/03/Whistle_Blower_Policy.pdf

Non-Compliance with the requirements of Corporate Governance Report

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

Adoption of the discretionary requirements under SEBI Listing Regulations

All the mandatory requirements of the SEBI Listing Regulations are being complied with and the Discretionary or Non-mandatory requirements, as specified under Regulations 27(1), read with Part E of Schedule II to the SEBI Listing Regulations, are reviewed by the Board from time to time and adopted wherever necessary. The Company has adopted following non-mandatory 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 Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Demat Suspense Account/ Unclaimed Suspense Account

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

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Rupa & Company Limited

1. We have examined the compliance of conditions of Corporate Governance by Rupa & Company Limited ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations")

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance ("The Guidance Note") issued by the Institute of the Chartered Accountants of India (the "ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI Listing Regulations during the year ended March 31, 2020.
8. We 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.
9. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For **Singhi & Co.**

Chartered Accountants

ICAI Firm Registration Number: 302049E

Sd/-

Ankit Dhelia

Partner

Membership No.: 069178

UDIN :20069178AAAAI4906

Place: Kolkata

Date: June 26, 2020

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

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

- A. We have reviewed the Financial Statements, including the Cash Flow Statement, of the Company for the Financial Year ended March 31, 2020 and to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: June 26, 2020

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

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

DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT

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

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

I, hereby declare that all the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the aforesaid Code for the Financial Year ended March, 31, 2020.

Place: Kolkata
Date: June 26, 2020

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members,
Rupa & Company Limited
1, Ho Chi Minh Sarani,
Metro Tower, 8th Floor Kolkata-700071

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rupa & Company Limited having CIN L17299WB1985PLC038517 and having registered office at 1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata-700071 (hereinafter referred to as the 'Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Prahlad Rai Agarwala, Executive, Chairman	00847452	06.02.1985
2.	Mr. Ghanshyam Prasad Agarwala, Executive, Vice-Chairman	00224805	13.07.1987
3.	Mr. Kunj Bihari Agarwal, Managing Director	00224857	17.07.1987
4.	Mr. Ramesh Agarwal, Whole-time Director-cum-Chief Financial Officer	00230702	29.07.2009
5.	Mr. Mukesh Agarwal, Whole-time Director	02415004	29.07.2009
6.	Mr. Niraj Kabra, Executive Director	08067989	12.02.2018
7.	Mr. Vinod Kumar Kothari, Non-executive and Independent Director	00050850	26.07.2004
8.	Mr. Ashok Bhandari, Non-executive and Independent Director	00012210	10.08.2018
9.	Mr. Dharam Chand Jain, Non-executive and Independent Director	00453341	31.01.2003
10.	Mr. Dipak Kumar Banerjee, Non-executive and Independent Director	00028123	30.05.2013
11.	Mr. Sushil Patwari, Non-executive and Independent Director	00023980	17.11.2003
12.	Mrs. Alka Devi Bangur, Non-executive and Independent Director	00012894	14.11.2014

Please note that ensuring the eligibility of/for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on qualification/ disqualification of directors as per provisions of law based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Thanking you,
For **Nidhi Bagri & Company**
(Practising Company Secretaries)

Sd/-
(Nidhi Bagri)

Proprietor
ACS No. 24765
C.P. No. 9590

Place: Kolkata
Date: June 16, 2020

Business Responsibility Report

BUSINESS RESPONSIBILITY REPORT

For the Financial Year ended March 31, 2020

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

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L17299WB1985PLC038517
2.	Name of the Company	Rupa & Company Limited
3.	Registered address	1, Ho Chi Minh Sarani, Metro Tower , 8th Floor, Kolkata -700071
4.	Website	www.rupa.co.in
5.	E-mail ID	cs@rupa.co.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of knitted apparel including hosiery (14309)
8.	Key products/ services that the Company manufactures/ provides	Manufacturing and sale of Hosiery Goods
9.	Total number of locations where business activity is undertaken by the Company a) Number of International Locations b) Number of National Locations	Nil Manufacturing facilities are located at 4 locations. The details are given in the Corporate Governance Report, forming part of this Annual Report.
10.	Markets served by the Company	The Company's products have national presence and some of the products are exported as well.

Section B: Financial Details of the Company

1.	Paid-up Capital (₹ in Lakhs)	795.25
2.	Total Turnover (₹ in Lakhs)	94,140.11
3.	Total Profit after Taxes (₹ in Lakhs)	8006.53
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after taxes	₹ 224.93 lakhs, i.e., 2.81%
5.	List of activities in which expenditure in 4 above has been incurred	The Company has carried out various CSR Activities, as prescribed under the Companies Act, 2013. The details of such activities are given in the Annual Report on CSR Activities, annexed to the Board's Report, forming part of this Annual Report

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	The Company has 5 (five) Wholly-owned Subsidiaries.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?	No, the Subsidiary Companies do not participate in the BR initiatives of the Company. However, the Company encourages its subsidiary companies to participate in the BR initiatives of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company?	Other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

Business Responsibility Report

Section D: BR (Business Responsibility) Information

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

1. Details of Director/ Directors responsible for BR

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

DIN	00224857
Name	Mr. Kunj Bihari Agarwal
Designation	Managing Director

b) Details of the BR head

DIN (if applicable)	08067989
Name	Mr. Niraj Kabra
Designation	Executive Director
Telephone Number	+91-33-40573100
E-mail ID	niraj.kabra@rupa.co.in

2. **Principle-wise (as per NVGs) BR Policy/policies:** 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 practices highest standards of corporate and individual behaviour in the conduct of business and the discharge of their duties. The Company always focuses on the areas of ethical risk, integrity and honesty, provides guidance to help individuals to recognize and deal with ethical issues and help foster a culture of honesty, integrity and accountability.

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

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

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 3: Employees' Well-being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Environment [P6]

Principle 7: Policy Advocacy [P7]

Principle 8: Inclusive Growth [P8]

Principle 9: Customer Value [P9]

Business Responsibility Report

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

Principle-wise as per National Voluntary Guidelines (NVGs) BR Policy/Policies:

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The BR Policy has been signed by the Chairman of the Company.								
5.	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is authorised to oversee the implementation of the Business Responsibility Policy, reporting and other related matters.								
6.	Indicate the link for the policy to be viewed online?	The BR Policy can be viewed at: http://rupa.co.in/livesite/wp-content/uploads/2018/12/Business_Responsibility_Policy1.pdf For further reference on various policies, the same can be viewed in link, as mentioned in the following notes:								
		6a		6b	6c	6d			6e	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Audit/ evaluation has been carried out with the internal resources.								

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

6(a) - Code of Conduct and Business Ethics: <http://rupa.co.in/code-of-conduct/>

Whistle Blower Policy: <http://rupa.co.in/whistle-blower-policy/>

6(b) - Whistle Blower Policy: <http://rupa.co.in/whistle-blower-policy/>

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

Whistle Blower Policy: <http://rupa.co.in/whistle-blower-policy/>

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

6(d) - Whistle Blower Policy: <http://rupa.co.in/whistle-blower-policy/>

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

Business Responsibility Report

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

3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:** The CSR Committee of Board of Directors assesses the BR Performance of the Company, annually.
- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?** – The Business Responsibility Report, forms part of the Annual Report for the Financial Year 2019-20. The same is also available on the Company's website, www.rupa.co.in.

Section E: Principle-wise Performance

Principle 1

- 1) **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?** – The Policy relating to ethics, bribery and corruption covers only the Company and its employees. The Company strives to maintain the highest standards of ethics in all spheres of its business activities. It is our endeavor to inculcate ethical behavior at all levels across the Company, making it an essential part of the work culture. Apart from BR Policy, the Company has following policies dealing with ethics, transparency and accountability:

Code of Conduct and Business Ethics: This Code is applicable to Company's directors, senior management and employees. All concerned are required to strictly adhere to this Code of Conduct and Business Ethics. The Company ensures maximum appropriate disclosure to its various stakeholders without impacting its strategic intent.

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

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

- 2) **How many stakeholder complaints have been received in the Financial Year under review and what percentage was satisfactorily resolved by the management?** – During the Financial Year, no Shareholder's complaint was received by the Company. No complaints were pending as on March 31, 2020. All communications/ queries received, were resolved, by the Company, to the satisfaction of the Stakeholders. Customers' complaints and other correspondence are attended promptly by the Company.

Principle 2

- 1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities** – The Company is engaged in manufacturing and sale of the Hosiery and related products and services. The Company ensures that the goods it produces meets the safety standards. The manufacturing units of the Company meet applicable environmental norms. The Company ensures that its business goals are pursued without compromising on social or environmental concerns.
- 2) **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.)** – The Company ensures that it keeps balance of the social, environmental and economic impact of the business it conducts. The Company also ensures that its business goals are pursued without compromising any of the three elements, throughout the life cycle of the goods, from design to disposal/ delivery, i.e., from acquisition of raw materials through manufacturing and processing, smart packaging, distribution and transportation, use and reuse, recycling and disposal. The details of steps taken by the Company for conservation of energy has been detailed out in Annexure – II to the Board's Report, forming part of this Annual Report.

Business Responsibility Report

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

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

Principle 3

- 1) **Total number of permanent employees**– 1167, as on March 31, 2020
- 2) **Total number of employees hired on temporary/contractual/casual basis**– 1141, as on March 31, 2020
- 3) **Number of permanent women employees**–197, as on March 31, 2020
- 4) **Number of permanent employees with disabilities**– The Company does not follow differential recruitment policy based on employees' demographic details and physical abilities. Hence, this number is not tracked.
- 5) **Do you have an employee association that is recognized by management**– No, there is no trade union in the factories of the Company. Employees have formed Works Committee in manufacturing units to address the grievances.
- 6) **Percentage of permanent employees who are members of this recognized employee association**– Not applicable.
- 7) **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year**–

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

- 8) **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**–Human Resources function is instrumental in creating and developing human capital in alignment with the Company's requirement. One of the key focus areas in the Company's objective is to groom and to train employees. It imparts training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. Workplace safety training is also being provided to the workmen to enhance their knowledge and skills, they need to protect equipment, facilities and unintentional physical injuries. Training has been provided to more than 15% of the workforce during the year.

Business Responsibility Report

Principle 4

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

Principle 5

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

Principle 6

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

Business Responsibility Report

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

Principle 7

- 1) **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with** – The Company strives to engage with the Government and be a part of various chambers and associations to make recommendations/ representations before regulators and associations for advancement and improvement of the industry to which it pertains. The executives of the Company participate and play an active role in committees, associations, etc., constituted for industry reforms and advancement. The Company or its executive(s) is/was the member, or associated with the (a) Indian Chamber of Commerce; (b) Bharat Chamber of Commerce; (c) Merchant Chamber of Commerce; (d) Federation of Hosiery Manufacturers Association of India (e) West Bengal Hosiery Association; and (f) South India Hosiery Association.
- 2) **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;**– The Company shall perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and shall take into account the Company's interest as well as the larger national interest.

The Company believes that policy advocacy must preserve and expand public good and thus, it does not advocates any policy change to benefit itself alone or a select few.

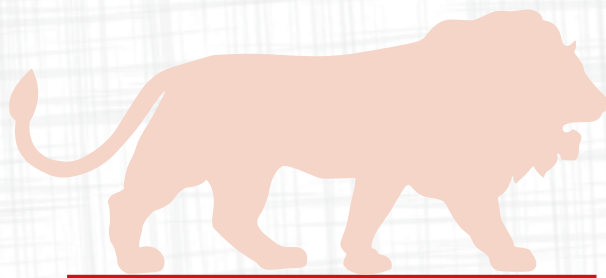
Principle 8

- 1) **Does the Company has specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**– Yes, the Company supports the principles of inclusive growth and equitable development through not just its Corporate Social Responsibility initiatives but through its core business as well.
- 2) **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?** – The Company undertakes programmes/ projects directly through in-house team as well as through other trusts, NGOs, etc.
- 3) **Have you done any impact assessment of your initiative?** – Yes, the Company internally performs an impact assessment of its initiatives at the end of year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.
- 4) **Company's direct/ indirect contribution to community development projects and the details of the projects undertaken** – The Company's contribution to the community development projects undertaken during the year through its CSR activities is ₹ 224.93 lakhs. The details are given in Annexure – V to the Board's Report, forming part of this Annual Report. Apart from this, the Company also contributes, directly or indirectly, towards development projects for the community benefit.
- 5) **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**– The Company continuously engages with communities surrounding their operations through focused approach. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are, thus, designed and delivered in a transparent manner in line with inputs from the community itself. We also try to create sustainable infrastructure/ programmes so that it should be continued on sustainable basis. The Company also takes reports from the implementing agencies to ensure the utilization of the fund.

Business Responsibility Report

Principle 9

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



FINANCIAL STATEMENTS



Independent Auditor's Report

To the Members of
Rupa & Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Rupa & Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Emphasis of Matter

We draw your attention to the following:

- i. Note 48(d) to the Standalone Financial Statements which explain the management's assessment of the financial & operational impact due to the lock-down and conditions related to the Covid – 19 and its consequential impact on the carrying values of assets as at March 31, 2020.
- ii. Note 50 to the Standalone Financial Statements which describes the impairment assessment performed by the Company in respect of its investment of ₹ 5,941.00 lakhs and net amounts recoverable aggregating to ₹ 307.79 lakhs in its Wholly owned Subsidiary M/s Oban Fashions Private Limited, as at March 31, 2020 in accordance with by Indian Accounting Standard 36 "Impairment of Assets" / Indian Accounting Standard 109 "Financial Instruments". This assessment involves significant management judgment and estimates on the valuation methodology and various assumptions used in determination of value in use by independent valuation expert/management as more fully described in the aforesaid note. Based on management's assessment and the independent valuation reports, no impairment is considered necessary on the investment and the recoverable amounts.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
<p>1. Assessment of impairment of investment and loans given to subsidiary (Refer to Note 50 to the Standalone Financial Statements)</p> <p>As at March 31, 2020, the Company has investments aggregating to ₹ 5,941.00 lakhs and net amounts recoverable aggregating to ₹ 307.79 lakhs to its Wholly owned Subsidiary, M/s Oban Fashions Pvt. Ltd. This subsidiary has incurred losses during the current and previous years which indicate potential impairment of investments along with loans and advances given to this subsidiary. The impairment study requires estimation and judgement around assumptions used, including the recoverable value of underlying tangible assets. We consider this a key audit matter given the relative significance of value of investment and loans and advances to the Standalone Financial Statements and extent of management's judgements and estimates involved around impairment assessment of related factors such as future cash flows, discount rate, terminal value and economic growth rates etc.</p>	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> • We understood the management's process of forecasting the future cash flows, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data, wherever necessary; • We assessed that the methodology used by management to estimate the value in use of the investment is consistent with accounting standards and is in line with the valuation standards applicable in India; • We have involved our internal valuation experts to assess the methodologies used by the management and independent valuation experts to determine the recoverable amount of the investment in subsidiary; • We checked the mathematical accuracy of the impairment model.
<p>2. Valuation & existence of inventories (Refer to Note 12 to the Standalone Financial Statements)</p> <p>The Company holds inventories amounting to ₹ 44,185.26 lakhs as at the Balance Sheet date, which represent 44.53% of total assets.</p> <p>As described in the accounting policies in Note 3.1 to the Standalone Financial Statements, inventories are carried at the lower of cost and net realisable value. Inventories valuation and existence is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. We have determined this to be a matter of significance to our audit due to the quantum of the amount involved.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. • Reviewing the document and other record related to physical verification of inventories done by the management during the year and subsequent to year end. • Verifying the effectiveness of key inventory controls operating over inventories; including performing alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" to obtain sufficient appropriate audit evidence. We have also verified on sample basis confirmation from third parties for inventory lying with them as at year end. • Obtained assurance over the management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of products. • Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Recomputing provisions recorded to verify that they are in line with the Company policy.
<p>3. Revenue recognition including estimation of rebates & discounts (Refer Note 27 to the Standalone Financial Statements)</p> <p>As described in Accounting Policy for Revenue recognition vide Note 3.6 of the Standalone Financial Statements, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts.</p> <p>The Company sells its products through various channels like dealers, modern trade, distributors, retailers, etc., and recognize liabilities related to rebates, discounts and incentives.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Obtained a detailed understanding and evaluated the design and implementation of controls that the company has established in relation to revenue recognition and recording of rebates, discounts, etc. and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts, etc. to source data; • Assessed the underlying assumptions used for determination of rebates, discounts, etc;

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
<p>With regard to the determination of revenue, the management is required to make significant estimates in respect of the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company and compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company.</p> <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<ul style="list-style-type: none"> Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes; Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; Tested credit notes issued to customers and payments made to them during the year and subsequent to the year- end along with the terms of the related schemes.
<p>4. Recoverability of Trade Receivables (Refer Note 13 to the Standalone Financial Statements)</p> <p>The Company has trade receivables amounting to ₹ 23,017.38 lakhs as at the Balance Sheet date, which represent 23.20% of total assets.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables and significant estimates and judgements made by the management for provision for loss allowance under Expected Credit Loss model. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We evaluated and tested the controls relating to credit control and approval process and assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts. We assessed and validated the ageing profile of trade receivables. We also checked on sample basis balance confirmations from customers to test whether trade receivables as per books are acknowledged by them. We also reviewed receipts on sample basis subsequent to the financial year end for its effect in reducing overdue receivables as the financial year end. We also reviewed at the adequacy of the management judgements and estimates on the sufficiency of provision for doubtful debts through detailed analysis of ageing of receivables and assessing the adequacy of the disclosures in respect of credit risk.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, Shareholder's Information, etc., but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 controls, that were operating effectively for ensuring the

Independent Auditor's Report

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Independent Auditor's Report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) In our opinion, and according to information and explanation given to us, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and
 - (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, as amended, 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 Standalone Financial Statements – Note 11 & 37 to the Standalone 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.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABG4352

Place: Kolkata
Date: June 26, 2020

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Rupa & Company Limited of even date)

- i. In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets have been physically verified during the year by the management in a phased manner in accordance with a planned programme of verifying them once in three years and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory excluding inventories in transit have been conducted at reasonable intervals by the management during the year. The discrepancies noted on physical verification of inventory as compared to book records were not material. Inventories lying with outside parties have been substantially confirmed by them at the year end.
- iii. The Company has granted loan to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted were not, prima-facie, prejudicial to the interest of the company.
 - b) In case of the loan granted to the body corporate covered in the register maintained under Section 189 of the Companies Act, 2013, the loan and interest has been repaid as per the stipulated terms and conditions.
 - c) There are no overdue amounts in respect of loan granted to body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and advances given, investments made and guarantees & securities given.
- v. The Company has not accepted deposits from public within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, clause 3 (v) of the order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Government has not specified maintenance of the cost records under Section 148(1) of the Companies Act, 2013 in regard to the activities of the Company.
- vii. According to the information and explanations given to us and on the basis of our examination of the books of account:
 - a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Customs Duty, Goods and Service tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us, the dues of sales tax, income tax and duty of excise, which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2020 are as under:

Annexure 'A' to the Independent Auditor's Report

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Demand Relating to non-submission of C Forms & other disputes/ disallowances	44.51	Financial Year 2005-06	West Bengal Commercial Taxes Appellate Tribunal & Revisional Board
		38.58	Financial Year 2016-17	Joint Commissioner, Commercial Taxes (WB)
		9.76	Financial Year 2017-18	Joint Commissioner, Commercial Taxes (WB)
The West Bengal Value Added Tax, 2003	Demand Relating to export & other disallowances / disputes	35.80	Financial Year 2014-15	Senior Joint Commissioner Taxes (Appeal)
		12.57	Financial Year 2016-17	Joint Commissioner, Commercial Taxes (WB)
		2.12	Financial Year 2017-18	Joint Commissioner, Commercial Taxes (WB)

- viii. According to the records of the Company examined by us and based on the information and explanation given to us by the management, the Company has not defaulted in repayment of loans or borrowing to banks as at the Balance sheet date. The Company does not have any outstanding dues to a financial institution or Government or debenture holders.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However, the Company has raised funds from Term Loan during the year and has applied the same for the purpose for which term loans are raised.
- x. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sd/-

(Ankit Dhelia)

Partner

Membership No. 069178
UDIN: 20069178AAAABG4352

Place: Kolkata
Date: June 26, 2020

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rupa & Company Limited of even date)

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

We have audited the internal financial controls with reference to financial statements of Rupa & Company Limited ("the Company") as of March 31, 2020 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls with reference to financial statement based on the internal control 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statement 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statement

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement 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 Standalone 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 Standalone Financial Statements .



