



RUPA & COMPANY LIMITED

ANNUAL REPORT 2009-2010



SUCCESS...
WOVEN TO
NO.



Shri Prahlad Rai Agarwala
the guiding force behind our organisation

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri P. R. Agarwala, *Chairman*
Shri G. P. Agarwala, *Vice Chairman*
Shri K. B. Agarwala, *Managing Director*
Shri Ramesh Agarwal
Shri Mukesh Agarwal
Shri S. K. Khaitan
Shri R. S. Agarwal
Shri S. Patwari
Shri D. C. Jain
Shri Vinod Kothari

COMPANY SECRETARY

Priya Punjabi

AUDITORS

M/s K. Agrawal & Co.
Chartered Accountants
34, Ezra Street, Kolkata - 700 001

BANKERS

Citibank N.A.
Indusind Bank Ltd.
Standard Chartered Bank
State Bank of India

REGISTERED OFFICE

Metro Tower, 8th Floor
1, Ho Chi Minh Sarani
Kolkata - 700 071
Email : info@rupa.co.in

REGISTRAR & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001

DIRECTORS' REPORT

Dear Shareholders

Your Directors have great pleasure in presenting their Twenty Fifth Annual Report together with the Audited Statement of Accounts of the Company and Auditors' Report for the year ended March 31, 2010.

FINANCIAL RESULTS

The highlights of the financial results for the year 2009-10 are as follows :

	Year Ended 31.03.2010	Year Ended 31.03.2009
	(in Rs.)	
Sales & Other Income	5,233,334,258	4,135,243,795
Total Expenditure	4,772,266,240	3,814,658,842
Gross Profit before Interest, Depreciation and Tax	461,068,018	320,584,953
Less : Interest & Finance Charges	56,991,397	77,435,949
Gross Profit after Interest but before Depreciation and Tax	404,076,621	243,149,004
Less : Depreciation	35,491,782	30,738,653
Profit before Tax	368,584,839	212,410,351
Less : Provision for Tax	122,500,000	70,000,000
Provision for Fringe Benefit Tax	—	2,500,000
Provision for Deferred Tax	4,676,736	3,332,434
Profit after Tax	241,408,103	136,577,917
Add : Surplus brought forward	327,088,336	252,030,298
Surplus Available	568,496,439	388,608,215
Appropriation :		
Transfer to General Reserve	25,000,000	15,000,000
Proposed Dividend	51,690,964	39,762,280
Tax on Proposed Dividend	8,585,223	6,757,599
Balance carried to Balance Sheet	483,220,252	327,088,336

OPERATIONS

The Company has achieved a growth of 26.25% in Sales & Income from Operations during the year under review over the previous year. The Sales & Income from Operations including other income during the year under review is Rs. 5,233,334,258 as against Rs. 4,135,243,795 in the previous year. Your Company has also achieved a growth of 43.82% in Gross Profit before Interest, Depreciation and Tax & 76.76% in Profit after Tax respectively during the period under review over the previous year. The Gross Profit before Interest, Depreciation and Tax during the year under review is Rs. 461,068,018 as compared to Rs. 320,584,953 in the previous year. The Profit after Tax for the year under review is Rs. 241,408,103 as against Rs. 136,577,917 in the previous year.

SUBSIDIARY

Your Company has Wholly Owned Subsidiary - M/s Euro Fashion Inners International Private Ltd. M/s Euro Fashions is engaged in selling hosiery products under the brand name "EURO" which are premium products designed for the taste of upper-class consumers.

DIVIDEND

Considering the financial performance of your Company during the Financial Year 2009-2010 and with a view to meet the twin objectives of rewarding shareholders adequately and retaining resources to meet your Company's business requirements, your Directors are pleased to recommend a Dividend of Rs. 6.5 per share for the Financial Year 2009-2010 (Previous year Rs. 5.00 per share).

DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS' REPORT

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

DIRECTORS

Mr. Shiv Prakash Saraf resigned from the Directorship of the Company on July 27, 2009 due to ill health and left for heavenly abode on December 17, 2009. The Board expressed its deep regret and recorded its deep appreciation for the valuable services rendered by him during his long association with the Company. The casual vacancy created by his resignation is being filled up by the appointment of Mr. Mukesh Agarwal as a Director of the Company.