Annexure 'B' to the Independent Auditor's Report

Limitations of Internal Financial Controls with reference to financial statement

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statement 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.

Place: Kolkata
Date: June 26, 2020

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAAABG4352

Standalone Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4 (a)	16,146.22	16,716.86
(b) Right of Use Assets	4 (b)	1,066.50	-
(c) Capital Work-in-progress		636.77	300.46
(d) Intangibles Assets	5	116.73	191.02
(e) Investments in Subsidiaries	6	6,370.37	1,402.00
(f) Financial assets			
(i) Investments	7	0.18	0.18
(ii) Loans	8	192.98	4,532.27
(iii) Other Financial Assets	9	18.95	18.70
(g) Non-Current Tax Assets (Net)	10	1,018.46	-
(h) Other Non Current Assets	11	1,054.55	933.69
		26,621.71	24,095.18
Current Assets			
(a) Inventories	12	44,185.26	35,118.40
(b) Financial Assets			
(i) Trade Receivable	13	23,017.38	37,022.35
(ii) Cash and Cash Equivalents	14	97.18	566.48
(iii) Other Bank Balances (other than above)	15	40.04	39.33
(iv) Loans	8	447.92	203.82
(v) Other Financial Assets	9	13.04	82.32
(c) Other current assets	11	4,786.05	2,805.78
		72,586.87	75,838.48
TOTAL ASSETS		99,208.58	99,933.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	796.29	796.29
(b) Other Equity	17	61,896.84	56,759.28
		62,693.13	57,555.57
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,089.91	812.65
(ii) Lease Liabilities	19	686.39	-
(b) Deferred Tax Liabilities (Net)	20	924.63	1,372.63
(c) Other Non-Current Liabilities	21	202.67	83.14
		2,903.60	2,268.42
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	12,482.82	16,504.25
(ii) Lease Liabilities	19	164.47	-
(iii) Trade payables	23	-	-
- Total outstanding dues of creditors to micro enterprises and small enterprises		-	-
- Total outstanding dues of creditor to other than micro enterprises and small enterprises		12,452.07	13,044.74
(iv) Other Financial Liabilities	24	7,653.92	8,921.25
(b) Provisions	25	323.96	288.80
(c) Current Tax Liabilities (Net)	26	-	752.52
(d) Other Current Liabilities	21	534.61	598.11
		33,611.85	40,109.67
TOTAL EQUITY & LIABILITIES		99,208.58	99,933.66
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements and Key Estimates	3.20		

The notes are the integral part of the Standalone Financial Statements

As per our report of even date

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

Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

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

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

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

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	27	94,140.11	1,10,824.10
II Other Income	28	790.95	539.18
III Total Income (I+II)		94,931.06	1,11,363.28
IV Expenses			
Cost of Materials Consumed	29	46,025.74	51,709.41
Changes in Inventories of Finished Goods and Work in Progress	30	(8,332.92)	(5,296.78)
Employee Benefits Expense	31	5,520.09	4,511.15
Finance Costs	32	1,481.22	1,672.75
Depreciation and Amortisation Expense	33	1,567.92	1,317.40
Other Expenses	34	38,466.17	42,908.85
Total Expenses (IV)		84,728.22	96,822.78
V Profit before Exceptional Items & Tax (III-IV)		10,202.84	14,540.50
VI Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V-VI)		10,202.84	14,540.50
VIII Tax Expense	35		
a) Current Tax (Including Earlier year Tax)		2,646.73	5,155.00
b) Deferred Tax		(450.42)	48.12
IX Profit for the year (VII- VIII)		8,006.53	9,337.38
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
–Remeasurements of defined benefit plans		9.57	1.97
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.41)	(0.69)
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Other Comprehensive Income for the year [(A(i-ii) +B(i-ii))]		7.16	1.28
XII Total Comprehensive Income for the year (IX+XI)		8,013.69	9,338.66
XIII Earnings per Equity Share			
Basic Earnings per Share (₹)	43	10.07	11.74
Diluted Earnings per Share (₹)		10.07	11.74
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements and Key Estimates	3.20		

The notes are the integral part of the Standalone Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049ESd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452Sd/-
Ramesh Agarwal
Whole-time Director-cum-
Chief Financial Officer
DIN: 00230702

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805Sd/-
Dinesh Kumar Lodha
Chief Executive OfficerSd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857
Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020		2018-2019	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Profit before Tax		10,202.84		14,540.50
Adjustment to reconcile Profit Before Tax to Net Cash Flows				
(a) Depreciation and Amortisation	1,567.92		1,317.40	
(b) Finance Cost	1,481.22		1,672.75	
(c) (Profit)/Loss on disposal of Plant, Property & Equipment (Net)	(47.34)		5.02	
(d) Bad debts/Advances & Claims written off	37.52		1.61	
(e) Unspent liabilities written back	(317.49)		(30.17)	
(f) Provision for Doubtful Trade Receivables/(written back)	3.03		11.81	
(g) Deferred Revenue on Government Grant	(33.63)		(17.48)	
(h) Investment written off	-		10.57	
(i) Interest income	(299.60)	2,391.63	(448.29)	2,523.22
Operating Profit before Working Capital Changes		12,594.47		17,063.72
Changes in Working Capital				
(a) (Increase)/ decrease in Inventories	(9,066.86)		(3,866.01)	
(b) (Increase)/ decrease in Trade Receivables	13,964.42		(4,173.65)	
(c) (Increase)/ decrease in Other Financial Assets	(69.93)		(60.61)	
(d) (Increase)/ decrease in Non-Financial Assets	(1,980.27)		(1,233.82)	
(e) Increase/ (decrease) in Trade Payables	(522.19)		(2,597.60)	
(f) Increase/ (decrease) in other Financial Liabilities	(1,066.91)		761.31	
(g) Increase/ (decrease) in Provisions	44.72		55.30	
(h) Increase/ (decrease) in Non-financial liabilities	89.65	1,392.63	179.27	(10,935.81)
Cash Generated from Operations		13,987.10		6,127.91
Less: (a) Direct Taxes paid		(4,417.71)		(6,005.93)
Net Cash from Operating Activities		9,569.39		121.98
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Purchase of Plant, Property & Equipment (including Capital Advances and CWIP)		(1,779.33)		(2,310.34)
(b) Disposal of Plant, Property & Equipment		379.30		25.65
(c) Investment in Subsidiary Companies		(4,968.37)		-
(d) Redemption/(Investment) of Fixed Deposits (net)		(1.90)		136.55
(e) Refund of Loan Granted		4,699.87		-
(f) Loan Granted		(537.72)		339.30
(g) Interest received		371.61		512.51
Net Cash used in Investing Activities		(1,836.54)		(1,974.93)

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020	2018-2019
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES		
(a) Repayment of Non-Current Borrowings	(250.15)	(140.15)
(b) Proceeds from Non-Current Borrowings	587.23	1,125.21
(c) Proceeds/(Repayment) of Current Borrowings (net)	(4,021.43)	5,515.83
(d) Payment of Lease Liabilities	(257.46)	-
(e) Dividend and Tax paid thereon	(2,876.13)	(2,876.13)
(f) Interest Paid (Including interest on Lease Liabilities)	(1,384.21)	(1,666.27)
Net Cash used in Financing Activities	(8,202.15)	1,958.49
Net increase/ (decrease) in Cash & Cash Equivalent (A+B+C)	(469.30)	105.54
Cash & Cash Equivalents at the beginning of the period	566.48	460.94
Cash & Cash Equivalents at the end of the period	97.18	566.48

Note:

- The above statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows"
- Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 14 to the Financial Statements
- Statement of Reconciliation of Financing Activities

	Term Loan from Banks	Short Term Borrowings
Balance as at April 1, 2019 (including interest accrued thereon)	1,070.80	16,508.07
Cash Flow (Net)	337.08	(4,021.43)
Non Cash Changes	-	-
Fair Value Changes	-	-
Others	-	-
Interest Expense	100.12	1,247.79
Interest Paid	(97.72)	(1,229.26)
Closing as at March 31, 2020 (including interest accrued thereon)	1,410.28	12,505.17

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Previous years figures have been regrouped/reclassified wherever necessary

As per our report of even date

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

Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

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

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

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

Standalone Statement of Change in Equity

for the year ended March 31, 2020

(₹ in Lakhs)

a) Equity Share Capital	
Balance as at April 1, 2018	796.29
Add/(Less): Changes in Equity Share Capital during the year	—
Balance as at March 31, 2019	796.29
Add/(Less): Changes in Equity Share Capital during the year	—
Balance as at March 31, 2020	796.29

	Reserves & Surplus			Total
	Securities Premium Account	General Reserve	Retained Earnings	
b) Other Equity				
Balance as at April 1, 2018	6,880.31	4,231.17	39,185.28	50,296.76
Profit for the Year	-	-	9,337.38	9,337.38
Remeasurement Gain on defined benefit plans (Net of Taxes)	-	-	1.28	1.28
Total Comprehensive Income	-	-	9,339.66	9,338.66
Final Dividend Paid	-	-	(2,385.74)	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.40)	(490.40)
Balance as at March 31, 2019	6,880.31	4,231.17	45,647.80	56,759.28
Profit for the Year	-	-	8,006.53	8,006.53
Remeasurement Gain on defined benefit plans (Net of Taxes)	-	-	7.16	7.16
Total Comprehensive Income	-	-	8,013.69	8,013.69
Final Dividends Paid	-	-	(2,385.74)	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.39)	(490.39)
Balance as at March 31, 2020	6,880.31	4,231.17	50,785.36	61,896.84

The notes are the integral part of the Standalone Financial Statements

As per our report of even date

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

Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ramesh Agarwal
Whole-time Director-cum-
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For and on behalf of the Board of Directors

Sd/-
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Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857
Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

1. CORPORATE AND GENERAL INFORMATION

Rupa & Company Limited (the Company) was incorporated in India in the year 1985 and having its registered office at Metro Towers, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700071.

The Company is a Public Limited Company domiciled in India & is incorporated under provision of Companies Act applicable 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. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial Statements are approved for issue by the Company's Board of Directors at their meeting held on June 26, 2020.

2.2 Basis of Measurement

The Financial Statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value.

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in "INR" has been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial Statements 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.

2.5 Current Vs Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6 Adoption of New Accounting Standards

The Company has applied the following accounting standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

- Ind AS 116 - Leases
- Amendment to Ind AS 12 – Income Taxes and Ind AS 12 Appendix ‘C’ – Uncertainty over Income Tax Treatments
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement
- Amendment to Ind AS 23 – Borrowing Cost
- Amendment to Ind AS 103 – Business Combination and Ind AS 111 – Joint Arrangements
- Amendment to Ind AS 109 – Prepayment Features with Negative Compensation

The Company had to change its accounting policies following the adoption of Ind AS – 116. Company's new accounting policy is described in "paragraph 3.5" of Significant Accounting Policies to the financial statements and the impact of transition to IND AS 116 is given vide Note No. 41 to the Financial Statements. Most of the above amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3.1 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 weighted average basis including packing materials, accessories and dyes and chemicals.

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 weighted average basis and cost of work-in-progress (measured in pieces) and cost of finished goods is determined on Retail sales price method.

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.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, cheques in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4 Property, Plant and Equipment

3.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3. Depreciation and Amortization

- Depreciation on Property Plant & Equipment 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 Property Plant & Equipment.

Class of Property Plant & Equipment	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

- 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.
- The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery as 10 years. These lives are lower than those indicated in Schedule II of the Companies Act, 2013.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.4.5. Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4.6. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

3.5 Leases

3.5.1. Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.5.2. Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.12 Impairment of non-financial assets.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.6 Revenue Recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

3.6.1. Sale of goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

3.6.2. Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.6.3. Sale of Power

Revenue from sale of Energy (Power) is recognised on the basis of Electrical Units generated net of transmission loss as applicable when no significant uncertainty as to measurability & collectability exists.

3.6.4. Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.6.5. Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

3.6.6. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognized as income only when revenue is virtually certain which generally coincides with receipt/acceptance.

3.7 Employee Benefits

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Post-Employment Benefits

The Company operates the following post-employment schemes:

➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

➤ Defined Contribution Plan

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 expenditure, when an employee renders the selected service.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.8 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

3.9 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Nonmonetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10 Borrowing Cost

- 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. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.11 Interest in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.12.1. Financial Assets

➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

➤ Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Designated Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- o **Measured at Amortized Cost:** A debt instrument is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- o **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:
 - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
 - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

- o **Measured at FVTPL:** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
- o **Equity Instruments measured at FVTOCI:** All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.12.2. Financial Liabilities

➤ Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.13 Impairment of Non-Financial Assets

➤ The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

➤ An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14 Provisions, Contingent Liabilities and Contingent Assets

3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

➤ Onerous Contracts:

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15 Intangible Assets

Recognition and Measurement

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.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

The useful lives over which intangible assets are amortized are as under:

Assets	Useful Life (In Years)
Copyrights & Trade marks	10
Computer software	5

Disposal

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.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in Statement of Profit and Loss.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.17 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the Chief Operating Decision Maker (CODM). An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. Based on assessment of CODM in terms of Indian Accounting Standard – 108, the Company is predominantly engaged in a single segment of Garments & Hosiery goods and related services. The analysis of geographical segments is based on the areas in which customers of the Company are located.

3.18 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.

3.19 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.20 Significant accounting judgements and key sources of estimation:

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial Statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Extension and termination option in leases :** Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.
This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Assets (Investment in Subsidiaries) -** Ind AS 36 requires the Company reviews its carrying value of investments in subsidiaries carried at cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for. The values in use (considering discounted cash flows) have been determined by external valuation experts based on management's financial projections. The determination of the value in use / fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, etc.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Estimation uncertainty relating to the global health pandemic on Covid-19:** The Company has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of Covid-19 pandemic on various elements of its Financial Statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the Covid-19 pandemic may be different from those estimated as on the date of approval of these Financial Statements.

3.21 New Standards/Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below.

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
4(a) Property, Plant and Equipment								
Cost								
As at April 1, 2018	2,547.22	271.67	8,034.89	6,019.67	344.50	491.84	255.27	17,965.06
Additions	-	-	1,008.16	1,545.50	32.16	184.03	79.00	2,848.85
Disposals/ Withdrawals	-	-	-	19.90	-	38.48	-	58.38
As at March 31, 2019	2,547.22	271.67	9,043.05	7,545.27	376.66	637.39	334.27	20,755.53
Additions	-	-	493.77	234.39	41.45	100.99	100.51	971.11
Disposals/ Withdrawals/ Transfer	-	271.67	-	-	-	25.72	0.08	297.47
As at March 31, 2020	2,547.22	-	9,536.82	7,779.66	418.11	712.66	434.70	21,429.17
Depreciation								
As at April 1, 2018	-	6.44	386.43	2,054.95	119.09	143.23	114.58	2,824.72
Charge for the year	-	3.22	212.57	844.18	44.67	81.44	55.57	1,241.65
On Disposals/ Withdrawals/ adjustments	-	-	-	9.78	-	17.92	-	27.70
As at March 31, 2019	-	9.66	599.00	2,889.35	163.76	206.75	170.15	4,038.67
Charge for the year	-	-	222.91	837.66	46.09	91.61	66.61	1,264.88
On Disposals/ Withdrawals/ adjustments/ Transfer	-	9.66	-	-	-	10.86	0.08	20.60
As at March 31, 2020	-	-	821.91	3,727.01	209.85	287.50	236.68	5,282.95
Net Block								
As at March 31, 2019	2,547.22	262.01	8,444.05	4,655.92	212.90	430.64	164.12	16,716.86
As at March 31, 2020	2,547.22	-	8,714.91	4,052.65	208.26	425.16	198.02	16,146.22

Note:

- Term Loan from Banks amounting ₹ 1,399.78 Lakhs is secured by first charge by way of hypothecation of plant and equipment specifically funded by the Bank, installed at Domjur, West Bengal and Tirupur Unit, Tamilnadu. Cash Credit including Working Capital Demand Loan amounting ₹ 12,482.82 Lakhs 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 property, plant and equipment of Domjur Unit, West Bengal.
- Pursuant to adoption of Ind AS 116 "Leases", Company has reclassified Leasehold Land to Right of Use Asset which was earlier classified under Property, Plant & Equipment as per Ind AS 17 "Leases"
- Refer Note No- 36 for disclosure on Contractual commitment for acquisition of property, plant and equipment.

	Leasehold Land	Buildings	Total
4(b) Right of Use Assets			
As at April 1, 2019	271.67	1,032.24	1,303.91
Additions	-	-	-
Disposals/ Withdrawals	-	-	-
As at March 31, 2020	271.67	1,032.24	1,303.91
Depreciation			
As at April 1, 2019	9.66	-	9.66
Charge for the year	3.21	224.54	227.76
On Disposals/ Withdrawals/ adjustments/ Transfer	-	-	-
As at March 31, 2020	12.87	224.54	237.41
Net Right of Use Assets			
As at March 31, 2020	258.80	807.70	1,066.50

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Computer Software
5. Intangible Assets	
Cost	
As at April 1, 2018	384.44
Additions	0.25
As at March 31, 2019	384.69
Additions	0.99
As at March 31, 2020	385.68
Amortisation	
As at April 1, 2018	117.92
Charge for the year	75.75
As at March 31, 2019	193.67
Charge for the year	75.28
As at March 31, 2020	268.95
Net Block	
As at March 31, 2019	191.02
As at March 31, 2020	116.73

	Number of Shares	
	March 31, 2020	March 31, 2019
6. Investments in Subsidiaries		
In Equity Shares (at cost unless otherwise stated)		
(Unquoted)		
Imoogi Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	10,000	10,000
Euro Fashion Inners International Pvt. Ltd. (Equity Shares of ₹ 10 each)	41,00,000	41,00,000
Oban Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	99,10,000	99,10,000
Rupa Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	50,000	-
Rupa Bangladesh Pvt. Ltd. (Equity Shares of BDT 10 each)	1,59,004	-
In Preference Shares (at cost unless otherwise stated)		
Oban Fashions Pvt. Ltd. (0.1% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100 each)	49,50,000	-

	Amount	
	March 31, 2020	March 31, 2019
In Equity Shares (at cost unless otherwise stated)		
Imoogi Fashions Pvt. Ltd.	1.00	1.00
Euro Fashion Inners International Pvt. Ltd.	410.00	410.00
Oban Fashions Pvt. Ltd.	991.00	991.00
Rupa Fashions Pvt. Ltd.	5.00	-
Rupa Bangladesh Pvt. Ltd.	13.37	-
In Preference Shares (at cost unless otherwise stated)		
Oban Fashions Pvt. Ltd.	4,950.00	-
	6,370.37	1,402.00

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

		Number of Shares/Units	
		March 31, 2020	March 31, 2019
7. Investments			
In Equity Instruments (at cost unless otherwise stated)			
(Unquoted)			
West Bengal Hosiery Park Infrastructure Limited (Equity Shares of ₹ 10 each)		1,800	1,800
		Amount	
		March 31, 2020	March 31, 2019
In Equity Instruments (at cost unless otherwise stated)			
(Unquoted)			
West Bengal Hosiery Park Infrastructure Limited		0.18	0.18
		0.18	0.18
Aggregate Carrying value of Unquoted Investments		0.18	0.18

		Non-Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
8. Loans					
(Unsecured, considered good unless otherwise stated)					
Security deposits*		192.98	132.27	142.27	136.02
Loan to a Subsidiary**		-	4,400.00	105.65	67.80
Loan to Bodies Corporate		-	-	200.00	-
		192.98	4,532.27	447.92	203.82

* Dues from private companies in which any director is a director is ₹ 67.40/- Lakhs (March 31, 2019 ₹ 67.40/- Lakhs)

** To be utilised for business purpose

Note:

There are no outstanding debts from director or other officer of the Company.

		Non-Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
9. Other Financial Asset					
Interest Accrued on Loan to a Subsidiary		-	-	4.59	79.37
Interest Accrued on Loan to Bodies Corporate		-	-	2.53	-
Interest Accrued on fixed deposit		0.25	-	-	-
Bank deposits with maturity of more than 12 months**		18.70	18.70	-	-
Others*		-	-	5.92	2.95
		18.95	18.70	13.04	82.32

*Represents amount receivable from a Subsidiary towards Corporate Guarantee Commission

**Held as lien by bank against bank guarantees.

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

		Non-Current	
		March 31, 2020	March 31, 2019
10. Tax Assets (Net)			
Advance Tax (Net of Provision)		1,018.46	-
		1,018.46	-
		Non-Current	
		March 31, 2020	March 31, 2019
11. Other Assets (Unsecured Considered)			
Capital advances*		1,054.55	933.69
Prepaid Expenses		-	-
Advance against supply of goods & services^		-	-
Advance to Employees		-	-
Balances with Government Authorities		-	-
Claims and Refund Receivable		-	-
Sales Tax paid under dispute		-	-
Other advances		-	-
		1,054.55	933.69
		Current	
		March 31, 2020	March 31, 2019
		-	-
		94.95	83.36
		831.75	751.09
		72.25	63.52
		3,350.17	1,748.45
		412.17	141.37
		20.54	13.77
		4.22	4.22
		4,786.05	2,805.78

*Includes advance amounting to ₹ 400.92 Lakhs (March 31, 2019: ₹ 400.92 Lakhs) 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 the matter in the Hon'ble Calcutta High Court. In light of the fact that the Hon'ble High Court at Calcutta has vide its Order dated February 10, 2020 has decided the Writ Petition in favour of the Company, in its appellate jurisdiction and so far no appeal has been preferred by the West Bengal Government in the Hon'ble Supreme Court of India.

^Includes advance amounting to ₹ 23.11 Lakhs (March 31, 2019: ₹ 2.83 Lakhs) given to Related Party.

		March 31, 2020	March 31, 2019
12. Inventories			
(Valued at lower of cost and net realisable value)			
Raw Material including packing materials		4,068.88	3,334.94
Finished Goods		27,718.29	20,005.62
Work in Progress		12,398.09	11,777.84
		44,185.26	35,118.40

Mode of Valuation - Refer Note No. 3.1 of Accounting policy.

Note : The above includes Stock in transit

Work-in-Progress	-	38.19
Finished Goods	849.62	20.79

Note : Inventories are hypothecated/ pledged against borrowings (Refer Note No. 22)

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Current	
	March 31, 2020	March 31, 2019
13. Trade Receivable		
Secured	2,390.12	3,038.87
Unsecured	20,627.26	33,983.48
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	38.54	35.51
	23,055.92	37,057.86
Impairment Allowance (Allowance for Bad and Doubtful Debt)		
Unsecured	-	-
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable - Credit Impaired	38.54	35.51
	38.54	35.51
Total Trade Receivable	23,017.38	37,022.35

- a) No Trade Receivables due by directors and its officers of the Company.
b) The above amount includes ₹ 294.51 Lakhs (March 31, 2019: ₹ 210.95 Lakhs) due from its Related Parties .
c) Allowances for credit losses of trade receivables, has been computed based on the ageing of the receivables. In computing expected credit losses the Company has taken into account historical credit loss experience and forward looking information.
d) Trade Receivables are hypothecated/ pledged against borrowings (Refer Note No. 22)

	March 31, 2020	March 31, 2019
14. Cash and Cash Equivalents		
Cash in hand	15.00	18.11
Balances with banks		
Current accounts	13.50	190.33
Cash Credit account	68.68	358.04
	97.18	566.48

	March 31, 2020	March 31, 2019
15. Other Bank Balances (other than note - 14)		
Unpaid dividend accounts	11.39	12.58
Bank deposits maturity for more than 3 months but less than 12 months*	28.65	26.75
	40.04	39.33

* Held as lien by bank against bank guarantees.

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
16. Equity Share Capital				
Authorised Share Capital				
Equity Shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued Share Capital				
Equity Shares of ₹ 1/- each	7,97,33,560	797.34	7,97,33,560	797.34
	7,97,33,560	797.34	7,97,33,560	797.34
Subscribed & Paid-up Share Capital				
Equity Shares of ₹ 1/- each	7,95,24,560	795.24	7,95,24,560	795.24
Equity shares forfeited of ₹ 1/- each, Paid up ₹ 0.50 per Share	2,09,000	1.05	2,09,000	1.05
	7,97,33,560	796.29	7,97,33,560	796.29

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

a) Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

b) Terms/ Rights attached to Equity Shares :

The Parent 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.

For the year ended March 31, 2020 the Company has proposed final dividend of ₹ 3/- per share (March 31, 2019: ₹3/- per Share) subject to approval of members in the ensuing Annual General Meeting.

c) Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

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

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 1/- each, fully paid up				
Ullas Sales Promotion LLP (Formerly known as Ullas Sales Promotion Limited)	2,16,30,860	27.20%	-	-
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,67,63,656	21.08%
Rajnish Enterprises Ltd.	-	-	1,58,23,190	19.90%
Ziyan Developers LLP	86,50,000	10.88%	86,50,000	10.88%
Purvanchal Leasing Ltd.	-	-	58,07,670	7.30%

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

As per records of the Company, including its register of shareholders/members as on March 31, 2020, the above shareholding represents legal ownership of shares.

- e) The company has neither issued bonus shares nor has bought back any shares during last 5 years.
- f) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.

	Note	March 31, 2020	March 31, 2019
17. Other Equity			
Securities Premium Reserve	17.1	6,880.31	6,880.31
General Reserve	17.2	4,231.17	4,231.17
Retained Earnings	17.3	50,785.36	45,647.80
		61,896.84	56,759.28

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Changes in Other Equity

	March 31, 2020	March 31, 2019
17.1 Securities Premium Reserve		
Opening balance	6,880.31	6,880.31
Changes during the year	-	-
	6,880.31	6,880.31
	March 31, 2020	March 31, 2019
17.2 General Reserve		
Opening balance	4,231.17	4,231.17
Changes during the year	-	-
	4,231.17	4,231.17
	March 31, 2020	March 31, 2019
17.3 Retained Earnings		
Opening balance	45,647.80	39,185.28
Add: Profit for the year	8,006.53	9,337.38
Less: Remeasurement of Defined Benefit Plans (Net of Tax)	7.16	1.28
Equity Dividend	(2,385.74)	(2,385.74)
Tax on Equity Dividend	(490.39)	(490.40)
	50,785.36	45,647.80

Nature and purpose of other reserves

Securities Premium Reserve

Securities Premium Reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

General Reserve

Under the erstwhile the Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

This reserves represents the cumulative profit of company and effects of remeasurement of defined benefit obligation. This reserves can be utilised in accordance with the provisions of the Companies Act, 2013 .

Remeasurement of Defined benefit obligation

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income) recognised in other comprehensive income and then immediately transferred to retained earnings.

	Non-Current	
	March 31, 2020	March 31, 2019
18. Non Current Borrowings		
Secured Term Loan		
Rupee loan from Banks	1,399.78	1,062.70
Less: Current portion of Long Term Borrowings (Disclosed under other Financial Liabilities, Refer Note No. 24)	309.87	250.05
	1,089.91	812.65

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Note:

1. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

2. Terms & conditions

- Term Loan with a balance of ₹ 812.65 Lakhs (March 31, 2019: ₹ 1,062.70 Lakhs) is repayable in 13 equal quarterly installments of ₹ 62.51 Lakhs and carries interest @ 8.90% to 9.15% per annum (March 31, 2019: @ 8.90% to 9.15% per annum). The said Term Loan is secured by first charge by way of hypothecation on specific plant and machinery funded by bank.
- Term Loan with a balance of ₹ 548.90 Lakhs (March 31, 2019: Nil) is repayable in 72 equal monthly installments of ₹ 7.62 Lakhs starting with w.e.f. September 03, 2020 and carries interest @ 9% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 800.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
- Term Loan with a balance of ₹ 38.23 Lakhs (March 31, 2019: Nil) is repayable in one installment of ₹ 0.10 Lakhs and 18 equal quarterly installments of ₹ 2.12 Lakhs and carries interest @ 8.85% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 1,445.00 lakhs is secured by exclusive charge by way of hypothecation of specific Plant & Machinery funded by bank.
- No loans have been guaranteed by the directors and others.

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
19. Lease Liabilities				
Maturities of Lease Obligations (Refer Note No. 41)	686.39	-	164.47	-
	686.39	-	164.47	-

	March 31, 2020	March 31, 2019
20. Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Arising on account of:		
Difference between Tax Depreciation and Depreciation/Amortisation charged for the financial reporting	1,026.73	1,485.96
	1,026.73	1,485.96
Less: Deferred Tax Assets		
Arising on account of:		
Provision for Doubtful debt & advances	9.70	12.41
Provision for gratuity (Refer Note No. 40)	63.78	76.27
Provision for Litigation, Claims & Contingencies	17.76	24.65
Other	10.86	-
	102.10	113.33
Deferred Tax Liabilities (Net)	924.63	1,372.63

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

20.1 Movement in deferred tax assets and liabilities during the year ended March 31, 2019

	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2019
Deferred Income Tax Liabilities				
Difference between Tax Depreciation and Depreciation/ Amortisation charged for the financial reporting*	1,414.34	71.62	-	1,485.96
Others	0.04	(0.04)		-
A	1,414.38	71.58	-	1,485.96
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	8.28	4.13	-	12.41
Provision for gratuity	57.63	19.33	(0.69)	76.27
Provision for Litigation, Claims & Contingencies	24.65	-	-	24.65
B	90.56	23.46	(0.69)	113.33
Deferred Tax Liabilities (Net) (A-B)	1,323.82	48.12	0.69	1,372.63

20.2 Movement in deferred tax assets and liabilities during the year ended March 31, 2020

	As at April 1, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Deferred Income Tax Liabilities				
Difference between Tax Depreciation and Depreciation/ Amortisation charged for the financial reporting	1,485.96	(459.23)	-	1,026.73
Others	-	-	-	-
A	1,485.96	(459.23)	-	1,026.73
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	12.41	(2.71)	-	9.70
Provision for gratuity	76.27	(10.08)	(2.41)	63.78
Provision for Litigation, Claims & Contingencies	24.65	(6.88)	-	17.76
Others	-	10.86	-	10.86
B	113.33	(8.81)	(2.41)	102.10
Deferred Tax Liabilities (Net) (A-B)	1,372.63	(450.42)	2.41	924.63

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
21. Other Liabilities				
Deferred Revenue	202.67	83.14	30.67	17.48
Advances from customers	-	-	68.69	84.04
Statutory dues payable	-	-	435.25	496.59
	202.67	83.14	534.61	598.11

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Current	
	March 31, 2020	March 31, 2019
22. Current Borrowing		
Loan Repayable on demand		
From banks:		
Cash Credit	2,251.44	4,804.25
Working Capital Demand Loans	10,231.38	10,900.00
Packing Credit	-	800.00
	12,482.82	16,504.25

Terms & conditions

- Cash Credit including Working Capital Demand Loan 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 property, plant and equipment of Domjur Unit, West Bengal.
- Working Capital Demand Loans carries interest @7.05% to 10.00% p.a. (March 31, 2019: @5.50% to 9.65% p.a.)
- Cash Credit are repayable on demand and carries interest @8.50% to 11.50% p.a. (March 31, 2019: @8.50% to 11.50% p.a.)
- No loans have been guaranteed by the directors and others.
- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

	Current	
	March 31, 2020	March 31, 2019
23. Trade Payables		
Due to micro, small and medium-enterprises (Refer Note No. 38)	-	-
Due to Creditors other than micro, small and medium enterprises	12,452.07	13,044.74
	12,452.07	13,044.74

	Current	
	March 31, 2020	March 31, 2019
24. Other Financial Liabilities		
Current Maturities of Long Term Borrowings (Refer Note No. 18)	309.87	250.05
Interest Accrued but not due on borrowings	32.85	11.93
Book Overdraft in current Account	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	12.58
Security Deposits from customers	3,925.22	3,840.53
Capital Creditors	57.51	90.46
Dealers Incentive payable	1,879.16	3,666.73
Payable to employees	1,046.42	748.76
Others	391.50	300.21
	7,653.92	8,921.25

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Current	
	March 31, 2020	March 31, 2019
25. Provisions		
Provision for gratuity (Refer Note No. 40)	253.41	218.25
Provision for Litigation, Claims & Contingencies	70.55	70.55
	323.96	288.80

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.

25.1. Balance as at April 1, 2018	70.55
Provision utilized during the year	-
As at March 31, 2019	70.55
Provision utilized during the year	-
As at March 31, 2020	70.55

	Current	
	March 31, 2020	March 31, 2019
26. Current Tax Liabilities (Net)		
Provisions for Taxation (Net of Payments)	-	752.52
	-	752.52

	Current	
	March 31, 2020	March 31, 2019
27. Revenue from Operations		
Sale of Products		
Finished Goods	90,948.34	1,07,584.33
Semi-Finished Goods	627.28	542.81
	91,575.62	1,08,127.14
Sale of services		
Service Income	2,168.05	2,219.79
	2,168.05	2,219.79
Other Operating Revenues		
Sale of Power	54.58	88.50
Scrap sale	138.40	160.91
Export Incentive	169.83	210.28
Deferred Revenue on Government Grant	33.63	17.48
	396.44	477.17
	94,140.11	1,10,824.10

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

A) Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Company generates its revenue.

- a) The Company is engaged in the manufacturing of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Company.

B) Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

	March 31, 2020	March 31, 2019
i) Primary Geographical Markets		
Within India	91,250.10	1,07,599.48
Outside India	2,493.57	2,747.45
Total	93,743.67	1,10,346.93
ii) (a) Major Products		
Hosiery Products	91,575.62	1,08,127.14
Others	-	-
Total	91,575.62	1,08,127.14
ii) (b) Sale of services		
Service Income	2,168.05	2,219.79
Others	-	-
Total	2,168.05	2,219.79
iii) Timing of Revenue		
At a point in time	93,743.67	1,10,346.93
Over time	-	-
Total	93,743.67	1,10,346.93
iv) Contract Duration		
Long Term	-	-
Short Term	93,743.67	1,10,346.93
Total	93,743.67	1,10,346.93

C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	March 31, 2020	March 31, 2019
Receivables, which are included in 'Trade receivables'	23,017.38	37,022.35
Contract assets	-	-
Contract liabilities (Refer Note No- 21)	68.69	84.04
Total	22,948.69	36,938.31

D. Other Information

	March 31, 2020	March 31, 2019
Transaction price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current year that was included in the opening contract liability balance	84.04	Nil
The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

E. Reconciliation of amount of revenue recognised in the Statement of Profit & Loss with Contracted Price

Particulars	March 31, 2020	March 31, 2019
Revenue as per Contracted Price	1,03,651.28	1,21,972.82
Adjustments		
Significant Financing Component	-	-
Dealer Incentive & Discount	9,907.61	11,625.89
Revenue from Contract with Customers	93,743.67	1,10,346.93
	March 31, 2020	March 31, 2019
28. Other Income		
Interest Income		
On Bank deposits	12.80	5.71
On Receivable	98.64	75.18
On Loan to a Subsidiary Company	185.35	351.68
On Loan to Bodies Corporate	2.81	15.73
	299.60	448.30
Other Non-Operating Income		
Profit on disposal of Property, Plant and Equipment (Net)	47.34	-
Excess provision/Liabilities written back	317.48	30.17
Net Foreign Exchange gain	116.14	21.46
Insurance Claim Received	3.81	25.19
Miscellaneous Income*	6.58	14.06
	491.35	90.88
	790.95	539.18

* Includes Corporate Guarantee Commission from a Subsidiary ₹ 5.93 Lakhs (March 31, 2019: ₹ 2.95 Lakhs)

	March 31, 2020	March 31, 2019
29. Cost of Material Consumed		
Opening inventory	3,334.94	4,765.71
Add: Purchases	46,759.68	50,278.64
Less: Inventory at the end of the year	4,068.88	3,334.94
	46,025.74	51,709.41
	March 31, 2020	March 31, 2019
Details of Material Consumed		
Yarn/Than	32,756.41	36,662.54
Packing Material, Accessories and Other Material	13,269.33	15,046.87
	46,025.74	51,709.41

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
31. Employee Benefit Expense		
Salaries, Wages and Bonus	5,297.42	4,324.71
Contribution to Provident and Other Funds	113.09	101.95
Gratuity*	81.09	60.10
Staff Welfare Expenses	28.49	24.39
	5,520.09	4,511.15

*For descriptive notes on disclosure of defined benefit obligation Refer Note No. 40

	March 31, 2020	March 31, 2019
33. Depreciation & Amortisation Expense		
Depreciation on Property, Plant & Equipment	1,264.88	1,241.65
Amortisation of Intangible assets	75.28	75.75
Depreciation on Right of Use Assets	227.76	-
	1,567.92	1,317.40

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
34. Other Expenses		
Consumption of Stores and Spares	72.22	57.49
Sub-contracting/Job Worker expenses	23,027.80	25,958.65
Power and Fuel	1,370.71	1,465.73
Freight outwards and Forwarding expenses	1,899.33	1,896.24
Rent	89.00	334.23
Rates and Taxes	101.07	114.82
Insurance	185.75	107.65
Repairs and Maintenance		
- Plant and Machinery	251.63	214.47
- Building and others	210.71	344.54
Advertising and Sales Promotion	6,897.30	7,462.60
Business Convention	458.20	892.07
Brokerage	1,094.99	1,265.79
Travelling and Conveyance	1,002.03	1,020.29
Communication Costs	114.04	123.22
Legal and Professional fees	252.41	267.34
Directors' Sitting Fees & Commission	58.90	81.35
Payment to Auditor (refer note below)	30.91	24.46
Bad Debts/Advance Written off	37.52	1.61
Provision for Doubtful Trade Receivables	3.03	11.81
Investment Written off	-	10.56
Loss on sale of Property, Plant & Equipment (net)	-	5.02
Royalty on Sales	8.95	10.44
Contribution for CSR Activities (Refer Note No- 46)	224.93	257.36
Miscellaneous expenses	1,074.74	981.11
	38,466.17	42,908.85
Note:		
Payment to Auditor		
For Audit Fees	17.00	13.00
For Limited Review Fees	12.00	9.00
For Others	1.50	0.50
Out of Pocket Expenses	0.41	1.96
Total	30.91	24.46
	March 31, 2020	March 31, 2019
35. Tax Expense		
Current Tax	2,646.73	5,155.00
Deferred Tax	(450.42)	48.12
Tax Expense	2,196.31	5,203.12
Income Tax for earlier years	-	-
Tax Expense in Statement of Profit & Loss	2,196.31	5,203.12

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

	March 31, 2020	March 31, 2019
Income before Income Taxes	10,202.84	14,540.50
Indian Statutory Income Tax Rate*	25.17%	34.94%
Estimated Income Tax Expenses	2,567.85	5,081.03

Tax effect of adjustments to reconcile expected Income Tax expense to reported Income tax expense:

	March 31, 2020	March 31, 2019
Expenses Disallowed for tax purpose	56.20	95.38
Deductions allowable under Income Tax Act	-	(49.00)
Provision for Interest for delayed payment under Income Tax Act	-	74.36
Tax Payable at different Rate	(11.51)	-
Change in Effective Tax Rate	(384.01)	-
Others *	(32.22)	1.35
	(371.54)	122.09
Income Tax expense in the Statement of Profit and Loss	2,196.31	5,203.12

*The Company has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective for financial year 2019-20 pursuant to Taxation Laws (Amendment) Act, 2019. Accordingly, the provision for Income tax and Deferred Tax balances have been recorded/re-measured using the new tax rate and the resultant impact is recognized in the Statement of Profit & Loss for the current year.