The Company has received a notice from the member of the Company proposing the candidature of Mr. Mukesh Agarwal as Director of the Company.

Mr. Vinod Kumar Kothari, Mr. Shree Krishna Khaitan and Mr. Ghanshyam Prasad Agarwala retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Consent of members is sought at the ensuing Annual General Meeting for reappointment of Mr. Prahlad Rai Agarwala as Whole-time Chairman of the Company for a period of five years with effect from 1st April, 2010.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following form part of this Annual Report :

- i) Management Discussion and Analysis;
- ii) Corporate Governance Report;
- iii) Auditors' Certificate regarding compliance of conditions of Corporate Governance;
- iv) Declaration duly signed by Mr. Kunj Bihari Agarwala, Managing Director to the effect that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as laid down by the Company.

AUDITORS

The Auditors M/s. K. Agrawal & Co., Chartered Accountants, retire as Statutory Auditors of the Company and they have expressed unwillingness for re-appointment as Statutory Auditors.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company proposed the appointment of M/s. L. B. Jha & Co., Chartered Accountants, as the Statutory Auditors of the Company.

M/s. L. B. Jha & Co., Chartered Accountants, have given a certificate that their appointment as Statutory Auditors, if made, would be in conformity with the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors state that :

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year 2009 - 2010, and of the Profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

Remuneration of Chairman and Managing Director is given under Corporate Governance Report. Except Chairman and Managing Director none of the employees of the Company was in receipt of remuneration which requires disclosures under Section 217(2A) of the Companies Act, 1956 and the Rules made therein.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned details relating to energy conservation, technology absorption, foreign exchange earnings and outgo are given in Annexure - I attached hereto, which forms part of this Directors' Report.

PARTICULARS REQUIRED AS PER LISTING AGREEMENT WITH STOCK EXCHANGE

A statement containing necessary information as required under the Listing Agreements with the Stock Exchanges is annexed hereto as Annexure II.

ACKNOWLEDGEMENTS

Your Directors express their deep and sincere appreciation for the continued cooperation and support extended to the Company by the Government authorities, Company's Bankers, Financial Institutions, Vendors, Customers and Shareholders during the year under review. Your Directors also express and convey their warm appreciation to all employees for their diligence and contribution to the growth of the Company.

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 7th day of September, 2010

Prahlad Rai Agarwala
Chairman

ANNEXURE - I TO THE DIRECTORS' REPORT

Information as required under Section 217(1)(e) read with Companies (Disclosure of Particulars in respect of Board of Directors) Rules, 1988

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Research and Development is being carried out by the Company in the areas of product design & marketing. Due to continuous efforts and development, products of your Company enjoy premium position in the market. Other provisions of Section 217(1)(e) of the Companies Act, 1956 with regards to conservation of energy & technology absorption are not applicable to your Company.

Foreign Exchange Earnings & Outgo	(Rs.)
Foreign Exchange Earning	89,154,250
Foreign Exchange Outgo	325,108,328

ANNEXURE - II TO THE DIRECTORS' REPORT

The Securities of the Company are listed in the Stock Exchanges as stated below and the annual listing fees have been paid to each of the Exchange :

The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700 001

The Jaipur Stock Exchange Limited
Stock Exchange Building
Jawaharlal Nehru Marg
Malvia Nagar, Jaipur - 302 017

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. It contributes about 14% to industrial production, 4% to the country's gross domestic product (GDP) and 17% to the country's export earnings (according to the Annual Report 2009-10 of the Ministry of Textiles). The textile group consisting of cotton, wool, silk and man-made and jute textiles and textile products, grew by 7.5% during April-November 2009 compared to 1.0% during April-November 2008. The highest growth was observed in the hosiery sector (12.8%).

Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. It provides direct employment to over 35 million people and is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

OPPORTUNITIES & THREATS

Opportunities

The outlook for textile industry in India is very optimistic. It is expected that Indian textile industry would continue to grow at an impressive rate. The Union Textiles Minister has appreciated the Budget Proposals 2010-11 presented in Parliament.

The initiative of Finance Minister to provide one time grant of Rs. 200 crore to 20 Common Effluent Treatment Plant (CETP) installed by dyeing units in Tirupur, Tamil Nadu will supplement the efforts of Government of Tamil Nadu which had already provided support of Rs. 120 crore. Tirupur is the leading export centre mainly for hosiery and provides employment to approximately 5 lakh workforces and this measure will ensure protection of employment and smooth production and export of knitwear from Tirupur.