	March 31, 2020	March 31, 2019
36. Capital and Other Commitments		
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	1,299.06	-

37. a) Contingent Liabilities

	March 31, 2020	March 31, 2019
Demands/claims by various government authorities and others not acknowledged as debts and contested by the government		
Sales Tax Matters [net of amount deposited under dispute ₹ 20.53 Lakhs (March 31, 2019 ₹ 13.77 Lakhs)]	143.33	80.30
Bank Guarantees outstanding	747.34	720.30
Guarantees Given to Bank		
- For Subsidiaries (For Loan Outstanding ₹ 4,025.96 Lakhs (March 31, 2019: ₹ 3,477.84 Lakhs)	3,550.00	3,477.84
- For Others	200.00	200.00
Letter of Credit Outstanding	847.32	-
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 favourable interim order dated June 5, 2013 and the matter is presently sub judice. Accordingly, the liability of ₹ 820.71 Lakhs (March 31, 2019 ₹ 599.82 Lakhs) has not been provided in books of accounts.	820.71	599.82

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Note: The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company does not expect any reimbursements against above.

- b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Management has assessed the applicability of the judgement and is of the view that there is no material impact of the same. Further the Company is awaiting the directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.

	March 31, 2020	March 31, 2019
38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables*	-	-
Principal amount remaining unpaid to any supplier at the end of accounting year	-	-
Interest due on above	-	-
Total	-	-
Amount of interest paid by the Company to the suppliers in terms of Section 16 of the MSMED Act, 2006 alongwith amount paid to the suppliers beyond the respective due date	-	-
Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act	-	-

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

39. Dividend

The Board of Directors at its meeting held on June 26, 2020 have recommended a payment of final dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2020 which amounts to ₹ 2,385.74 Lakhs. The same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

40. 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 Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
40(a) Change in Projected Benefit Obligations		
Obligations at beginning of the year	413.58	371.72
Current Service Cost	64.87	48.03
Past Service Cost	-	-
Interest Cost	31.85	12.07
Benefits settled	(21.12)	(16.27)
Actuarial (gain)/loss	(7.72)	(1.97)
Obligations at end of the year	481.46	413.58
40(b) Change in Plan Assets		
Plan assets at beginning of the year, at fair value	195.33	206.80
Interest income	15.63	15.92
Remeasurement - Return on Assets	1.85	(15.92)
Contributions	36.36	4.80
Benefits Settled	(21.12)	(16.27)
Plan assets at end of the year	228.05	195.33
40(c) Net Defined Benefit Liability/ (Asset)		
Present value of defined benefit obligation at the end of the year	481.46	413.58
Fair value of plan assets at the end of the year	228.05	195.33
Net Liability/ (Asset) recognised in the Balance Sheet	253.41	218.25
40(d) Expenses recognised in Statement of Profit and Loss		
Service Cost	64.87	48.03
Interest Cost (Net)	16.22	12.07
Total Expense recognised in Statement of Profit and Loss	81.09	60.10
40(e) Re-measurement (gains)/ losses in OCI		
Actuarial (gain)/ loss due to financial assumption changes	38.09	63.46
Actuarial (gain)/ loss due to experience adjustments	(45.81)	(81.35)
Return on plan assets (greater)/ less than discount rate	(1.85)	15.92
Total expenses routed through OCI	(9.57)	(1.97)
40(f) The major categories of plan assets of the fair value of the total plan assets are as follows:		
Investments with insurer	100%	100%

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

40(g) The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	March 31, 2020	March 31, 2019
Discount Rate	7.00%	7.70%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	IALM (2012-14) table	IALM (2006-08) table
Withdrawal Rate	1% to 20%	1% to 8%

40(h) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

At March 31, 2020 is as shown below:					
	Sensitivity	March 31, 2020		March 31, 2019	
		Increase	Decrease	Increase	Decrease
Effects on Defined Benefit Obligation due to change in					
Discount Rate	1%	443.98	524.54	378.28	454.54
Further salary increase	1%	516.97	449.66	447.76	383.19
Withdrawal Rates	1%	486.17	476.06	-	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

40(i) The average duration of the defined benefit plan obligation at the end of the reporting period is 5.68 years (March 31, 2019: 5.83 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	March 31, 2020
March 31, 2021	44.02
March 31, 2022	33.67
March 31, 2023	33.19
March 31, 2024	40.02
March 31, 2025	36.59
April 1, 2025 onwards	795.92

	March 31, 2020	March 31, 2019
40(j) Defined Contribution Plan		
Contribution to Provident/ pension funds (Refer Note No. 31)	113.09	101.95

41. Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient:-

- The Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

- ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 3.5 Significant Accounting Policies for detailed measurement and recognition principles on Leases

- a) On adoption of Ind AS 116 the Company has reclassified Leasehold Land having net block of ₹ 262.01 lakhs from Property Plant & Equipment to Right of Use Asset. The said land was under finance lease arrangements as per Ind-AS 17 for terms ranging from 86 to 90 years.
- b) The adoption of new standard has also resulted in recognition of right of use assets of ₹ 1,032.24 lakhs and a corresponding lease liability of the same amount on the date of transition.
- c) In the statement of profit and loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as Depreciation of right of use assets and Interest on lease liability under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The operating cash flows for the year ended March 31, 2020 has increased by ₹ 257.46 lakhs and the financing cash flows have decreased by ₹ 257.46 lakhs as payment of lease liabilities.
- d) The weighted average incremental borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet.

e) Maturity analysis of lease liabilities

As per the requirement of Ind As-107 maturity analysis of lease liability have been shown under maturity analysis of financial liabilities under Liquidity risk (Refer Note 59.3(b)(i)).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

- f) Rental expenses for short-term leases, low value leases or leases which are cancellable in nature amounts to ₹89 lakhs for the year ended March 31, 2020. (Refer Note 34)
- g) Changes in carrying value of Right of use Assets and Lease Liabilities is given below:

(i) Carrying value of Right-of-Use Assets

	Leasehold Land	Buildings	Total
Balance as at April 1, 2019	-	-	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	262.01	1,032.24	1,294.25
Addition during the year	-	-	-
Depreciation for the year	3.21	224.54	227.75
Balance as at March 31, 2020	258.80	807.70	1,066.50

(ii) Movement in Lease Liabilities

	Amount
Balance as at April 1, 2019	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	1,032.24
Addition during the year	-
Finance Cost accrued during the year	76.08
Payment of Lease Liabilities for the year	257.46
Balance as at March 31, 2020	850.86

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

42. Related Party Disclosure

Names of related parties and related party relationship

Related parties where control exists

Related Parties which exercises Significant influence over the Company (Forming Part of Promotor Group)	Ullas Sales Promotion LLP (Previously known as Ullas Sales Promotion Ltd)(w.e.f. August 21, 2019)
Subsidiary Companies	Euro Fashion Inners International Pvt. Ltd. Imoogi Fashions Pvt. Ltd. Oban Fashions Pvt Ltd Rupa Fashions Private Limited (w.e.f. December 11, 2019) Rupa Bangladesh Private Limited (w.e.f. September 1, 2019)

Related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Niraj Kabra	Executive Director
	Mr. Dinesh Kumar Lodha	Chief Executive officer (w.e.f. February 25, 2019)
	Mr. Ashok Bhandari	Independent Director (w.e.f. August 10, 2018)
	Mr. Kundan Kumar Jha	Company Secretary
	Mr. Satya Brata Ganguly	Independent Director (Up to July 3, 2018)
	Mr. Dipak Kumar Banerjee	Independent Director
	Mr. Dharam Chand Jain	Independent Director
	Mr. Vinod Kumar Kothari	Independent Director
	Mr. Sushil Patwari	Independent Director
	Mrs. Alka Devi Bangur	Independent Director
Relatives of Key Management Personnel	Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Vikash Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grand-Son of Mr. Prahlad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala
	Mrs. Pushpa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Shalini Agarwal	Wife of Mr. Vikash Agarwal
	Mrs. Sudha Agarwal	Wife of Mr. Suresh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

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.
	Lambodar Hosiery Pvt. Ltd.
	Arrow-Link Stitchers Pvt. Ltd (w.e.f. April 22, 2019)
	Rupa Spinners Ltd.
	Salasar Developers & Garments Pvt. Ltd.
	Bajrangbali Projects Ltd.
	Bajrangbali Hosiery Pvt. Ltd.
	Sidhant Textiles Pvt. Ltd.
	Ganesh Enclave Ltd.
	Gajkarna Projects Private Limited
	Ravi Global Pvt. Ltd.
	Kadambari Impex & Agency Pvt. Ltd.
	Prahlad Rai Suresh Kumar - HUF
	Suresh Kumar Agarwal - HUF
	Mukesh Kumar Agarwal - HUF
	Ghanshyam Prasad Manish Kumar - HUF
	K B & Sons - HUF
	Ravi Agarwal - HUF
	Binod Hosiery
	Rajnish Enterprises Ltd. [Merged with Ullas Sales Promotion Pvt. Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]
	Purvanchal Leasing Ltd. [Merged with Ullas Sales Promotion Pvt. Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]
	Siddhant Credit Capital Ltd.
	Yashoda Hosiery Pvt. Ltd. (w.e.f. April 22, 2019)
	Rupa Dyeing & Printing Pvt. Ltd.
	Rupa Foundation
	Tushar Knitting LLP
Private companies in which directors or relatives are director or members	Salasar Processors Pvt. Ltd.
	Bajrangbali Textiles Pvt. Ltd.
	Metro Towers Office Owners Association

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Related party transactions

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Rent	Mr. Prahlad Rai Agarwala	Key Management Personnel	3.38	3.38
	Mr. Ghanshyam Prasad Agarwala		1.37	1.37
	Mr. Kunj Bihari Agarwal		0.58	0.58
	Mr. Mukesh Agarwal		1.30	1.30
	Mrs. Pushpa Devi Agarwal	Relative of Key Management Personnel	0.22	0.22
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	1.30	1.30
	Rupa Spinners Ltd.		1.30	1.30
	Salasar Developers & Garments Pvt Ltd.		1.30	1.30
	Bajrangbali Projects Ltd.		1.30	1.30
	Sidhant Textiles Pvt Ltd.		1.37	1.37
	Bajrangbali Hosiery Pvt. Ltd.		1.74	1.74
	Ganesh Enclave Ltd.		1.30	1.30
	Ravi Global Pvt Ltd.		1.37	1.37
	Kadambari Impex & Agency Pvt Ltd.		1.37	1.37
	Sobhasaria Properties Pvt Ltd		1.73	30.53
	Others		1.15	1.15
Payment of Lease Liabilities	Sobhasaria Properties Pvt Ltd		28.80	-
Salary and Perquisites	Mr. Prahlad Rai Agarwala [#]	Key Management Personnel	208.00	196.00
	Mr. Ghanshyam Prasad Agarwala		102.00	90.00
	Mr. Kunj Bihari Agarwal		102.00	90.00
	Mr. Ramesh Agarwal		102.00	87.00
	Mr. Mukesh Agarwal		102.00	87.00
	Mr. Dinesh Kumar Lodha		255.75	21.34
	Mr. Niraj Kabra		18.43	16.45
	Mr. Kundan Kumar Jha		23.08	20.14
	Mr. Manish Agarwal	Relatives of Key Management Personnel	72.00	60.00
	Mr. Ravi Agarwal		72.00	60.00
	Mr. Vikash Agarwal		72.00	60.00
	Mr. Rajnish Agarwal		72.00	60.00
	Mr. Suresh Agarwal		48.00	36.00
	Mr. Siddhant Agarwal		42.00	36.00
	Mrs. Rekha Patodia		17.34	15.70
Sitting Fees and Commission	Mr. Satya Brata Ganguly	Independent Director	-	6.40
	Mr. Dipak Kumar Banerjee		12.85	17.50
	Mr. Dharam Chand Jain		7.50	10.50
	Mr. Vinod Kumar Kothari		12.60	14.45
	Mr. Sushil Patwari		10.05	13.30
	Mr. Ashok Bhandari		10.20	9.60
	Mrs. Alka Devi Bangur		5.70	9.60

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Sales of Goods	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	52.83	184.22
	Oban Fashions Pvt. Ltd.		165.34	59.28
Sale of Services	Imoogi Fashions Pvt. Ltd.		62.15	49.08
Corporate Guarantee Commission	Oban Fashions Pvt. Ltd.		5.93	2.95
Interest Income	Oban Fashions Pvt Ltd		185.35	351.68
Royalty	Euro Fashion Inners International Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	8.95	10.44
Purchases	Oban Fashions Pvt Ltd		19.80	-
	Imoogi Fashions Pvt. Ltd.		31.15	12.69
Rental Income	Bajarangbali Textiles Pvt. Ltd.		6.00	6.00
	Tushar Knitting LLP		3.60	4.20
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd		840.14	735.27
	Tushar Knitting LLP		46.33	48.72
	Arrow Link Stitchers Pvt. Ltd.		5,669.79	-
	Salasar Processors Pvt. Ltd.		775.93	630.97
	Yashoda Hosiery Pvt. Ltd.		211.67	-
	Lambodar Hosiery Pvt Ltd.	Private companies in which directors or relatives are director or members	128.60	130.05
	Bajarangbali Textiles Pvt. Ltd.		20.17	39.51
Advertisement Expense	Gajkarna Projects Private Limited		3.94	-
CSR Expenditure	Rupa Foundation		46.68	83.00
Miscellaneous Expenses	Metro Towers Office Owners Association		49.60	47.96
Investment in Equity Shares	Rupa Bangladesh Private Limited	Subsidiary Company	13.37	-
	Rupa Fashions Private Limited		5.00	-
Investment in Preference Shares	Oban Fashions Pvt Ltd		4,950.00	-
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	86.74	86.74
	Mr. Ghanshyam Prasad Agarwala		39.58	39.58
	Mr. Kunj Bihari Agarwal		38.39	38.39
	Mr. Mukesh Agarwal		21.89	21.89
	Mr. Ramesh Agarwal		31.78	31.78
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	52.66	52.66
	Mr. Ravi Agarwal		52.28	52.28
	Mr. Rajnish Agarwal		37.30	37.30
	Mr. Manish Agarwal		36.98	36.98
	Mr. Suresh Agarwal		32.00	32.00
	Others		76.96	76.96

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	474.70	474.70
	Purvanchal Leasing Ltd.		174.23	174.23
	Binod Hosiery		502.91	502.91
	Siddhant Credit Capital Ltd.		50.76	50.76
	Others		39.31	39.31

includes Commission of ₹ 100.00 lakhs (March 31, 2019: ₹ 100.00 lakhs)

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel and relatives of Key Managerial Personnel are not included above.

Balance at end of the year

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
Trade Payables and Other Liabilities (Payable to Employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	281.35	103.73
	Mr. Ghanshyam Prasad Agarwala		92.27	27.35
	Mr. Kunj Bihari Agarwal		26.47	14.67
	Mr. Ramesh Agarwal		88.51	34.84
	Mr. Mukesh Agarwal		152.63	77.25
	Mr. Dinesh Kumar Lodha		19.34	17.10
	Mr. Niraj Kabra		1.64	1.22
	Mr. Kundan Kumar Jha		1.58	0.37
	Mr. Manish Agarwal	Relatives of Key Management Personnel	60.96	18.90
	Mr. Rajnish Agarwal		61.04	28.19
	Mr. Ravi Agarwal		21.79	24.33
	Mr. Vikash Agarwal		30.47	20.75
	Mr. Suresh Agarwal		42.84	14.31
	Mr. Siddhant Agarwal		50.48	30.13
	Mrs. Rekha Patodia		1.90	2.03
	Mrs. Pushpa Devi Agarwal		0.61	0.22
	Mr. Dipak Kumar Banerjee	Independent Director	5.00	5.00
	Mr. Dharam Chand Jain		3.00	3.00
	Mr. Vinod Kumar Kothari		5.00	5.00
	Mr. Sushil Patwari		5.00	5.00
	Mr. Ashok Bhandari		5.00	5.00
	Mrs. Alka Devi Bangur		3.00	3.00
Trade Receivables	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	102.89	179.16
	Oban Fashions Pvt Ltd		191.62	31.79
Trade Payables	Euro Fashion Inners International Pvt. Ltd.		148.79	8.09

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	126.80	67.24
	Salasar Infrastructure Ltd.		0.54	-
	Salasar Projects and Estates Pvt. Ltd.		0.21	-
	Sidhant Flats & Apartments Pvt Ltd.		0.21	-
	Sidhant Textiles Pvt Ltd.		0.57	-
	Ganesh Enclave Ltd.		0.54	-
	Ravi Global Pvt Ltd.		0.57	-
	Rupa Spinners Ltd.		0.54	-
	Bajrangbali Projects Ltd.		0.54	-
	Kadambari Impex & Agency Pvt Ltd.		0.57	-
	Lambodar Hosiery Pvt Ltd.		14.81	14.51
	M/s Binod Hosiery		0.41	0.26
	Arrow Link Stitchers Pvt. Ltd.		97.03	-
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members	-	23.88
	Bajrangbali Textiles Pvt. Ltd.		11.95	37.12
	Tushar Knitting LLP		5.73	23.02
	Yashoda Hosiery Pvt. Ltd.		4.90	-
	Metro Towers Office Owners Association		6.72	1.99
Advance against supply of goods & services	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members	23.11	-
	Sobhasaria Properties Pvt. Ltd.		-	2.83
Corporate Guarantee Commission Receivable	Oban Fashions Pvt Ltd	Subsidiary Company	5.93	2.95
Financial Assets - Loan granted & Other Financial Asset	Oban Fashions Pvt Ltd		110.24	4,550.12
Financial Assets - Security Deposit	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	26.00	26.00
	Sidhant Flats & Apartments Pvt Ltd.		26.40	26.40
	Bajrangbali Projects Ltd.		3.00	3.00
	Ganesh Enclave Ltd.		3.00	3.00
	Rupa Spinners Ltd.		3.00	3.00
	Salasar Infrastructure Ltd.		3.00	3.00
	Salasar Developers & Garments Pvt Ltd.		3.00	3.00
Lease Liability Payable*	Sobhasaria Properties Pvt Ltd		2.21	-
Guarantees Given	Oban Fashions Pvt Ltd	Subsidiary Company	3,550.00	3,477.84

Note:

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

*Amount due as on March 31, 2020

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
43. Earning per share		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	8,006.53	9,337.38
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)	10.07	11.74

44. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Description of Segment

The Company is principally engaged in a single business segment viz., Hosiery Products.

B. Geographical Information

	March 31, 2020	March 31, 2019
i) Segment Revenue from External Customer (Sale of Goods)		
Within India	91,250.10	1,07,599.48
Outside India- Export Sales	2,493.57	2,747.45
Total	93,743.67	1,10,346.93
	March 31, 2020	March 31, 2019
ii) Carrying value of Non-Current Assets (other than financial instruments)		
Within India*	20,039.23	18,142.03
Outside India	-	-
Total	20,039.23	18,142.03

*Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Right of Use, Non-Current Tax Assets and Other Non-Current Assets.

45. Information pursuant to Regulation 34(3) of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. Loan & Advances (in nature of loan both Current & Non Current) to subsidiary company are as under:

	Balance as on March 31, 2020	Balance as on March 31, 2019	Maximum Balance outstanding during FY 2019-2020	Maximum Balance outstanding during FY 2018-2019
Oban Fashions Private Limited	110.24	4,547.17	5,026.04	4,547.17

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

	March 31, 2020	March 31, 2019
Amount of CSR expenditure to be incurred during the year	287.73	254.96
CSR Expenditure incurred during the year	224.93	257.36
Related party transaction as per Ind AS 24 in relation to CSR expenditure	46.68	83.00

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

47. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (total borrowings less cash & cash equivalents) to equity ratio is used to monitor capital.

	March 31, 2020	March 31, 2019
Debt Equity Ratio	0.23:1	0.30:1

48. Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Company and provides additional information on Balance Sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note No. 3.12 to the financial statements.

(a) Fair Value of Financial Asset & Liabilities

The Company has measured its Financial Asset and Financial Liabilities at Amortised Cost. Hence no separate disclosure has been given for fair value hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, borrowings and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities.

(b) Financial Risk Management

The Company has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

(a) Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels

(i) Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note No. 13.

Reconciliation of Loss Allowance provision:-

Loss Allowance in March 31, 2019	35.51
Change in loss Allowance	3.03
Loss Allowance in March 31, 2020	38.54

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

(b) Liquidity Risk

The Company determines its liquidity requirement in the short term and long term. The Company manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

(i) Maturity Analysis for Financial Liabilities

The following are the remaining contractual maturities of financial liabilities as at March 31, 2020

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-derivative				
Trade payables	-	12,452.07	-	-
Borrowings	2,251.44	10,541.25	762.51	327.40
Other Financial Liabilities				
Interest Accrued but not due on borrowings	-	32.85	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	-	-	-
Security Deposits from customers	3,925.22	-	-	-
Capital Creditors	-	57.51	-	-
Dealers Incentive payable	-	1,879.16	-	-
Payable to employees	-	1,046.42	-	-
Lease Liability	-	164.47	160.99	525.40
Others	-	391.50	-	-
Total	6,188.05	26,565.23	923.50	852.80

The following are the remaining contractual maturities of financial liabilities as at March 31, 2019

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-derivative				
Trade payables	-	13,044.74	-	-
Borrowings	4,804.24	11,950.06	750.14	62.51
Other Financial Liabilities				
Interest Accrued but not due on borrowings	-	11.93	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	12.58	-	-	-
Security Deposits from customers	3,840.53	-	-	-
Capital Creditors	-	90.46	-	-
Dealers Incentive payable	-	3,666.73	-	-
Payable to employees	-	748.76	-	-
Others	-	300.21	-	-
Total	8,657.35	29,812.89	750.14	62.51

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

- (i) **Interest Rate Risk:** Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a) Exposure to Interest Rate Risk

	March 31, 2020	March 31, 2019
Fixed Rate Instruments		
Financial Assets	353.00	4,513.25
Financial Liabilities	4,776.08	4,640.53
Variable Rate Instruments		
Financial Liabilities	13,915.45	16,766.94

- (b) **Interest rate Sensitivity:** A change in 50 basis points in the interest rate would have following impact on profit before tax and other equity.

	Sensitivity Analysis	March 31, 2020 Impact on		March 31, 2019 Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest rate increase by	0.50%	(69.58)	(52.07)	(83.83)	(54.54)
Interest rate decrease by	0.50%	69.58	52.07	83.83	54.54

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

(i) Unhedged Foreign Currency Exposure

The Company's exposure to foreign currency in USD at the end of the reporting period expressed in INR in Lakhs is as follows :

	March 31, 2020	March 31, 2019
Financial Assets		
Trade Receivables	787.93	672.70
EEFC Bank Account	48.62	240.41

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

- i) The Company's exposure to unhedged foreign currency being not significant, sensitivity analysis has not been done for the same.

(d) Other Risk

The spread of Covid-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs and other emergency measures. As a result the volumes for the month of March 2020 has been impacted. The Company has since resumed operations in a phased manner taking into account directives from the Government. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and other assets. Having regard to the above and the company's liquidity position, there is no material uncertainty in meeting its liabilities in the foreseeable future. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

49. Movement of Deferred Revenue (Refer Note No. 21)

	March 31, 2020	March 31, 2019
Opening Balance (including Current portion)	100.62	118.10
Government Grant received during the year	166.35	-
Less:		
Deferred Revenue on Government Grant recognised in Profit and Loss Statement	33.63	17.48
Current portion of Deferred Revenue Grant carried forward as at year end	30.67	17.48
Non-Current portion of Deferred Revenue Grant carried forward as at year end	202.67	83.14

50. The Company has investments in equity and preference shares aggregating to ₹ 5,941.00 lakhs as at March 31, 2020 in its Wholly owned Subsidiary, Oban Fashions Private Limited (OFPL). Further, the Company also has net recoverable amounts aggregating to ₹ 307.79 lakhs from OFPL as at March 31, 2020 and also provided Corporate Guarantee aggregating to ₹ 3,550 lakhs. OFPL has incurred a net loss of ₹ 1,847.85 lakhs for the year ended March 31, 2020 and its current liabilities exceeded its current assets as at that date. Management has performed an impairment assessment of its investment in OFPL as required by Indian Accounting Standard 36 "Impairment of Assets" / Indian Accounting Standard 109 "Financial Instruments", by considering *inter alia* the value in use (considering discounted cash flows) which have been determined by external valuation experts based on management's financial projections. The determination of the value in use/ fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, etc. Further, management believes that the above assessment based on value in use appropriately reflects the recoverable amount. Based on management's assessment and the independent valuation reports, no impairment is considered necessary on this investment and recoverable amounts.

51. Previous year figures have been reclassified/ regrouped wherever considered necessary.

As per our report of even date

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

Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

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

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

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

Independent Auditor's Report

To the Members of
Rupa & Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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”) which comprise the Consolidated Balance sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2020, its Consolidated profit including Other Comprehensive Income, its Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

Attention is drawn to the following:

- a. Note 22 of the Consolidated Financial Statements regarding carry forward of Deferred Tax Asset on business loss and unabsorbed depreciation amounting to ₹ 1,155.12 lakhs as at March 31, 2020 in one of the subsidiary company based on future profitability projections by the management.
- b. Note 48(d) to the Consolidated Financial Statements which explain the management’s assessment of the financial & operational impact due to the lock-down and conditions related to the Covid – 19 and its consequential impact on the carrying values of assets of the Group as at March 31, 2020.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
<p>1. Valuation & existence of inventories (Refer to Note No. 12 to the Consolidated Financial Statements)</p> <p>The Group holds inventories amounting to ₹ 46,731.12 lakhs as at the Balance Sheet date, which represent 47.00% of total assets.</p> <p>As described in the accounting policies in Note 4.1 to the financial statements, inventories are carried at the lower of cost and net realisable value. Inventories valuation and existence is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. We have determined this to be a matter of significance to our audit due to the quantum of the amount involved.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. Reviewing the document and other record related to physical verification of inventories done by the management of Companies in the Group during the year and subsequent to year end. Verifying the effectiveness of key inventory controls operating over inventories; including performing alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" to obtain sufficient appropriate audit evidence. We have also verified on sample basis confirmation from third parties for inventory lying with them as at year end. Obtained assurance over the management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of products. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. Recomputing provisions recorded to verify that they are in line with the policy of the companies in the group.
<p>2. Revenue recognition including estimation of rebates & discounts (Refer Note No. 27 to the Consolidated Financial Statements)</p> <p>As described in Accounting Policy for Revenue recognition vide Note 4.6 of the Consolidated Financial Statements, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts.</p> <p>The companies in the group sells its products through various channels like dealers, modern trade, distributors, retailers, etc., and recognize liabilities related to rebates, discounts and incentives.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Group and compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Group.</p> <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtained a detailed understanding and evaluated the design and implementation of controls that the companies in the group has established in relation to revenue recognition and recording of rebates, discounts, etc. and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls; Tested the inputs used in the estimation of revenue in context of rebates, discounts, etc. to source data; Assessed the underlying assumptions used for determination of rebates, discounts etc; Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes; Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; Tested credit notes issued to customers and payments made to them during the year and subsequent to the year- end along with the terms of the related schemes.

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
<p>3. Recoverability of Trade Receivables (Refer Note No. 13 to the Consolidated Financial Statements)</p> <p>The Group has trade receivables amounting to ₹ 25,129.44 lakhs as at the Balance Sheet date, which represent 25.27 % of total assets.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables and significant estimates and judgements made by the management for provision for loss allowance under Expected credit Loss model. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We evaluated and tested the controls relating to credit control and approval process and assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts. We also checked on sample basis balance confirmations from customers to test whether trade receivables as per books are acknowledged by them. We also reviewed receipts subsequent to the financial year end for its effect in reducing overdue receivables as the financial year end. We also reviewed at the adequacy of the management judgements and estimates on the sufficiency of provision for doubtful debts through detailed analyses of ageing of receivables and assessing the adequacy of the disclosures in respect of credit risk.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, Shareholder's Information, etc., but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of the Directors of companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are

Independent Auditor's Report

free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/ financial information of three subsidiaries whose financial statements/ financial information reflect total assets of ₹ 1036.15 Lakhs and net assets ₹ 740.25 Lakhs as at March 31, 2020, total revenues of ₹ 416.96 Lakhs, total net profit after tax of ₹ 33.05 Lakhs, total comprehensive income of ₹ 33.15 Lakhs for the year ended on that date respectively and net cash outflow of ₹ 126.38 Lakhs for the year ended March 31, 2020 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

We did not audit the Financial Statements/ financial information of one foreign subsidiary, whose Financial Statements/



Independent Auditor's Report

financial information reflect total assets of ₹ 12.86 Lakhs and net assets ₹ 12.65 Lakhs as at March 31, 2020, total revenue of ₹ Nil, total net loss after tax of ₹ 1.39 Lakhs and total comprehensive loss of ₹ 0.72 Lakhs for the year ended on that date respectively and net cash inflow of ₹ 7.60 Lakhs for the year ended March 31, 2020 as considered in the Consolidated Financial Statements. This financial statements/ financial information are audited as per the local law of the respective country and have been converted by the management of the Holding Company into Ind-AS compliant financial statements. Our opinion on the statement in so far as relates to the amounts included in respect of these subsidiaries are based solely on audited accounts as per the respective local laws which has been converted into Ind AS by the Holding Company's management and duly certified by them.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of the subsidiaries referred to in the other matter paragraph above, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law relating to the preparation of aforesaid Consolidated Ind AS 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, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
 - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its subsidiaries, none of the directors of Group Companies are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.;
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Group to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and
 - (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Group has disclosed the impact of pending litigations on its financial position in its Financial Statements – Note 11 & 38 to the Consolidated Financial Statements;
 - II. The Group 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 Holding Company and its subsidiaries.

For **Singhi & Co.,**

Chartered Accountants

Firm's Registration No. 302049E

Sd/-

(Ankit Dhelia)

Partner

Membership No. 069178

UDIN: 20069178AAAABH7412

Place: Kolkata

Date: June 26, 2020

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rupa & Company Limited of even date)

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

In conjunction with our audit of Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to Financial Statements of the Holding Company. Based on comments made by the independent auditors of the subsidiary companies incorporated in India (covered entities) with respect to the internal financial controls with reference to Financial Statements as required in terms of Sub-section (3)(i) of Section 143 of the Act, we report as under:

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statement

A company's internal financial control with reference to Financial Statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or



Annexure 'A' to the Independent Auditor's Report

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

Limitations of Internal Financial Controls with reference to financial statement

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries have in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiaries incorporated in India, is based on the corresponding reports of the auditors of such companies.

Place: Kolkata
Date: June 26, 2020

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABH7412

Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 (a)	16,616.83	17,252.33
(b) Right of Use Assets	5 (b)	1,190.73	-
(c) Capital Work-in-progress		636.77	300.46
(d) Intangibles Assets	6	723.39	901.27
(e) Intangible Assets under Development	6(a)	2.74	2.74
(f) Financial Assets			
(i) Investments	7	0.18	0.18
(ii) Loans	8	198.81	132.85
(iii) Other Financial Assets	9	18.95	18.70
(g) Deferred Tax Assets (Net)	22	194.18	-
(h) Non-Current Tax Assets (Net)	10	1,017.61	-
(i) Other Non Current Assets	11	1,054.55	933.69
		21,654.74	19,542.22
Current Assets			
(a) Inventories	12	46,731.12	38,229.25
(b) Financial Assets			
(i) Trade Receivable	13	25,129.44	39,653.61
(ii) Cash and Cash Equivalents	14	128.31	720.09
(iii) Other Bank Balances (other than Note 13 above)	15	42.20	39.33
(iv) Loans	8	344.31	146.62
(v) Other Financial Assets	9	2.53	1.55
(c) Other current assets	11	5,400.07	3,310.95
		77,777.98	82,101.40
TOTAL ASSETS		99,432.72	1,01,643.62
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	796.29	796.29
(b) Other Equity	17	56,999.17	53,670.97
		57,795.46	54,467.26
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,089.91	812.65
(ii) Lease Liabilities	19	686.39	-
(b) Provisions	21	67.99	57.53
(c) Deferred Tax Liabilities (Net)	22	-	253.19
(d) Other Non-Current Liabilities	23	202.67	83.13
		2,046.96	1,206.50
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	16,508.78	19,982.09
(ii) Lease Liabilities	19	296.06	-
(iii) Trade payables	25		
- Total outstanding dues of creditors to micro enterprises and small enterprises		25.69	27.41
- Total outstanding dues of creditor to other than micro enterprises and small enterprises		13,772.03	14,864.10
(iv) Other Financial Liabilities	20	8,085.14	9,390.96
(b) Provisions	21	329.18	293.24
(c) Current Tax Liabilities (Net)	26	2.13	751.78
(d) Other Current Liabilities	23	571.29	660.28
		39,590.30	45,969.86
TOTAL EQUITY & LIABILITIES		99,432.72	1,01,643.62
Basis of Accounting	2		
Basis of Consolidation	3		
Significant Accounting Policies	4		
Significant Judgements and Key Estimates	4.20		

The notes are the integral part of the Consolidated Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452
Sd/-
Ramesh Agarwal
Whole-time Director-cum-
Chief Financial Officer
DIN: 00230702

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805
Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857
Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from Operations	27	97,464.28	1,14,864.78
II Other Income	28	737.09	197.70
III Total Income (I+II)		98,201.37	1,15,062.48
IV Expenses			
Cost of Materials Consumed	29	46,218.21	51,889.49
Purchase of Traded Goods	30	1,522.70	4,242.02
Changes in Inventories of Finished Goods, Work in Progress	31	(7,743.89)	(6,559.43)
Employee Benefits Expense	32	6,567.57	5,665.89
Finance Costs	33	1,862.10	1,855.25
Depreciation and Amortisation Expense	34	1,851.45	1,501.17
Other Expenses	35	39,524.98	44,520.29
Total Expenses (IV)		89,803.12	1,03,114.68
V Profit before Exceptional Items & Tax (III-IV)		8,398.25	11,947.80
VI Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V-VI)		8,398.25	11,947.80
VIII Tax Expense			
a) Current Tax (Including Earlier year Tax)	36	2,657.72	5,169.68
b) Deferred Tax		(449.81)	(639.66)
IX Profit for the year (VII- VIII)		6,190.34	7,417.78
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
– Remeasurements of defined benefit plans		15.76	6.04
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.44)	(1.75)
B. (i) Items that will be reclassified to profit or loss		0.67	-
Exchange difference in respect of Non Integral Foreign Operation			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Other Comprehensive Income for the year [(A(i-ii) +B (i-ii))]		13.99	4.29
XII Total Comprehensive Income for the year (IX+XI)		6,204.33	7,422.07
XIII Earnings per Equity Share			
Basic Earnings per Share (₹)	44	7.78	9.33
Diluted Earnings per Share (₹)		7.78	9.33
Basis of Accounting	2		
Basis of Consolidation	3		
Significant Accounting policies	4		
Significant Judgements and Key Estimates	4.20		

The notes are the integral part of the Consolidated Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452
Sd/-
Ramesh Agarwal
Whole-time Director-cum-
Chief Financial Officer
DIN: 00230702

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805
Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857
Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020		2018-2019	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Profit before Tax		8,398.25		11,947.80
Adjustment to reconcile Profit Before Tax to Net Cash Flows				
(a) Depreciation and Amortisation	1,851.45		1,501.17	
(b) Finance Cost	1,862.10		1,855.25	
(c) (Profit)/ loss on disposal of Plant, Property & Equipment (Net)	(47.34)		5.02	
(d) Bad debts/ Advances & Claims written off	37.52		2.42	
(e) Unspent Liabilities written back	(442.53)		(30.17)	
(f) Provision for Doubtful Trade Receivables/ (written back)	75.70		14.47	
(g) Deferred Revenue on Government Grant	(33.63)		(17.48)	
(h) Investment written off	-		10.57	
(i) Interest income	(120.26)	3,183.01	(104.20)	3,237.05
Operating Profit before Working Capital Changes		11,581.26		15,184.85
Changes in Working Capital				
(a) (Increase)/ decrease in Inventories	(8,501.87)		(5,048.64)	
(b) (Increase)/ decrease in Trade Receivables	14,410.95		(4,534.18)	
(c) (Increase)/ decrease in Other Financial Assets	(63.66)		(59.69)	
(d) (Increase)/ decrease in Non-Financial Assets	(2,089.11)		(1,415.53)	
(e) Increase/ (decrease) in Trade Payables	(898.29)		(1,587.12)	
(f) Increase/ (decrease) in other Financial Liabilities	(1,103.96)		681.07	
(g) Increase/ (decrease) in Provisions	62.84		(79.03)	
(h) Increase/ (decrease) in Non-Financial Liabilities	64.16	1,881.06	198.41	(11,844.71)
Cash Generated from Operations		13,462.32		3,340.14
Less: (a) Direct Taxes paid		(4,424.97)		(6,055.34)
Net Cash from Operating Activities		9,037.35		(2,715.20)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Purchase of Plant, Property & Equipment (including Capital Advances & CWIP)		(1,813.04)		(2,448.16)
(b) Disposal of Plant, Property & Equipment		379.30		25.65
(c) Redemption/ (Investment) of Fixed Deposits (Net)		(4.06)		136.55
(d) Loan Received/ (Given)		(200.00)		200.00
(e) Interest received		119.03		105.97
Net Cash used in Investing Activities		(1,518.77)		(1,979.99)

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020	2018-2019
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES		
(a) Repayment of Non-Current Borrowings	(250.15)	(140.15)
(b) Proceeds from Non-Current Borrowings	587.23	1,125.21
(c) Proceeds/ (Repayment) of Current Borrowings (Net)	(3,473.31)	8,503.25
(d) Payment of Lease Liabilities	(342.24)	-
(e) Dividend and Tax paid thereon	(2,876.13)	(2,876.13)
(f) Interest Paid (including interest on Lease Liabilities)	(1,755.76)	(1,848.77)
Net Cash used in Financing Activities	(8,110.36)	4,763.41
Net increase/ (decrease) in Cash & Cash Equivalent (A+B+C)	(591.78)	68.22
Cash & Cash Equivalents at the beginning of the period	720.09	651.87
Cash & Cash Equivalents at the end of the period	128.31	720.09

Note:

- The above statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows."
- Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 14 to the financial statements
- Statement of Reconciliation of Financing Activities:

	Term Loan from Banks	Short Term Borrowings
Balance as at April 1, 2019 (including interest accrued thereon)	1,070.80	19,985.90
Cash Flow (Net)	337.09	(3,473.31)
Non Cash Changes	-	-
Fair Value Changes	-	-
Others	-	-
Interest Expense	100.12	1,619.34
Interest Paid	(97.73)	(1,600.80)
Closing as at March 31, 2020 (including interest accrued thereon)	1,410.28	16,531.13

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Previous years figures have been regrouped/ reclassified wherever necessary

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452
Sd/-
Ramesh Agarwal
Whole-time Director-cum-
Chief Financial Officer
DIN: 00230702

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805
Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857
Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Consolidated Statement of Change in Equity

for the year ended March 31, 2020

(₹ in Lakhs)

a) Equity Share Capital	
Balance as at April 1, 2018	796.29
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	796.29
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2020	796.29

	Reserves & Surplus			OCI	Total
	Securities Premium Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	
b) Other Equity					
Balance as at April 1, 2018	6,880.31	4,231.17	38,013.55	-	49,125.03
Profit for the Year	-	-	7,417.78	-	7,417.78
Remeasurement Gain on Defined Benefit Plans (Net of Taxes)	-	-	4.29	-	4.29
Total Comprehensive Income	-	-	7,422.07	-	7,422.07
Final Dividend Paid	-	-	(2,385.74)	-	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.39)	-	(490.39)
Balance as at March 31, 2019	6,880.31	4,231.17	42,559.49	-	53,670.97
Profit for the Year	-	-	6,190.34	-	6,190.34
Remeasurement Gain on Defined Benefit Plans (Net of Taxes)	-	-	13.32	0.67	13.99
Total Comprehensive Income	-	-	6,203.66	0.67	6,204.33
Final Dividends Paid	-	-	(2,385.74)	-	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.39)	-	(490.39)
Balance as at March 31, 2020	6,880.31	4,231.17	45,887.02	0.67	56,999.17

The notes are the integral part of the Consolidated Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

Sd/-
Prahlad Rai Agarwala
Chairman
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For and on behalf of the Board of Directors

Sd/-
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Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857
Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

1. CORPORATE AND GENERAL INFORMATION

Rupa & Company Limited (the Parent Company) was incorporated in India in the year 1985 and has its registered office at Metro Towers, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700071.