The recent initiatives for attracting FDI in textile sector have been lauded in the Economic Survey 2009-10 and Foreign Investment will help us to modernize textile and clothing industry and aid its integration into the global textiles market.

The micro, small, medium enterprises in textiles sector have been given full CENVAT credit on capital goods in one installment in the year of receipt of such goods and the facility of payment of excise duty in quarterly basis.

The various measures adopted by the government to assist the Textile industry have thrown up opportunities for fundamentally strong companies such as your Company. Your Company is expected to benefit from the specific and targeted initiatives of the government. It also has an edge in the form of strong domain expertise, powerful brand positioning, strength and resilience of the brands, fully integrated state of the art production facilities, cutting-edge technology and unparalleled product innovation capabilities combined with the deep retail market penetration, which provides a highly potent platform to seize the opportunities that are bound to arise during cyclical downturns in the form of newer markets, new segments of customers, new channels of distribution, etc.

Threats

The hosiery industry has urged the government to take steps to reduce the prices of cotton yarn and ensure domestic availability of the raw material by cutting down exports. The prices of cotton yarn have jumped to Rs.190 a kg from Rs.135 a kg. in September last year in the domestic market, leading to buyers' resistance and consequent drop in production. The supply of yarn in the domestic market has also become irregular. The main reason for the escalating prices is the massive rise in exports of the yarn, produced mainly in South India. Seventeen percent of the total yarn production in the country is exported now and if no action is taken by the government this chain effect of non-availability of knitted fabric will hit down

the line processes like bleaching and dyeing, cutting and tailoring units

Some other specific threats include poor quality of inland roads, especially state highways, large number of octroi posts, local regulations regarding road used during specific hours only and absence of expressways which could reduce the inland transportation time given the sub-continental size of the country.

RISKS AND CONCERN

An unprecedented rise in the prices of raw materials - both cotton and yarn - in the past few months, an increase in overhead costs like wages of labour brought about by inflation, hike in the duty of petroleum products, frequent fluctuations in the rupee-euro-dollar exchange ratio and sluggish recovery of the global economy have made Indian garments uncompetitive in the world market. Also, if the government does not impose export duty in order to ensure regularity in supplies of yarn in the domestic market and put in place a mechanism to check the abnormal increase in yarn prices there may be large scale lay-offs in the industry. Inflation too has severely curtailed the purchasing power of consumers and the consequent lack of buyers has hit several industries. The increase in excise duty coupled with about Rs. 2 increase in prices of petrol and diesel will substantially increase raw material and input costs. The industry, already struggling mainly on account of high costs, will be further suffocated with these cost increases.

OVERVIEW

Your Company is a market leader in hosiery sector and aims at becoming one of the largest hosiery and knitwear suppliers which will allow it to cater to the needs of its consumers. Your Company has registered a 26.25% growth in the turnover of the Company and an increase 76.76% in Profit after Tax.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company places prime importance to effective internal controls as well as good internal audit system. The internal control is supplemented by an extensive program of internal audit headed by an internal audit firm of Chartered Accountants to monitor adherence to all internal policies and procedures as well as compliance with all external regulatory guidelines, review by management, and policies, guidelines and procedures duly approved by the Audit Committee of the Board of Directors.

The Company has a system of internal control comprising authority levels, supervision, checks and balances and procedures. The system is reviewed and updated on an on going basis with an objective to improve systems and efficiency of operations. It is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

FUTURE OUTLOOK

Your Company has achieved a 26.25% growth in the turnover. It has been constantly following emerging market trends and has accordingly from time to time revamped its marketing strategies and product portfolios. The Company is trying to come up with some new products and ranges of inner and fashion wears according to changing consumer needs and demands and is on the path to becoming a lifestyle solution for discerning customers with an offering of a range of fabrics, garments and accessories in a premium shopping environment.

HUMAN RESOURCES

The Company recognizes the need to have optimum level of human resource and orientation towards team efforts for sustained growth and performance. Your Company believes that people constitutes the strength of an organization and has established systems that reduces hierarchy and fosters performance, transparency, fairness and empowerment at all levels.