The Parent Company is a Public Limited Group domiciled in India & is incorporated under provision of Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Parent Company and its Subsidiaries (together referred to as "the Group") are primarily engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. The Parent Company also has a Power Generation Unit operated on Windmill process.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial Statements of the Group for the year ended March 31, 2020 have been approved by the Board of Directors in their meeting held on June 26, 2020.

2.2 Basis of Measurement

The Financial Statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees ('INR'), which is also the Company's functional currency. All financial information presented in "INR" has been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial Statements 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.

2.5 Current Vs Non-current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;

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for the year ended March 31, 2020

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6 Adoption of new Accounting Standards

The Group has applied the following accounting standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

- Ind AS 116 - Leases
- Amendment to Ind AS 12 – Income Taxes and Ind AS 12 Appendix ‘C’ – Uncertainty over Income Tax Treatments
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement
- Amendment to Ind AS 23 – Borrowing Cost
- Amendment to Ind AS 103 – Business Combination and Ind AS 111 – Joint Arrangements
- Amendment to Ind AS 109 – Prepayment Features with Negative Compensation

The Group had to change its accounting policies following the adoption of Ind AS – 116. Company's new accounting policy is described in "paragraph 4.5" of Significant Accounting Policies to the financial statements and the impact of transition to IND AS 116 is given vide Note No. 42 to the financial statements. Most of the above amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

3. Basis of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of March 31, 2020. The Group consolidates the Financial Statements of the parent Company and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intra Group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent company and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred

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by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognised as capital reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

4. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the Financial Statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

4.1 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 weighted average basis including packing materials, accessories and dyes and chemicals.

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 weighted average basis and cost of work-in-progress (measured in pieces) and cost of finished goods is determined on Retail sales price method.

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.

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 weighted average basis.

4.2 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

4.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Deferred Tax

➤ Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period

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when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred Tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred Tax Assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.4 Property, Plant and Equipment

4.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

4.4.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

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4.4.3. Depreciation and Amortization

- Depreciation on Property Plant & Equipment 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 Property Plant & Equipment.

Class of Property Plant & Equipment	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

- 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 Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.
- The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery as 10 years. These lives are lower than those indicated in Schedule II of the Companies Act, 2013.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

4.4.5. Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

4.4.6. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

4.5 Leases

4.5.1. Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Notes to the Consolidated Financial Statement

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Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

4.5.2. Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

(i) Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 4.12 Impairment of non-financial assets.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.6 Revenue Recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received/ receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

4.6.1. Sale of Goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

4.6.2. Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

4.6.3. Sale of Power

Revenue from sale of Energy (Power) is recognised on the basis of Electrical Units generated net of transmission loss as applicable when no significant uncertainty as to measurability & collectability exists.

4.6.4. Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

4.6.5. Dividend Income

Dividend Income from investments is recognized when the Group's right to receive payment has been established

4.6.6. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognized as income only when revenue is virtually certain which generally coincides with receipt / acceptance.

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4.7 Employee Benefits

4.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

4.7.2. Post-Employment Benefits

The Group operates the following post-employment schemes:

➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

➤ Defined Contribution Plan

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 Group has no obligation other than contributions to the respective funds. The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the selected service.

4.8 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

4.9 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the

Notes to the Consolidated Financial Statement

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Statement of Profit and Loss within finance costs

- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

4.10 Borrowing Cost

- 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. The Group considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

4.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.11.1. Financial Assets

➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

- o **Measured at Amortized Cost:** A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method.

- o **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

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for the year ended March 31, 2020

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- o **Measured at FVTPL:** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- o **Equity Instruments measured at FVTOCI:** All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition**

The Group derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

4.11.2. **Financial Liabilities**

➤ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net

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basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

4.12 Impairment of Non-Financial Assets

- The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

4.13 Provisions, Contingent Liabilities and Contingent Assets

4.13.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

➤ Onerous Contracts:

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

4.13.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Financial Statements.

4.13.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

4.14 Intangible Assets

Recognition and Measurement

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

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

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Amortization

The useful lives over which intangible assets are amortized are as under:

Assets	Useful Life (In Years)
Copyrights & Trade marks	10
Computer software	5
Business Rights	10

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.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

4.15 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

4.16 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker (CODM). An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Group and for which discrete financial information is available. Based on assessment of CODM in terms of Indian Accounting Standard – 108, the Group is predominantly engaged in a single segment of Garments & Hosiery goods and related services. The analysis of geographical segments is based on the areas in which customers of the Group are located.

4.17 Earning Per Share

Basic earning 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.

4.18 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

4.19 Significant accounting judgements and key sources of estimation:

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Extension and termination option in leases :** Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:** The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Estimation uncertainty relating to the global health pandemic on Covid-19:** The Group has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of Covid-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the Covid-19 pandemic may be different from those estimated as on the date of approval of these financial statements.

4.20 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Group's Financial Statement are disclosed below.

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
5(a) Property, Plant and Equipment								
Cost								
As at April 1, 2018	2,594.10	271.66	8,275.55	6,032.97	528.03	492.67	297.01	18,491.99
Additions	-	-	1,008.15	1,545.50	168.56	184.03	80.07	2,986.31
Disposals/ Withdrawals	-	-	-	32.55	-	60.43	-	92.98
As at March 31, 2019	2,594.10	271.66	9,283.70	7,545.92	696.59	616.27	377.08	21,385.32
Additions	-	-	493.77	234.40	73.26	100.99	100.95	1,003.37
Disposals/ Withdrawals	-	271.66	-	-	-	25.72	0.09	297.47
As at March 31, 2020	2,594.10	-	9,777.47	7,780.32	769.85	691.54	477.94	22,091.22
Depreciation								
As at April 1, 2018	-	6.44	394.99	2,058.03	144.04	143.72	126.31	2,873.53
Charge for the year	-	3.22	216.85	845.72	107.43	81.45	67.10	1,321.77
On Disposals/ Withdrawals/ Adjustments	-	-	-	22.43	-	39.88	-	62.31
As at March 31, 2019	-	9.66	611.84	2,881.32	251.47	185.29	193.41	4,132.99
Charge for the year	-	-	227.20	839.20	127.45	91.61	76.54	1,362.00
On Disposals/ Withdrawals/ Adjustments	-	9.66	-	-	-	10.86	0.08	20.60
As at March 31, 2020	-	-	839.04	3,720.52	378.92	266.04	269.87	5,474.39
Net Block								
As at March 31, 2019	2,594.10	262.00	8,671.86	4,664.60	445.12	430.98	183.67	17,252.33
As at March 31, 2020	2,594.10	-	8,938.43	4,059.80	390.93	425.50	208.07	16,616.83

Note:

- Term Loan from Banks of parent amounting ₹1,399.78 Lakhs is secured by first charge by way of hypothecation of movable property, plant and equipment specifically funded by the Bank, installed at Domjur, West Bengal and Tirupur Unit, Tamilnadu and Cash Credit including Working Capital Demand Loan amounting ₹ 12,482.82 Lakhs 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 property, plant and equipment of Domjur Unit, West Bengal.
- Pursuant to adoption of Ind AS 116 "Leases", Group has reclassified Leasehold Land to Right of Use Asset which was earlier classified under Property, Plant & Equipment as per Ind AS 17 "Leases"
- Refer Note No. 37 for disclosure on Contractual commitment for acquisition of property, plant and equipment.

	Leasehold Land	Buildings	Total
5(b) Right of Use Assets			
As at April 1, 2019	271.66	1,239.31	1,510.97
Additions	-	-	-
Disposals/ Withdrawals	-	-	-
As at March 31, 2020	271.66	1,239.31	1,510.97
Depreciation			
As at April 1, 2019	9.66	-	9.66
Depreciation for the year	3.22	307.36	310.58
On Disposals/ Withdrawals/ Adjustments/ Transfer	-	-	-
As at March 31, 2020	12.88	307.36	320.24
Net Right of Use Assets			
As at March 31, 2020	258.78	931.95	1,190.73

as at and for the year ended March 31, 2020

(₹ in Lakhs)

6(a). Intangible Asset Under Development	
As at March 31, 2019	2.74
As at March 31, 2020	2.74

		Number of Shares/Units	
		March 31, 2020	March 31, 2019
7.	Investments		
	In Equity Instruments (at cost unless otherwise stated)		
	(Unquoted)		
	West Bengal Hosiery Park Infrastructure Limited (Equity Shares of ₹ 10 each)	1,800	1,800
		March 31, 2020	March 31, 2019
	In Equity Instruments (at cost unless otherwise stated)		
	(Unquoted)		
	West Bengal Hosiery Park Infrastructure Limited	0.18	0.18
		0.18	0.18
	Aggregate Carrying value of Unquoted Investments	0.18	0.18

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
8. Loans				
(Unsecured, considered good unless otherwise stated)				
Security Deposits*	198.81	132.85	144.31	146.62
Loan to Bodies Corporate**	-	-	200.00	-
	198.81	132.85	344.31	146.62

* Dues from private companies in which any director is a director is ₹ 67.40 Lakhs (March 31, 2019 ₹ 67.40 Lakhs)

** To be utilised for Business Purpose

Note:

There are no outstanding debts from director or other officer of the company.

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
9. Other Financial Asset				
Interest Accrued on Deposits	0.25	-	-	1.55
Interest Accrued on Loan to Bodies Corporate	-	-	2.53	-
Bank deposits With maturity of more than 12 months*	18.70	18.70	-	-
	18.95	18.70	2.53	1.55

*Held as lien by bank against bank guarantees.

	Non-Current	
	March 31, 2020	March 31, 2019
10. Tax Assets (Net)		
Advance Tax (Net of Provision)	1,017.61	-
	1,017.61	-

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
11. Other Assets (Unsecured Considered)				
Capital Advances*	1,054.55	933.69	-	-
Prepaid Expenses	-	-	171.80	109.17
Advance against supply of goods & services^	-	-	893.84	775.91
Advance to Employees	-	-	93.86	81.94
Balances with Government Authorities	-	-	3,803.64	2,127.76
Claims and Refund Receivable	-	-	412.17	141.37
Sales Tax paid under protest	-	-	20.54	13.77
Other advances	-	-	4.22	61.03
	1,054.55	933.69	5,400.07	3,310.95

*Includes advance amounting to ₹ 400.92 Lakhs (March 31, 2019: ₹ 400.92 Lakhs) 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 the matter in the Hon'ble Calcutta High Court. In light of the fact that the Hon'ble High Court at Calcutta has vide its Order dated February 10, 2020 has decided the Writ Petition in favour of the Company, in its appellate jurisdiction and so far no appeal has been preferred by the West Bengal Government in the Hon'ble Supreme Court of India.

^ Includes advance amounting to ₹ 23.11 Lakhs (March 31, 2019: ₹ 2.83 Lakhs) given to related party.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
12. Inventories		
(Valued at lower of cost and net realisable value)		
Raw Material including packing materials	4,115.76	3,357.78
Finished Goods	27,885.07	20,187.22
Work in Progress	12,735.85	11,985.56
Traded Goods	1,994.44	2,698.69
	46,731.12	38,229.25

Mode of Valuation - Ref Note No. 4.1 of Accounting policy.

Note: The above includes Stock in transit

Work-in-Progress	-	38.19
Finished Goods	849.62	20.79

Note: Inventories are hypothecated/ pledged against borrowings (Refer Note No. 24)

	Current	
	March 31, 2020	March 31, 2019
13. Trade Receivable		
Secured	2,731.20	3,385.70
Unsecured	22,398.24	36,267.91
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	111.21	38.17
	25,240.65	39,691.78
Impairment Allowance (Allowance for Bad and Doubtful Debt)		
Unsecured	-	-
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	111.21	38.17
	111.21	38.17
Total Trade Receivable	25,129.44	39,653.61

a) No Trade Receivables due by directors and its officers of the Company.

b) Allowances for credit losses of trade receivables, has been computed based on the ageing of the receivables. In computing expected credit losses the Company has taken into account historical credit loss experience and forward looking information.

c) Trade Receivables are hypothecated/ pledged against borrowings (Refer Note No. 24)

	March 31, 2020	March 31, 2019
14. Cash and Cash Equivalent		
Cash in hand	15.92	19.03
Balances with banks		
Current accounts	43.71	221.05
Cash Credit account	68.68	358.04
Bank deposits having original maturity for Less than 3 months	-	121.97
	128.31	720.09

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
15. Other Bank Balances (other than Note - 14)		
Unpaid dividend accounts	11.39	12.58
Bank deposits maturity for more than 3 months but less than 12 months*	30.81	26.75
	42.20	39.33

* Held as lien by bank against bank guarantees.

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
16. Equity Share Capital				
Authorised Share Capital				
Equity Shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued Share Capital				
Equity Shares of ₹ 1/- each	7,97,33,560	797.34	7,97,33,560	797.34
	7,97,33,560	797.34	7,97,33,560	797.34
Subscribed & Paid-up Share Capital				
Equity Shares of ₹ 1/- each	7,95,24,560	795.24	7,95,24,560	795.24
Equity Shares forfeited of ₹ 1/- each,	2,09,000	1.05	2,09,000	1.05
Paid up ₹ 0.50 per Share				
	7,97,33,560	796.29	7,97,33,560	796.29

a) Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

b) Terms/ Rights attached to Equity Shares

The Parent 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 Parent 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 parent company. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2020 the Parent Company has proposed final dividend of ₹ 3/- per share (March 31, 2019: ₹ 3/- per Share) subject to approval of members in the ensuing Annual General Meeting.

c) Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

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

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 1/- each, fully paid up				
Ullas Sales Promotion LLP (Formerly known as Ullas Sales Promotion Limited)	2,16,30,860	27.20%	-	-
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,67,63,656	21.08%
Rajnish Enterprises Ltd.	-	-	1,58,23,190	19.90%
Ziyan Developers LLP	86,50,000	10.88%	86,50,000	10.88%
Purvanchal Leasing Ltd.	-	-	58,07,670	7.30%

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

As per records of the Company, including its register of shareholders/ members as on March 31, 2020, the above

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

shareholding represents legal ownership of shares.

- e) The Company has neither issued bonus shares nor has bought back any shares during last 5 years.
- f) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.

	Note	March 31, 2020	March 31, 2019
17. Other Equity			
Securities Premium	17.1	6,880.31	6,880.31
General Reserve	17.2	4,231.17	4,231.17
Retained Earnings	17.3	45,887.02	42,559.49
Foreign Currency Translation Reserve	17.4	0.67	-
		56,999.17	53,670.97

Changes in Other Equity

	March 31, 2020	March 31, 2019
17.1 Securities Premium Reserve		
Opening balance	6,880.31	6,880.31
Changes during the year	-	-
	6,880.31	6,880.31

	March 31, 2020	March 31, 2019
17.2 General Reserve		
Opening balance	4,231.17	4,231.17
Changes during the year	-	-
	4,231.17	4,231.17

	March 31, 2020	March 31, 2019
17.3 Retained Earnings		
Opening balance	42,559.49	38,013.55
Add: Profit for the period	6,190.34	7,417.78
Less: Remeasurement of Defined Benefit Plans (Net of tax)	13.32	4.29
Equity Dividend	(2,385.74)	(2,385.74)
Tax on Equity Dividend	(490.39)	(490.39)
	45,887.02	42,559.49

	March 31, 2020	March 31, 2019
17.4 Foreign Currency Translation Reserve		
Opening balance	-	-
Changes during the year	0.67	-
	0.67	-

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Nature and purpose of other reserves

Securities Premium Reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

General Reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

This reserves represents the cumulative profit of the Company and effects of remeasurement of defined benefit obligation. This reserves can be utilised in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of Defined Benefit Obligation

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income) recognised in other comprehensive income and then immediately transferred to retained earnings.

Foreign Currency Translation Reserve: Reserve is created on translation of Financial Statements of Foreign Subsidiary into Presentation Currency.

	Non-Current	
	March 31, 2020	March 31, 2019
18. Non Current Borrowings		
Secured Term Loan		
Rupee loan from Banks	1,399.78	1,062.70
Less: Current portion of long term borrowings (Disclosed under other financial liabilities, Refer Note No. 18)	309.87	250.05
Others	-	
	1,089.91	812.65

Note:

1. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

2. Terms & conditions

- Term Loan with a balance of ₹ 812.65 Lakhs (March 31, 2019: ₹ 1,062.70 Lakhs) is repayable in 13 equal quarterly installments of ₹ 62.51 Lakhs and carries interest @ 8.90% to 9.15% per annum (March 31, 2019: @ 8.90% to 9.15% per annum). The said Term Loan is secured by first charge by way of hypothecation on specific plant and machinery funded by bank.
- Term Loan with a balance of ₹ 548.90 Lakhs (March 31, 2019: Nil) is repayable in 72 equal monthly installments of ₹ 7.62 Lakhs starting w.e.f. September 3, 2020 and carries interest @ 9% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 800.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
- Term Loan with a balance of ₹ 38.23 Lakhs (March 31, 2019: Nil) is repayable in one installment of ₹ 0.10 Lakhs and 18 equal quarterly installments of ₹ 2.12 Lakhs and carries interest @ 8.85% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 1,445.00 lakhs is secured by exclusive charge by way of hypothecation of specific plant & machinery funded by bank.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

e) No loans have been guaranteed by the directors and others.

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
19. Lease Liabilities				
Maturities of Lease Obligations (Refer Note No. 42)	686.39	-	296.06	-
	686.39	-	296.06	-

	Current	
	March 31, 2020	March 31, 2019
20. Other Financial Liabilities		
Current Maturities of Long Term Borrowings (Refer Note No- 18)	309.87	250.05
Interest Accrued but not due on Borrowings	32.85	11.93
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	12.58
Security Deposits from Customers	4,276.18	4,201.37
Capital Creditors	57.51	91.90
Dealers Incentive Payable	1,879.16	3,666.73
Payable to Employees	1,123.09	851.44
Others	395.09	304.96
	8,085.14	9,390.96

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
21. Provisions				
Provision for Gratuity (Refer Note No. 43)	24.10	18.45	255.51	219.68
Provision for Leave Encashment	43.89	39.08	3.12	3.01
Provision for Litigation, Claims & Contingencies (Refer Note No. 21.1)	-	-	70.55	70.55
	67.99	57.53	329.18	293.24

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.

21.1. Movement of Provision (Pursuant to Ind AS 34)	
Balance as at April 1, 2018	70.55
Provision utilized during the year	-
Balance as at March 31, 2019	70.55
Provision utilized during the year	-
Balance as at March 31, 2020	70.55

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
22. Deferred Tax Liabilities/ (Assets) (Net)		
Deferred Tax Liabilities		
Arising on account of:		
Difference between Tax Depreciation and Depreciation/ Amortisation charged for the financial reporting	1,136.27	1,594.47
Others	-	-
	1,136.27	1,594.47
Less: Deferred Tax Assets		
Arising on account of:		
Provision for Doubtful Debt & Advances	9.70	12.41
Provision for Employee Benefit Expenses	80.91	93.23
Provision for Litigation, Claims & Contingencies (Refer Note No. 21.1)	17.76	24.66
Unabsorbed Depreciation & Business Losses	1,209.61	1,209.61
Mat Credit Entitlement	0.86	0.63
Others	11.61	0.74
	1,330.45	1,341.28
Deferred Tax Liabilities/ (Assets) (Net)	(194.18)	253.19

Note: The Consolidated Financial Statements for the year ended March 31, 2020 includes Deferred Tax Asset on business loss and unabsorbed depreciation amounting to ₹ 1,155.12 Lakhs in earlier years by one of the subsidiary company. The management is of the view that the business/ brands are in a nascent stage and therefore the subsidiary company has been incurring losses. However, the said subsidiary company has not recognised Deferred Tax Assets on business loss and unabsorbed depreciation for the year ended March 31, 2020 on grounds of prudence. Based on business plans and future profitability projections, the management is hopeful of realizing the carry over Deferred Tax Asset lying in the books as at March 31, 2020.