The relations with Company's work force continue to be very cordial and their un-stinted co-operation has enabled your Company to achieve continuous growth, both quantitatively and qualitatively. The Commitment of the workforce is one of the strong pillars for the sustenance of growth in the years ahead.

SEGMENT-WISE PERFORMANCE

The Company broadly has three primary segments viz., sales, services & power generation and two Secondary Geographical Segments viz domestic and exports. The revenues generated under each segment have been narrated in Schedule to the Accounts.

CAUTIONARY STATEMENT

Statements in this 'Management Discussion and Analysis' detailing the Company's objectives, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply condition, cost of inputs, finished goods prices, changes in government regulations, tax regimes etc.

CORPORATE GOVERNANCE REPORT

1. 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.

Your 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, as well as 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 shareholders. The Company has proactive measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks that measure 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 organization 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.

2. BOARD OF DIRECTORS

The Company Board comprises of ten directors as on March 31, 2010. With the Chairman being Executive, half of the Board consists of Independent Directors. During the financial year ended March 31, 2010, five Board Meetings were held on May 20, 2009, June 25, 2009, July 29, 2009, October 28, 2009 and January 28, 2010.

The Composition of the Board of Directors as at March 31, 2010 and the attendance of each Director at the Board Meetings and also at the last Annual General Meeting (AGM) and the number of other Directorships and Board Committee Memberships/Chairmanships including changes since the last report are as follows :

Name of Director	Category	Attendance Particulars		Number of other Directorships and Committee Memberships/Chairmanships #		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Prahlad Rai Agarwala (Chairman)	Executive & Non Independent	5	No	2	-	-
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	Executive & Non Independent	5	No	1	-	-
Mr. Kunj Bihari Agarwala (Managing Director)	Executive & Non Independent	5	Yes	2	-	-
Mr. Shiv Prakash Saraf*	Executive & Non Independent	1	No	N.A.	N.A.	N.A.
Mr. Mukesh Agarwal*	Executive & Non Independent	2	No	4	-	-
Mr. Ramesh Agarwal**	Executive & Non Independent	3	Yes	9	1	1
Mr. Shree Krishna Khaitan	Non-Executive & Independent	5	No	5	1	-
Mr. Radhe Shyam Agarwal	Non-Executive & Independent	2	No	9	1	-
Mr. Dharam Chand Jain	Non-Executive & Independent	5	No	-	-	-
Mr. Sushil Patwari	Non-Executive & Independent	3	No	3	2	-
Mr. Vinod Kumar Kothari	Non-Executive & Independent	4	Yes	2	3	-

- # Excludes Directorships held in private limited companies/foreign companies/companies under Section 25 of the Companies Act, 1956. Only Membership/Chairman of Audit Committee and Shareholders' Investors Grievance Committee has been considered.
- * Mr. Shiv Prakash Saraf resigned from the Directorship of the Company on July 27, 2009 due to ill health. The casual vacancy so created is being filled up by the appointment of Mr. Mukesh Agarwal as a Director of the Company in the meeting held on July 29, 2009.
- ** Mr. Ramesh Agarwal was appointed as director in the meeting held on July 29, 2009.

None of the above Directors is a Director in more than 15 companies or a member in more than 10 Board Committees or acts as the Chairman of more than 5 such Committees across all companies in which he is a Director.

Directors seeking appointment/re-appointment at ensuing AGM

Mr. Vinod Kumar Kothari, Mr. Shree Krishna Khaitan and Mr. Ghanshyam Prasad Agarwala, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Consent of members is sought at the ensuing Annual General Meeting for re-appointment of Mr. Prahlad Rai Agarwala as Whole-time Chairman of the Company for a period of five years with effect from 1st April, 2010.

The Company has received notice from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Mukesh Agarwal as a candidate for the office of Director.