22.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2019

	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2019
Deferred Income Tax Liabilities				
Depreciation	1,521.05	73.42	-	1,594.47
Others	0.05	(0.05)	-	-
A	1,521.10	73.37	-	1,594.47
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	8.28	4.13	-	12.41
Provision for Employee Benefit Expenses	68.11	26.87	(1.75)	93.23
Provision for Litigation, Claims & Contingencies	24.66	-	-	24.66
Unabsorbed Depreciation & Business Losses	527.96	681.65	-	1,209.61
Mat Credit Entitlement	-	0.63	-	0.63
Others	0.99	(0.25)	-	0.74
B	630.00	713.03	(1.75)	1,341.28
Deferred Tax Liabilities/ (Assets) (Net) (A-B)	891.10	(639.66)	1.75	253.19

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

22.2 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2020

	As at April 1, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Deferred Income Tax Liabilities				
Depreciation	1,594.47	(458.20)	-	1,136.27
Others	-	-	-	-
A	1,594.47	(458.20)	-	1,136.27
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	12.41	(2.71)	-	9.70
Provision for Employee Benefit Expenses	93.23	(9.88)	(2.44)	80.91
Provision for Litigation, Claims & Contingencies	24.66	(6.90)	-	17.76
Unabsorbed Depreciation & Business Losses	1,209.61	-	-	1,209.61
Mat Credit Entitlement	0.63	0.23	-	0.86
Others	0.74	10.87	-	11.61
B	1,341.28	(8.39)	(2.44)	1,330.45
Deferred Tax Liabilities/ (Assets) (Net) (A-B)	253.19	(449.81)	2.44	(194.18)

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
23. Other Liabilities				
Deferred Revenue (Refer Note No. 49)	202.67	83.13	30.67	17.48
Statutory dues payable	-	-	468.84	558.12
Advances from customers	-	-	68.69	84.04
Others payables	-	-	3.09	0.64
	202.67	83.13	571.29	660.28

	Current	
	March 31, 2020	March 31, 2019
24. Current Borrowing		
Loan Repayable on demand		
Cash Credit	6,277.40	8,282.09
Commercial Paper	-	-
Working Capital Demand Loans		
Indian Rupee Loan	10,231.38	10,900.00
Packing Credit	-	800.00
	16,508.78	19,982.09
The above amount includes		
Secured Loan	16,508.78	19,982.09

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Terms & conditions

- a) i. Cash Credit including Working Capital Demand Loan are secured by hypothecation of inventories, book debts and other current assets of the Holding Company and further secured by second charge of movable and immovable property, plant and equipment of Domjur Unit, West Bengal.
- ii. Cash Credit facility of a subsidiary are secured by hypothecation of inventories, book debts and other current assets of the subsidiary company. Further, the same has been secured by the corporate Guarantee of an amount of ₹ 3,550.00 Lakhs given by the parent company.
- b) Working Capital Demand Loans carries interest @7.05% to 10.00% p.a. (March 31, 2019: @5.50% to 9.65% p.a.)
- c) Cash Credit are repayable on demand and carries interest @8.50% to 11.50% p.a. (March 31, 2019: @8.50% to 11.50% p.a.)
- d) No loans have been guaranteed by the directors and others.
- e) There is no default as on the Balance Sheet date in the repayment of borrowings and interest thereon.

		Current	
		March 31, 2020	March 31, 2019
25. Trade Payables			
Due to micro, small and medium enterprises (Refer Note No. 39)	25.69		27.41
Due to Creditors other than micro, small and medium enterprises	13,772.03		14,864.10
	13,797.72		14,891.51
		Current	
		March 31, 2020	March 31, 2019
26. Current Tax Liabilities (Net)			
Provisions for Taxation (Net of Payments)	2.13		751.78
	2.13		751.78
		Current	
		March 31, 2020	March 31, 2019
27. Revenue from Operations			
Sale of Products:			
Finished Goods [#]	91,280.46		1,07,891.47
Semi-Finished Goods	435.85		361.37
Traded Goods	3,245.61		3,963.87
	94,961.92		1,12,216.71
Sale of services			
Service Income	2,105.91		2,170.71
	2,105.91		2,170.71
Other Operating Revenues			
Sale of Power	54.58		88.50
Scrap sale	138.40		161.10
Export Incentive	169.84		210.28
Deferred Revenue on Government Grant	33.63		17.48
	396.45		477.36
	97,464.28		1,14,864.78

[#]Net of discount and dealers incentives

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

A. Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Group generates its revenue

- a) The Group is engaged in the manufacturing of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Group.

B) Disaggregation of Revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

	March 31, 2020	March 31, 2019
i) Primary Geographical Markets		
Within India	94,573.64	1,11,635.70
Outside India	2,494.19	2,751.72
Total	97,067.83	1,14,387.42
ii) (a) Major Products		
Hosiery Products	94,961.92	1,12,216.71
Others	-	-
Total	94,961.92	1,12,216.71
ii) (b) Major Services		
Service Income	2,105.91	2,170.71
Others	-	-
Total	2,105.91	2,170.71
iii) Timing of Revenue		
At a point in time	97,067.83	1,14,387.42
Over time	-	-
Total	97,067.83	1,14,387.42
iv) Contract Duration		
Long Term	-	-
Short Term	97,067.83	1,14,387.42
Total	97,067.83	1,14,387.42

C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	March 31, 2020	March 31, 2019
Receivables, which are included in 'Trade receivables'	25,129.44	39,653.61
Contract assets	-	-
Contract liabilities (Refer Note No. 23)	68.69	84.04
Total	25,060.75	39,569.57

D. Other Information

	March 31, 2020	March 31, 2019
Transaction price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current year that was included in the opening contract liability balance	84.04	Nil
The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

E. Reconciliation of amount of revenue recognised in the Statement of Profit & Loss with Contracted Price

	March 31, 2020	March 31, 2019
Revenue as per Contracted Price	1,07,486.14	1,26,618.66
Adjustments		
Significant Financing Component	-	-
Dealer incentive & Discount	10,418.31	12,231.24
Revenue from Contract with Customers	97,067.83	1,14,387.42

	March 31, 2020	March 31, 2019
28. Other Income		
Interest Income		
On Bank deposits	18.81	13.29
On Receivable	98.64	75.18
On Loan to Bodies Corporate	2.81	15.73
	120.26	104.20
Other Non-Operating Income		
Profit on disposal of Property, Plant and Equipment (Net)	47.34	-
Unspent Liabilities written back	442.53	30.17
Net Foreign Exchange gain	116.14	21.54
Insurance Claim Received	3.81	25.19
Miscellaneous Income	7.01	16.60
	616.83	93.50
	737.09	197.70

	March 31, 2020	March 31, 2019
29. Cost of Material Consumed		
Opening inventory	3,357.78	4,868.57
Add: Purchases	46,976.19	50,378.70
Less: Inventory at the end of the year	4,115.76	3,357.78
	46,218.21	51,889.49

	March 31, 2020	March 31, 2019
Details of Raw Material Consumed		
Yarn/ Than	32,948.87	36,799.08
Packing Material, Accessories and Other Material	13,269.34	15,090.41
	46,218.21	51,889.49

	March 31, 2020	March 31, 2019
30. Purchase of Traded Goods		
Hosiery Goods	1,522.70	4,242.02
	1,522.70	4,242.02

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
31. Changes in Inventories of Finished Goods and Work-in-progress		
Opening Stock		
Traded Goods	2,698.69	1,698.33
Finished Goods	20,187.22	15,481.08
Work-in-Progress	11,985.56	11,132.63
	34,871.47	28,312.04
Closing Stock		
Traded Goods	1,994.44	2,698.69
Finished Goods	27,885.07	20,187.22
Work-in-Progress	12,735.85	11,985.56
	42,615.36	34,871.47
	(7,743.89)	(6,559.43)

	March 31, 2020	March 31, 2019
32. Employee Benefit Expense		
Salaries, Wages and Bonus	6,291.79	5,413.71
Contribution to Provident and Other Funds	152.77	144.73
Gratuity*	93.62	71.93
Staff Welfare Expenses	29.39	35.52
	6,567.57	5,665.89

*For descriptive notes on disclosure of Defined Benefit Obligation, Refer Note No. 41

	March 31, 2020	March 31, 2019
33. Finance Costs		
Interest Expenses	1,719.46	1,782.83
[Net of Interest rate subsidy from Technology Upgradation Fund Scheme Nil (March 31, 2019: ₹ 1.42 Lakhs)]		
Interest expense on Leasing arrangements	85.38	-
Other Financial Charges	-	-
Bank Charges	57.26	72.42
	1,862.10	1,855.25

	March 31, 2020	March 31, 2019
34. Depreciation & Amortisation Expense		
Depreciation of Plant, Property & Equipment	1,362.00	1,321.77
Amortisation of Intangible assets	178.87	179.40
Depreciation on Right of Use Assets	310.58	-
	1,851.45	1,501.17

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
35. Other Expenses		
Consumption of Stores and Spares	72.22	57.49
Sub-contracting / Job Worker Expenses	23,141.99	25,997.03
Power and Fuel	1,374.50	1,469.54
Freight Outwards and Forwarding Expenses	2,004.36	2,049.76
Rent	209.18	551.77
Rates and Taxes	102.10	118.06
Insurance	189.54	111.43
Repairs and Maintenance:		
- Plant and Machinery	251.63	214.47
- Building and Others	236.26	363.96
Advertising and Sales Promotion	7,080.21	8,191.46
Business Convention	458.20	894.26
Brokerage	1,110.15	1,275.16
Travelling and Conveyance	1,263.87	1,257.17
Communication Costs	130.98	139.14
Legal and Professional fees	267.57	285.29
Directors' Sitting Fees and Commission	58.90	81.35
Payment to Auditor (Refer Note Below)	34.81	27.46
Bad Debts/ Advance written off	37.52	2.42
Provision for Doubtful Trade Receivables	73.04	14.47
Investment Written off	-	10.56
Loss on sale of fixed assets (Net)	-	5.02
Royalty on Sales	60.00	129.23
Contribution for CSR Activities (Refer Note No. 46)	224.93	257.36
Miscellaneous Expenses	1,143.02	1,016.43
	39,524.98	44,520.29
a) Remuneration to Auditors		
For Audit Fees	19.40	15.40
For Limited Review Fees	13.50	9.00
For Certification	1.50	0.50
For Tax Audit	-	0.60
Out of Pocket Expenses	0.41	1.96
Taxes	-	-
	34.81	27.46
	March 31, 2020	March 31, 2019
36. Tax Expense		
Current Tax	2,657.72	5,170.72
Deferred Tax	(449.81)	(639.66)
Tax Expense	2,207.91	4,531.06
Income Tax for earlier years	-	(1.04)
Tax Expense in Statement of Profit & Loss	2,207.91	4,530.02

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

	March 31, 2020	March 31, 2019
Income before Income taxes	8,398.25	11,947.80
Indian Statutory Income tax Rate*	25.17%	34.94%
Estimated Income tax expenses	2,113.67	4,175.04

Tax effect of adjustments to reconcile expected Income Tax expense to reported Income tax expense:

	March 31, 2020	March 31, 2019
Expenses Disallowed for tax purpose	56.21	95.38
Deductions allowable under Income Tax Act	-	(49.00)
Provision for Interest for delayed payment under Income Tax Act	-	74.36
Income Taxable at lower rate	(11.51)	231.89
Change in Effective Tax Rate	(384.02)	-
Deferred tax not recognised on Business Loss and Unabsorbed Depreciation	450.59	-
Others	(17.03)	3.39
	94.24	356.02
Income Tax expense in the Statement of Profit and Loss	2,207.91	4,531.06

*The Parent and One of its Subsidiary has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective for financial year 2019-20 pursuant to Taxation Laws (Amendment) Act, 2019. Accordingly, the provision for Income tax and Deferred Tax balances have been recorded/ re-measured using the new tax rate and the resultant impact is recognized in the Statement of Profit & Loss for the current year.

	March 31, 2020	March 31, 2019
37. Capital and Other Commitments		
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	1,299.06	-

38. a) Contingent Liabilities

	March 31, 2020	March 31, 2019
Demands/ claims by various government authorities and others not acknowledged as debts and contested by the government		
Sales Tax Matters [net of amount deposited under dispute ₹20.53 Lakhs (March 31, 2019 : ₹ 13.77 Lakhs)]	143.33	80.30
Employees State Insurance (Financial Year - 2007-08 under Appeal)	0.40	0.40
Bank Guarantees outstanding	747.34	720.30
Guarantees Given to Bank		
- For Subsidiaries (For Loan Outstanding ₹ 4,025.96 Lakhs (March 31, 2019: ₹ 3477.84 Lakhs)	3,550.00	3,477.84
- For Others	200.00	200.00
Letter of Credit Outstanding	847.32	-
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 favourable interim order dated June 5, 2013 and the matter is presently sub judice. Accordingly, the liability of ₹ 820.71 Lakhs (March 31, 2019: ₹ 599.82 Lakhs) has not been provided in books of accounts.	820.71	599.82

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Note:

- a) The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group does not expect any reimbursements against above.
- b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Management has assessed the applicability of the judgement and is of the view that there is no material impact of the same. Further the group is awaiting the directions from EPFO, if any, to assess any potential impact on the Group and consequently no adjustments have been made in the books of account.

	March 31, 2020	March 31, 2019
39. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables		
Principal amount remaining unpaid to any supplier at the end of Financial Year	25.69	27.41
Interest due on above	-	-
Total	25.69	27.41
Amount of interest paid by the Company to the suppliers in terms of Section 16 of the MSMED Act, 2006 alongwith amount paid to the suppliers beyond the respective due date	-	-
Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act		

40. Dividend

The Board of Directors of Parent Company at its meeting held on June 26, 2020 have recommended a payment of final dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2020 which amounts to ₹ 2,385.74 Lakhs. The same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

41. 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 Parent has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities. The gratuity liability for Subsidiary Companies is unfunded.

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

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Non-Funded		Funded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(a) Change in Projected Benefit Obligations				
Obligations at beginning of the year	19.87	12.37	413.58	371.71
Current Service Cost	11.00	10.89	64.87	48.03
Past Service Cost	-	-	-	-
Interest Cost	1.53	0.94	31.85	12.07
Benefits Settled	-	(0.26)	(21.12)	(16.27)
Actuarial (gain)/ loss (through OCI)	(6.19)	(4.07)	(7.72)	(1.97)
Obligations at end of the year	26.21	19.87	481.46	413.58
	Non-Funded		Funded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(b) Change in Plan Assets				
Plan assets at beginning of the year, at fair value	-	-	195.33	206.80
Interest income	-	-	15.63	15.92
Actuarial gain/ (loss) (through OCI)	-	-	1.85	(15.92)
Contributions	-	-	36.36	4.80
Benefits Settled	-	-	(21.12)	(16.27)
Plan assets at end of the year	-	-	228.05	195.33
	Non-Funded		Funded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(c) Net Defined Benefit Liability/ (Asset)				
Present value of defined benefit obligation at the end of the year	26.21	19.87	481.46	413.58
Fair value of plan assets at the end of the year	-	-	228.05	195.33
Net Liability/ (Asset) recognised in the Balance Sheet	26.21	19.87	253.41	218.25
	Non-Funded		Funded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(d) Expenses recognised in Statement of Profit and Loss				
Service cost	11.00	10.89	64.87	48.03
Interest cost (net)	1.53	0.94	16.22	12.07
Total expense recognised in Statement of Profit and Loss	12.53	11.83	81.09	60.10

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Non-Funded		Funded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(e) Re-measurement gains/ (losses) in OCI				
Actuarial (gain)/ loss due to financial assumption changes	3.98	1.82	38.09	63.46
Actuarial (gain)/ loss due to experience adjustments	(10.17)	(5.89)	(45.81)	(81.35)
Return on plan assets (greater)/ less than discount rate	-	-	(1.85)	15.92
Total amount routed through OCI	(6.19)	(4.07)	(9.57)	(1.97)

	Non-Funded		Funded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(f) The major categories of plan assets of the fair value of the total plan assets are as follows				
Investments with insurer	N.A.	N.A.	100%	100%

	March 31, 2020	March 31, 2019
41(g) The principal assumptions used in determining gratuity benefit obligations for the Group are shown below		
Discount Rate	7.00%	7.70%
Salary Escalation Rate	6.00%	4%-6%
Mortality Rate	IALM (2012-14) table	IALM (2006-08) table
Withdrawal Rate	1% to 20%	1% to 8%

41(h) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Funded		March 31, 2020		March 31, 2019	
	Sensitivity	Increase	Decrease	Increase	Decrease
Effects on Defined Benefit Obligation due to change in					
Discount Rate	1%	443.98	524.54	378.28	454.54
Further salary increase	1%	516.97	449.66	447.76	383.19
Withdrawal Rates	1%	486.17	476.06	-	-
Non-funded					
	Sensitivity	March 31, 2020		March 31, 2019	
		Increase	Decrease	Increase	Decrease
Effects on Defined Benefit Obligation due to change in					
Discount Rate	1%	22.99	30.10	17.46	22.77
Further salary increase	1%	30.24	22.82	22.90	17.32
Withdrawal Rate	1%	25.92	26.45	19.64	20.04

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

41(i) The average duration of the defined benefit plan obligation at the end of the reporting period is 5.68 years (March 31, 2019: 5.83 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

Particulars	Non-funded Amount	Funded Amount
Expected benefits payment for the year ending on		
March 31, 2021	0.13	44.02
March 31, 2022	0.69	33.67
March 31, 2023	1.22	33.19
March 31, 2024	1.70	40.02
March 31, 2025	1.95	36.59
April 1, 2025 onwards	76.09	795.92
	March 31, 2020	March 31, 2019
41(j) Defined Contribution Plan		
Contribution to Provident/ Pension Funds (Refer Note No. 32)	152.77	144.73

42. Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient;

- The Group has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.
- Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 4.5 Significant Accounting Policies for detailed measurement and recognition principles on Lease

- On adoption of Ind AS 116 the Group has reclassified Leasehold Land having net block of ₹ 262.01 lakhs from Property Plant & Equipment to Right of Use Asset. The said land was under finance lease arrangements as per Ind-AS 17 for terms ranging from 86 to 90 years.
- The adoption of new standard has also resulted in recognition of right of use assets of ₹ 1,239.31 lakhs and a corresponding lease liability of the same amount on the date of transition.
- In the Statement of Profit and Loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as depreciation of right of use assets and interest on lease liability under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The operating cash flows for the year ended March 31, 2020 has increased by ₹ 342.24 Lakhs and the financing cash flows have decreased by ₹ 342.24 Lakhs as payment of lease liabilities.
- The weighted average incremental borrowing rate of 8% has been applied to lease liabilities recognised in the Balance Sheet.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

e) Maturity analysis of lease liabilities

As per the requirement of Ind As-107 maturity analysis of lease liability have been shown under maturity analysis of financial liabilities under Liquidity risk (Refer Note No. 48 (b)(i)).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

f) Rental expenses for short-term leases, low value leases or leases which are cancellable in nature amounts to ₹ 209.18 lakhs for the year ended March 31, 2020. (Refer Note No. 535)

g) Changes in Carrying Value of Right of Use Assets and Lease Liabilities is given below:

(i) Carrying value of Right-of-Use Assets

	Leasehold Land	Buildings	Total
Balance as at April 1, 2019	-	-	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	262.00	1,239.31	1,501.31
Addition during the year	-	-	-
Depreciation for the year	3.22	307.36	310.58
Balance as at March 31, 2020	258.78	931.95	1,190.73

(ii) Movement in Lease Liabilities

	Amount
Balance as at April 1, 2019	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	1,239.31
Addition during the year	-
Finance Cost accrued during the year	85.38
Payment of Lease Liabilities for the year	342.24
Balance as at March 31, 2020	982.45

43. Related Party Disclosure

Names of related parties and related party relationship

Related parties where control exists

Related Parties which exercises Significant influence over the company (Forming Part of Promoter Group)	Ullas Sales Promotion LLP (Previously known as Ullas Sales Promotion Ltd)(w.e.f. August 21, 2019)
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Related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Niraj Kabra	Executive Director
	Mr. Dinesh Kumar Lodha	Chief Executive officer (w.e.f. February 25, 2019)
	Mr. Ashok Bhandari	Independent Director (w.e.f. August 10, 2018)
	Mr. Kundan Kumar Jha	Company Secretary
	Mr. Satya Brata Ganguly	Independent Director (Upto July 3, 2018)
	Mr. Dipak Kumar Banerjee	Independent Director
	Mr. Dharam Chand Jain	Independent Director
	Mr. Vinod Kumar Kothari	Independent Director
	Mr. Sushil Patwari	Independent Director
	Mrs. Alka Devi Bangur	Independent Director