The particulars of directors seeking appointment/re-appointment at the ensuing Annual General Meeting is mentioned below:

Name of Director	Mr. Vinod Kumar Kothari	Mr. Shree Krishna Khaitan	Mr. Ghanshyam Prasad Agarwala	Mr. Prahlad Rai Agarwala	Mr. Mukesh Agarwal
Date of Birth	01.09.1961	15.12.1939	14.11.1945	11.05.1938	01.01.1971
Qualification	F.C.A., F.C.S.	B.Com	B.Com	B.Com, LLB	B.Com
Date of appointment	26.07.2004	14.02.2000	13.07.1987	01.04.1995	29.07.2009
Expertise in specific functional areas	Securitization & Structured Finance, Credit Derivatives, Leasing & Asset Financing	Industrialist	Knowledge of Textile Industry	Industrialist Promoter of the Company having more than 50 years of experience in hosiery industry	Knowledge of Textile Industry
List of other Public Ltd Companies in which directorship held	1) Gontermann Peipers (I) Ltd. 2) Greenply Industries Ltd.	1) Khaitan (India) Ltd. 2) Khaitan Lefin Ltd. 3) Khaitan Electricals Ltd. 4) Emami Paper Mills Ltd. 5) Murlidhar Ratanlal Exports Ltd.	1) Rupa Spinners Ltd.	1) Linc Pens & Plastics Ltd. 2) Rupa Spinners Ltd.	1) Rupa Spinners Ltd. 2) Bajrangbali Project Ltd. 3) Salasar Infrastructure Ltd. 4) Neo Metaliks Ltd.
Chairman/Member of the committees of the Board of Directors of other Companies in which he is a Director	Audit Committee : 1) Gontermann Peipers (I) Ltd. 2) Greenply Industries Ltd. Remuneration Committee : Gontermann Peipers (I) Ltd. Shareholders/ Investors Grivance Committee : Gontermann Peipers (I) Ltd.	Audit Committee : None Remuneration Committee : Emami Paper Mills Ltd. Shareholders/ Investors Grivance Committee : Khaitan (India) Ltd.	Audit Committee : None Remuneration Committee : None Shareholders/ Investors Grivance Committee : None	Audit Committee : None Remuneration Committee : None Shareholders/ Investors Grivance Committee : None	Audit Committee : None Remuneration Committee : None Shareholders/ Investors Grivance Committee : None

3. AUDIT COMMITTEE

As on March 31, 2010 the Audit Committee comprised of five members, three of them were Non-Executive & Independent. All members are having financial and accounting background. The Company Secretary of the Company acts as Secretary of the Audit Committee.

The Terms of Reference include :

- i) Overseeing the Company's financial reporting process and the disclosure of its Financial information to ensure that the financial statements are correct.
- ii) Recommending the appointment and removal of External Auditors & fixation of Audit Fees.
- iii) Review with management the annual financial statements before submission to the Board focusing on :
 - Any change in accounting policies and practices.
 - Major accounting entries.
 - Qualifications in draft audit report.
 - Review compliance with Accounting Standards, Stock Exchange and Legal requirements concerning Financial statements.
- iv) Reviewing with the management the quarterly financial statement before submission to the Board for approval.
- v) Reviewing with the management, Statutory Audit and Internal Audit Reports and findings.
- vi) The scope of the Audit Committee is inclusive of matters as specified in Clause 49 II D of the Listing Agreements with Stock Exchanges and such additional functions as may be decided by the Board of Directors from time to time.

The following table shows the composition, names of Members and Chairman and the details of meetings and attendance during the year :

Name of Member	Status	Category	Meetings held during the year and Attendance				
			May 20 2009	June 25 2009	July 29 2009	October 28 2009	January 28 2010
Mr. Vinod Kumar Kothari ¹	Chairman	Non-Executive & Independent	Absent	Attended	Attended	Attended	Attended
Mr. Sushil Patwari	Member	Non-Executive & Independent	Attended	Attended	Absent	Absent	Attended
Mr. Shree Krishna Khaitan	Member	Non-Executive & Independent	Attended	Attended	Attended	Attended	Attended
Mr. Shiv Prakash Saraf ²	Member	Executive & Non Independent	Attended	Absent	N.A.	N.A.	N.A.
Mr. Mukesh Agarwal ²	Member	Executive & Non Independent	N.A.	N.A.	Attended	Absent	Attended
Mr. Ramesh Agarwal ³	Member	Executive & Non Independent	N.A.	N.A.	Attended	Attended	Attended

¹ Mr. Vinod Kumar Kothari was appointed chairman of the committee on June 25, 2009 in place of Mr. Shree Krishna Khaitan.

² Mr. Shiv Prakash Saraf resigned on July 27, 2009 and Mr. Mukesh Agarwal was appointed in his place on July 29, 2009.

³ Mr. Ramesh Agarwal was appointed as member of the committee on July 29, 2009.

4. REMUNERATION COMMITTEE

The Remuneration Committee of Directors has been constituted mainly for the purpose of recommending the Company's policy on Remuneration Package for the Managing /Whole-time Directors. The remuneration is fixed based on experience, designation and financial position of the Company. The Non-Executive Directors do not draw any remuneration from the Company except sitting fee for each meeting of the Board/Committees.

Number of Meetings held during the year : **One**

Dates on which the Meeting was held : 28th January, 2010

Mr. Vinod Kumar Kothari presided over the meeting.

The following table shows the composition and names of members during the year :

Name of Member	Category	Attendance
Mr. Shree Krishna Khaitan	Non-Executive & Independent	Attended
Mr. Sushil Patwari	Non-Executive & Independent	Attended
Mr. Vinod Kumar Kothari	Non-Executive & Independent	Attended

Details of Remuneration of Directors for the financial year ended March 31, 2010 are given below :

Name of Directors	Salary & Allowances (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Prahlad Rai Agarwala (Chairman)	2,400,000	1,200,000	497,867	-	4,097,867
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	1,800,000	-	591,108	-	2,391,108
Mr. Kunj Bihari Agarwala (Managing Director)	1,800,000	-	767,476	-	2,567,476
Mr. Ramesh Agarwal	600,000	-	-	-	600,000
Mr. Mukesh Agarwal	600,000	-	-	-	600,000
Mr. Shree Krishna Khaitan	-	-	-	120,000	120,000
Mr. Radhe Shyam Agarwal	-	-	-	20,000	20,000
Mr. Dharam Chand Jain	-	-	-	60,000	60,000
Mr. Sushil Patwari	-	-	-	85,000	85,000
Mr. Vinod Kumar Kothari	-	-	-	85,000	85,000
Total	7,200,000	1,200,000	1,856,451	370,000	10,626,451

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee was set up with the following role, functions and powers :

- Supervise the redressal of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Monitor the approval of transfer of shares, transmission of shares, dematerialization of shares, transposition of shares, issuance of duplicate share certificates etc.
- Delegate any of its responsibilities to any of the officer of the Company or to the registrar and transfer agents and to supervise it.

The Composition of the committee and the details of meetings and attendance of members during 2009-10 are as follows:

Name of Directors	Status	Category	No. of Meetings Attended
Mr. Shree Krishna Khaitan	Chairman	Non-Executive & Independent	3
Mr. Sushil Patwari	Member	Non-Executive & Independent	2
Mr. Shiv Prakash Saraf *	Member	Executive & Non Independent	1
Mr. Mukesh Agarwal	Member	Executive & Non Independent	1

* Mr. Shiv Prakash Saraf resigned on July 27, 2009. The casual vacancy so created is being filled up by the appointment of Mr. Mukesh Agarwal as a Member of the Committee in the Board meeting held on July 29, 2009.

Number of Committee Meetings held during the year : **Three**

Dates on which the Meetings of the committee were held are May 20, 2009, October 28, 2009 and January 28, 2010.

Company Secretary is the Compliance Officer.

During the financial year ended March 31, 2010, 1 correspondence was received from the Shareholders/Investors. All the correspondences were replied/resolved to the satisfaction of the Shareholders/Investors. The Company attends to the investor grievances/correspondences expeditiously and usually a reply is sent within 10 days from the date of receipt of the same. No request for transfer was pending for approval as on March 31, 2010.

6. PREFERENTIAL ISSUE AND ALLOTMENT COMMITTEE

The Preferential Issue and Allotment Committee of Directors was constituted last year for the following purposes :

To decide and take such steps as per SEBI Guidelines and Listing Agreement as might be required for the preferential issue of shares from time to time.

To take all such steps and to do all such acts, deeds and things as may be necessary or incidental as per relevant SEBI Guidelines and Listing Agreement for the preferential issue of shares.

To ensure Compliances of rules, regulations, guidelines, notices and circulars issued from time to time by SEBI, Designated Stock Exchange(s), NSDL, CDSL and/or such other authority as may be necessitated.

No meeting of the committee was held during the year.