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

Relatives of Key Management Personnel	Mr. Suresh Agarwal	Son of Mr. Prahlaad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Vikash Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grand-Son of Mr. Prahlaad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlaad Rai Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlaad Rai Agarwala
	Mrs. Pushpa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Shalini Agarwal	Wife of Mr. Vikash Agarwal
	Mrs. Sudha Agarwal	Wife of Mr. Suresh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala
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	
	Lambodar Hosiery Pvt Ltd.	
	Arrow-Link Stitchers Pvt Ltd (w.e.f. April 22, 2019)	
	Rupa Spinners Ltd.	
	Salasar Developers & Garments Pvt Ltd.	
	Bajrangbali Projects Ltd.	
	Bajrangbali Hosiery Pvt. Ltd	
	Sidhant Textiles Pvt Ltd.	
	Ganesh Enclave Ltd.	
	Gajkarna Projects Private Limited	
	Ravi Global Pvt Ltd.	
	Kadambari Impex & Agency Pvt Ltd.	
	Prahlaad Rai Suresh Kumar - HUF	
	Suresh Kumar Agarwal - HUF	
	Mukesh Kumar Agarwal - HUF	
	Ghanshyam Prasad Manish Kumar - HUF	
	K B & Sons - HUF	
	Ravi Agarwal - HUF	
	Binod Hosiery	
	Rajnish Enterprises Ltd. [Merged with Ullas Sales Promotion Pvt Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]	
	Purvanchal Leasing Ltd. [Merged with Ullas Sales Promotion Pvt Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]	
	Siddhant Credit Capital Ltd.	
	Yashoda Hosiery Pvt. Ltd. (w.e.f. April 22, 2019)	
	Rupa Dyeing & Printing Pvt Ltd	
	Rupa Foundation	
	Tushar Knitting LLP	
Private companies in which directors or relatives are director or members	Salasar Processors Pvt. Ltd.	
	Bajrangbali Textiles Pvt. Ltd.	
	Metro Towers Office Owners Association	

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Related party transactions

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Rent	Mr. Prahlad Rai Agarwala	Key Management	3.38	3.38
	Mr. Ghanshyam Prasad Agarwala	Personnel	1.37	1.37
	Mr. Kunj Bihari Agarwal		0.58	0.58
	Mr. Mukesh Agarwal		1.30	1.30
	Mrs. Pushpa Devi Agarwal	Relatives of Key Management Personnel	0.22	0.22
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	1.30	1.30
	Rupa Spinners Ltd.		1.30	1.30
	Salasar Developers & Garments Pvt Ltd.		1.30	1.30
	Bajrangbali Projects Ltd.		1.30	1.30
	Sidhant Textiles Pvt Ltd.		1.37	1.37
	Bajrangbali Hosiery Pvt Ltd		1.74	1.74
	Ganesh Enclave Ltd.		1.30	1.30
	Ravi Global Pvt Ltd.		1.37	1.37
	Kadambari Impex & Agency Pvt Ltd.		1.37	1.37
	Sobhasaria Properties Pvt Ltd		1.73	30.53
	Others		1.15	1.15
Payment of Lease Liabilities	Sobhasaria Properties Pvt Ltd		28.80	-
Salary and Perquisites	Mr. Prahlad Rai Agarwala [#]	Key Management	208.00	196.00
	Mr. Ghanshyam Prasad Agarwala	Personnel	102.00	90.00
	Mr. Kunj Bihari Agarwal		102.00	90.00
	Mr. Ramesh Agarwal		102.00	87.00
	Mr. Mukesh Agarwal		102.00	87.00
	Mr. Dinesh Kumar Lodha		255.75	21.34
	Mr. Niraj Kabra		18.43	16.45
	Mr. Kundan Kumar Jha		23.08	20.14
	Mr. Manish Agarwal	Relatives of Key Management Personnel	72.00	60.00
	Mr. Ravi Agarwal		72.00	60.00
	Mr. Vikash Agarwal		72.00	60.00
	Mr. Rajnish Agarwal		72.00	60.00
	Mr. Suresh Agarwal		48.00	36.00
	Mr. Siddhant Agarwal		42.00	36.00
	Mrs. Rekha Patodia		17.34	15.70
Sitting Fees and Commission	Mr. Satya Brata Ganguly	Independent Director	-	6.40
	Mr. Dipak Kumar Banerjee		12.85	17.50
	Mr. Dharam Chand Jain		7.50	10.50
	Mr. Vinod Kumar Kothari		12.60	14.45
	Mr. Sushil Patwari		10.05	13.30
	Mr. Ashok Bhandari		10.20	9.60
	Mrs. Alka Devi Bangur		5.70	9.60

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as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Rental Income	Bajarangbali Textiles Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	6.00	6.00
	Tushar Knitting LLP		3.60	4.20
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd		843.28	735.89
	Tushar Knitting LLP		46.33	48.72
	Arrow Link Stitchers Pvt. Ltd.		5,669.79	-
	Salasar Processors Pvt. Ltd.		775.93	630.97
	Yashoda Hosiery Pvt. Ltd.		211.67	-
	Lambodar Hosiery Pvt Ltd.		128.60	130.05
	Bajarangbali Textiles Pvt. Ltd.		20.17	39.51
Advertisement Expense	Gajkarna Projects Private Limited		3.94	-
Purchase	Rupa Dyeing & Printing Pvt Ltd		43.33	-
CSR Expenditure	Rupa Foundation		46.68	83.00
Miscellaneous Expenses	Metro Towers Office Owners Association	Private companies in which directors or relatives are director or members	49.60	47.96
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	86.74	86.74
	Mr. Ghanshyam Prasad Agarwala		39.58	39.58
	Mr. Kunj Bihari Agarwal		38.39	38.39
	Mr. Mukesh Agarwal		21.89	21.89
	Mr. Ramesh Agarwal		31.78	31.78
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	52.66	52.66
	Mr. Ravi Agarwal		52.28	52.28
	Mr. Rajnish Agarwal		37.30	37.30
	Mr. Manish Agarwal		36.98	36.98
	Mr. Suresh Agarwal		32.00	32.00
	Others		76.96	76.96
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	474.70	474.70
	Purvanchal Leasing Ltd.		174.23	174.23
	Binod Hosiery		502.91	502.91
	Siddhant Credit Capital Ltd.		50.76	50.76
	Others		39.31	39.31

#includes Commission of ₹ 100 Lakhs (March 31, 2019: ₹ 100 Lakhs)

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel and relatives of Key Managerial Personnel are not included above.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Balance at end of the year

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
Trade Payables and Other Liabilities (Payable to Employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	281.35	103.73
	Mr. Ghanshyam Prasad Agarwala		92.27	27.35
	Mr. Kunj Bihari Agarwal		26.47	14.67
	Mr. Ramesh Agarwal		88.51	34.84
	Mr. Mukesh Agarwal		152.63	77.25
	Mr. Dinesh Kumar Lodha		19.34	17.10
	Mr. Niraj Kabra		1.64	1.22
	Mr. Kundan Kumar Jha		1.58	0.37
	Mr. Manish Agarwal	Relatives of Key Management Personnel	60.96	18.90
	Mr. Rajnish Agarwal		61.04	28.19
	Mr. Ravi Agarwal		21.79	24.33
	Mr. Vikash Agarwal		30.47	20.75
	Mr. Suresh Agarwal		42.84	14.31
	Mr. Siddhant Agarwal		50.48	30.13
	Mrs Rekha Patodia		1.90	2.03
	Mrs. Pushpa Devi Agarwal		0.61	0.22
	Mr. Dipak Kumar Banerjee	Independent Director	5.00	5.00
	Mr. Dharam Chand Jain		3.00	3.00
	Mr. Vinod Kumar Kothari		5.00	5.00
	Mr. Sushil Patwari		5.00	5.00
	Mr. Ashok Bhandari		5.00	5.00
	Mrs. Alka Devi Bangur		3.00	3.00
Trade Payables	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	168.77	67.24
	Salasar Infrastructure Ltd.		0.54	-
	Salasar Projects and Estates Pvt. Ltd.		0.21	-
	Sidhant Flats & Apartments Pvt Ltd.		0.21	-
	Sidhant Textiles Pvt Ltd.		0.57	-
	Ganesh Enclave Ltd.		0.54	-
	Ravi Global Pvt Ltd.		0.57	-
	Rupa Spinners Ltd.		0.54	-
	Bajrangbali Projects Ltd.		0.54	-
	Kadambari Impex & Agency Pvt Ltd.		0.57	-
	Lambodar Hosiery Pvt Ltd.		14.81	14.51
	M/s Binod Hosiery		0.41	0.26
	Arrow Link Stitchers Pvt. Ltd.		97.03	-
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members.	-	23.88
	Bajrangbali Textiles Pvt. Ltd.		11.95	37.12
	Tushar Knitting LLP		5.73	23.02
	Yashoda Hosiery Pvt. Ltd.		4.90	-
	Metro Towers Office Owners Association		6.72	1.99

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as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
Advance against supply of goods & services	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members.	23.11	-
	Sobhasaria Properties Pvt Ltd		-	2.83
Financial Assets - Security Deposit	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	26.00	26.00
	Sidhant Flats & Apartments Pvt Ltd.		26.40	26.40
	Bajrangbali Projects Ltd.		3.00	3.00
	Ganesh Enclave Ltd.		3.00	3.00
	Rupa Spinners Ltd.		3.00	3.00
	Salasar Infrastructure Ltd.		3.00	3.00
	Salasar Developers & Garments Pvt Ltd.		3.00	3.00
Lease Liability Payable*	Sobhasaria Properties Pvt Ltd		2.21	-

Note:

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

*Amount due as on March 31, 2020

	March 31, 2020	March 31, 2019
44. Earning per share		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	6,190.34	7,417.78
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)	7.78	9.33

45. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Group and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Description of Segment

The Group is principally engaged in a single business segment viz., Hosiery Products.

B. Geographical Information

	March 31, 2020	March 31, 2019
i) Segment Revenue from External Customer (Sale of Goods)		
Within India	92,467.73	1,09,464.99
Outside India- Export Sales	2,494.19	2,751.72
Total	94,961.92	1,12,216.71

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
ii) Carrying value of Non-Current Assets (other than financial instruments)		
Within India*	21,242.62	19,390.50
Outside India	-	-
Total	21,242.62	19,390.50

*Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Right of Use Assets, Intangible Assets under Development, Non-Current Tax Assets and Other Non-Current Assets.

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

	March 31, 2020	March 31, 2019
Amount of CSR expenditure to be incurred during the year	287.73	254.96
CSR Expenditure incurred during the year	224.93	257.36
Related party transaction as per Ind AS 24 in relation to CSR expenditure	46.68	83.00

47. Capital Management

The Group's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (Total Borrowings, Lease liabilities less cash & cash equivalents) to equity ratio is used to monitor capital.

	March 31, 2020	March 31, 2019
Debt Equity Ratio	0.33:1	0.37:1

48. Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Group and provides additional information on Balance Sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4.12 to the financial statements

(a) Fair Value of Financial Asset & Liabilities

The Group has measured its Financial Asset and Financial Liabilities at Amortised Cost. Hence no separate disclosure has been given for fair value hierarchy

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, borrowings and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities.

(b) Financial Risk Management

The Group has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The different types of risk impacting the fair value of financial instruments are as below:

(a) Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

(i) Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/ bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note No. 13.

Reconciliation of Loss Allowance provision:-

Loss Allowance in March 31, 2019	38.17
Change in loss Allowance	73.04
Loss Allowance in March 31, 2020	111.21

(ii) Bank Deposit

Credit risk is limited as the Company generally invest in deposits with banks.

(b) Liquidity Risk

The Group determines its liquidity requirement in the short term and long term. The Group manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis

(i) Maturity Analysis for Financial Liabilities

The following are the remaining contractual maturities of financial liabilities as at March 31, 2020

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-Derivative				
Trade payables	-	13,797.72	-	-
Borrowings	6,277.40	10,541.25	762.51	327.40
Other Financial Liabilities				
Interest Accrued but not due on Borrowings	-	32.85	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	-	-	-
Security Deposits from Customers	4,276.18	-	-	-
Capital Creditors	-	57.51	-	-
Dealers Incentive payable	-	1,879.16	-	-
Payable to Employees	-	1,123.09	-	-
Lease Liability	-	296.06	160.99	525.40
Others	-	395.09	-	-
Total	10,564.97	28,122.73	923.50	852.80

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

The following are the remaining contractual maturities of financial liabilities as at March 31, 2019

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-Derivative				
Trade payables	-	14,891.51	-	-
Borrowings	8,282.09	11,950.05	750.14	62.51
Other Financial Liabilities				
Interest Accrued but not due on Borrowings	-	11.93	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	12.58	-	-	-
Security Deposits from Customers	4,201.37	-	-	-
Capital Creditors	-	91.90	-	-
Dealers Incentive payable	-	3,666.73	-	-
Payable to Employees	-	851.44	-	-
Others	-	304.96	-	-
Total	12,496.04	31,768.52	750.14	62.51

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

- (i) **Interest Rate Risk:** Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary. The Group is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a) Exposure to Interest Rate Risk

	March 31, 2020	March 31, 2019
Fixed Rate Instruments		
Financial Assets	249.51	167.41
Financial Liabilities	5,258.63	800.00
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	17,941.41	20,244.79

- (b) **Interest Rate Sensitivity:** A change in 50 basis points in the interest rate would have following impact on profit before tax and other equity.

	Sensitivity Analysis	March 31, 2020 Impact on		March 31, 2019 Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest rate increase by	0.50%	(89.71)	(67.13)	(101.22)	(65.85)
Interest rate decrease by	0.50%	89.71	67.13	101.22	65.85

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Unhedged Foreign Currency Exposure

The Group's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows :

	March 31, 2020	March 31, 2019
Financial Assets		
Trade Receivables	787.93	672.70
EEFC Bank Account	48.62	240.41

(d) Other Risk

The spread of Covid-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs and other emergency measures. As a result the volumes for the month of March 2020 has been impacted. The Companies in the group has since resumed operations in a phased manner taking into account directives from the Government. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and other assets. Having regard to the above and the company's liquidity position, there is no material uncertainty in meeting its liabilities in the foreseeable future. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

49. Movement of Deferred Revenue (Refer Note No. 23)

	March 31, 2020	March 31, 2019
Opening Balance	100.62	118.10
Government Grant received during the year	166.35	-
Less:		
Deferred Revenue on Government Grant recognised in Profit and Loss Statement	33.63	17.48
Current portion of Deferred Revenue Grant carried forward as at year end	30.67	17.48
Non-Current portion of Deferred Revenue Grant carried forward as at year end	202.67	83.14

50. The net worth of one of the wholly owned subsidiary company, M/s Oban Fashions Pvt.Ltd. as at the Balance Sheet date is negative. As per the requirements of IND AS - 36 "Impairment of Assets", the Group has assessed the carrying value of the subsidiary vis-a-vis the recoverable value and envisaged that no impairment is required as at the Balance Sheet date.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

51 Additional information in respect of net assets and profit / loss of each entity within the Group and their respective share

	As at March 31, 2020		FY 2019-2020		FY 2019-2020		FY 2019-2020	
	Net Assets, i.e., total assets minus total liabilities		Share in profit		Share in profit		Share in profit	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated net assets	Amount
Parent								
- Rupa & Company Ltd	97.45%	56,322.76	129.34%	8,006.53	51.11%	7.15	129.16%	8,013.68
Subsidiaries (Indian)								
- Imoogi Fashions Pvt Ltd	0.51%	293.22	0.45%	27.69	0.71%	0.10	0.45%	27.79
- Euro Fashion Inners International Pvt Ltd	0.77%	442.37	0.09%	5.70	0.00%	-	0.09%	5.70
- Rupa Fashions Pvt Ltd	0.01%	4.66	-0.01%	(0.34)	0.00%	-	-0.01%	(0.34)
- Rupa Bangladesh Pvt Ltd	0.02%	12.65	-0.02%	(1.39)	4.79%	0.67	-0.01%	(0.72)
- Oban Fashions Pvt Ltd	1.25%	719.80	-29.85%	(1,847.85)	43.39%	6.07	-29.69%	(1,841.78)
Total	100.00%	57,795.46	100.00%	6,190.34	100.00%	13.99	100.00%	6,204.33
	As at March 31, 2019		FY 2018-2019		FY 2018-2019		FY 2018-2019	
	Net Assets, i.e., total assets minus total liabilities		Share in profit		Share in profit		Share in profit	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated net assets	Amount
Parent								
- Rupa & Company Ltd	103.10%	56,153.57	125.88%	9,337.38	29.81%	1.28	125.82%	9,338.66
Subsidiaries (Indian)								
- Imoogi Fashions Pvt Ltd	0.49%	265.44	0.48%	35.45	8.09%	0.35	0.48%	35.80
- Euro Fashion Inners International Pvt. Ltd.	0.80%	436.67	0.11%	8.35	0.00%	-	0.11%	8.35
- Oban Fashions Pvt Ltd	-4.39%	(2,388.42)	-26.47%	(1,963.40)	62.10%	2.66	-26.42%	(1,960.74)
Total	100.00%	54,467.26	100.00%	7,417.78	100.00%	4.29	100.00%	7,422.07

The amount stated above in respect of Subsidiaries are as per the Standalone Financial Statements of each of individual entities, before making any adjustments for intra - group transactions and/or balances.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

52. Previous year figures have been reclassified/regrouped wherever considered necessary.

As per our report of even date

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

Sd/-

Ankit Dhelia

Partner

Membership No. 069178

Place: Kolkata

Date: June 26, 2020

Sd/-

Prahlad Rai Agarwala

Chairman

DIN: 00847452

Sd/-

Ramesh Agarwal

Whole-time Director-cum-

Chief Financial Officer

DIN: 00230702

For and on behalf of the Board of Directors

Sd/-

Ghanshyam Prasad Agarwala

Vice-Chairman

DIN: 00224805

Sd/-

Dinesh Kumar Lodha

Chief Executive Officer

Sd/-

Kunj Bihari Agarwal

Managing Director

DIN: 00224857

Sd/-

Kundan Kumar Jha

Company Secretary

Membership No. ACS17612

Form AOC - 1

[Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the Financial Statements of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A": Subsidiaries

(₹ in Lakhs)

	1	2	3	4	5
Name of the Subsidiary Companies	Euro Fashion Inners International Private Limited	Imoogi Fashions Private Limited	Oban Fashions Private Limited	Rupa Fashions Private Limited	Rupa Bangladesh Private Limited
The date since when the subsidiary was acquired	April 26, 2005	September 15, 2010	December 29, 2015	December 11, 2019	September 1, 2019
Financial Year ending on	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Bangladesh Taka
Exchange Rate on the last day of the Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	INR 0.88368 per BDT
Share Capital	410.00	1.00	991.00	5.00	13.37
Reserves and Surplus	32.37	292.22	-271.20	-0.34	-0.72
Total Assets	484.37	546.78	7,091.93	5.00	12.86
Total Liabilities	42.00	253.56	6,372.13	0.34	0.20
Investments	-	-	-	-	-
Turnover	8.95	401.50	3,265.41	-	-
Profit/ (Loss) before Tax	7.74	37.25	-1,847.85	0.34	-1.39
Provision for Tax	-2.04	9.56	-	-	-
Profit/ (Loss) after Tax	5.70	27.69	-1,847.85	0.34	-1.39
Proposed dividend	-	-	-	-	-
% of shareholding	100	100	100	100	100

Notes:

- Names of the subsidiaries which are yet to commence operations : Rupa Fashions Private Limited
Rupa Bangladesh Private Limited
- 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.

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

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

For and on behalf of the Board of Directors

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

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

Place: Kolkata
Date: June 26, 2020

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RUPA & COMPANY LIMITED

Metro Tower, 1 , Ho Chi Minh Sarani, Kolkata - 700071. India
Website: www.rupa.co.in

An ISO 9001:2015 Certified Company

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