7. GENERAL BODY MEETINGS

Details of Location and time where last three AGMs were held are as follows :

Year	Location	Date	Time
2006-2007	Merchants' Chamber of Commerce Somani Conference Hall 15B, Hemanta Basu Sarani, Kolkata - 700 001	14.09.2007	11.00 A.M.
2007-2008	Merchants' Chamber of Commerce Somani Conference Hall 15B, Hemanta Basu Sarani, Kolkata - 700 001	30.09.2008	11.00 A.M.
2008-2009	Merchants' Chamber of Commerce Somani Conference Hall 15B, Hemanta Basu Sarani, Kolkata - 700 001	22.09.2009	9.30 A.M.

There was no special resolution passed in the previous 3 Annual General Meetings.

No such resolution was passed in last year's AGM that was required to be put through postal ballot. No such resolution is proposed at the forthcoming AGM, which is required to be put through postal ballot as per applicable rules.

8. CEO/CFO CERTIFICATION

The Chairman & Managing Director of the company have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of Clause 49 (V) of the Listing Agreement.

9. DISCLOSURES

- (i) Details of related party transactions during the year as required under Accounting Standard 18 are furnished under Note No. 17 of the Notes to Accounts attached with the financial statement for the year ended March 31, 2010. There is no other pecuniary relationship or transactions with the Non-Executive Independent Directors.
- (ii) The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.
- (iii) All the mandatory requirements have been appropriately complied and the non-mandatory requirements are dealt with at the end of this report.

10. MEANS OF COMMUNICATION

The half yearly results as well as quarterly and annual results are published in newspapers and submitted to the Stock Exchanges in accordance with the Listing Agreement, hence the half-yearly reports are not sent to each household of shareholders. These results are normally published in The Business Standard, Economic Times & Arthik Lipi. Management Discussion and Analysis forms a part of the Annual Report.

11. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date	:	30th September 2010
Day	:	Thursday
Time	:	11:00 A.M.
Venue	:	Somani Conference Hall Merchants' Chamber of Commerce 15B, Hemanta Basu Sarani, Kolkata - 700 001

ii) Financial Calendar for F.Y. 2010-11

a) 1st Quarterly Results	:	On or before 14.08.2010
b) 2nd Quarterly/Half-yearly Results	:	On or before 14.11.2010
c) 3rd Quarterly Results	:	On or before 14.02.2011
d) 4th Quarterly & Yearly Audited Results	:	On or before 30.05.2011

iii) Date of Book Closure

: 22nd September, 2010 to 30th September, 2010
(both days inclusive)

iv) Record date for Dividend payment

: 22nd September, 2010

v) Listing on Stock Exchanges

- i) **The Calcutta Stock Exchange Ltd.**
7, Lyons Range, Kolkata - 700 001
- ii) **The Jaipur Stock Exchange Ltd.**
Stock Exchange Building
Jawaharlal Nehru Marg, Malviya Nagar, Jaipur - 302 017

* Listing Fees for the Current Year 2010-2011 have been paid to both the Stock Exchanges

vi) Stock Codes :

The Calcutta Stock Exchange Ltd.	028161
The Jaipur Stock Exchange Ltd.	811
Demat ISIN Numbers (NSDL/CDSL)	INE895B01013

vii) Market Price Data :

High/Low Share price data during the Last Financial Year 2009 -10 : **No trading during the year.**

viii) Registrar and Share Transfer Agents :

M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

Phone : (033) 2243 5809/5029

Fax : (033) 2248 4787

ix) Share Transfer System :

Trading in equity shares of the Company is permitted only in dematerialized form. The applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agents, M/s. Maheshwari Datamatics Pvt.Ltd. The Shareholders'/Investors' Committee (Share Transfer Committee) constituted for transfer/transmission of shares and allied matters has during the year under review approved the transfer of share subject to transfer instrument being valid and complete in all respects.

x) Distribution of Shareholding as on 31.03.2010 :

a) According to number of shares held :

Number of Shares	Shareholders		Shares	
	No.	% of Total	No.	% of Total
1 - 500	526	81.17	54645	0.69
501 - 1000	51	7.87	44858	0.56
1001 - 2000	16	2.47	24682	0.31
2001 - 3000	8	1.23	20327	0.26
3001 - 4000	3	0.46	12000	0.15
4001 - 5000	2	0.31	8572	0.11
5001 - 10000	6	0.93	41790	0.52
10001 and above	36	5.56	7745582	97.40
Total	648	100.00	7952456	100.00

b) According to Category of holding :

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Indian Promoters	46	7.10	5958639	74.93
Private Corporate Bodies	17	2.62	1842960	23.17
Indian Public	585	90.28	150857	1.90
Total	648	100.00	7952456	100.00

xi) Dematerialization of shares and liquidity :

71,32,633 Equity Shares and 7,22,944 Equity Shares of the Company representing 89.69% and 9.09% respectively of the total Equity Share Capital of the Company are held in dematerialized form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as on 31.03.2010 respectively.

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Ltd. and The Jaipur Stock Exchange Ltd.

xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

The Company has not issued any GDRs/ADRs/Warrants or any other Convertible instruments.

xiii) Plant Locations :

- a) Jalan Industrial Complex, Bombay Road (National Highway 6)
P.O. - Begri, Vill - Biprannapara, Howrah - 711 411 (W.B.)
- b) 16, Shastri Nagar, 3rd Street, Angeripalayam Road, Tirupur - 640 602

xiv) Address for correspondence :

With The Company	:	M/s. Rupa & Company Limited Metro Tower, 8th Floor 1, Ho Chi Minh Sarani, Kolkata - 700 071 Tel : (033) 2288 1357-60, Fax : (033) 2288-1363 E-mail : info@rupa.co.in
With The Registrars & Transfer Agents	:	M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Tel. : (033) 2243-5809/5029, Fax : (033) 2248-4787 E-mail : mdpl@cal.vsnl.net.in
xv) Compliance Officer	:	Company Secretary M/s. Rupa & Company Limited Metro Tower, 8th Floor 1, Ho Chi Minh Sarani, Kolkata - 700 071 Tel : (033) 2288 1357-60, Fax : (033) 2288-1363 E-mail : info@rupa.co.in

COMPLIANCE OF NON-MANDATORY REQUIREMENTS**1. Remuneration Committee :**

The Company has Remuneration Committee as mentioned under Serial Number 4 of the Mandatory Requirements.

2. Shareholder Rights :

Half yearly results including summary of any significant events are presently not being sent to shareholders of the Company.

3. Audit Qualification :

The Company is maintaining unqualified financial statements regime.

4. Training of Board Members :

There was no Directors' training programme during the year ended March 31, 2010.

5. Mechanism for evaluating Non-Executive Board Members :

Non-Executive Directors were being always evaluated by their own peer in the Board Meetings during the year under reference, although there was no formal peer group review by the entire Board except the Directors concerned.

CODE OF CONDUCT DECLARATION

I, Kunj Bihari Agarwala, Managing Director, of the Company do hereby declare that all the Board Members and Senior Management Personnel of the Company have confirmed with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Place : Kolkata

Dated : The 7th day of September, 2010

Kunj Bihari Agarwala

Managing Director

AUDITORS' CERTIFICATE

To The Members of

Rupa & Company Limited

We have examined the compliance of conditions of Corporate Governance by **Rupa & Company Limited**, for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our Examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance 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.

Place : Kolkata

Dated : The 7th day of September, 2010

For K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 10277

AUDITORS' REPORT

To the Members of
Rupa & Company Limited

1. We have audited the attached Balance Sheet of **RUPA & COMPANY LIMITED** as at March 31st, 2010 and the related Profit & Loss Account and Cash Flow Statement on that date of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of The Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a. We have 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 appears from our examination of those books;
 - c. The Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e. Based on the representations made by all the Directors of the Company as on March 31st, 2010 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima-facie, have any disqualification as referred to in Clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with the Notes thereon, give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2010;
 - (ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E
CA K. C. Agrawal
Partner
Membership No. 10277

Place : Kolkata
Dated : The 7th day of September, 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even dated on the accounts for the year ended on 31st March, 2010 of Rupa & Company Limited.

- (i) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. Some of the fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories :
 - a. As explained to us, the inventories of finished and semi-finished goods and raw materials were physically verified during the year by the Management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In the case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans taken by the Company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :
 - a. The Company has taken unsecured loan in the earlier year from a Company. The said loan has been repaid during the year amounting to Rs. 211 Lakhs. At the year end there was no outstanding balance and the maximum amount involved during the year was Rs. 211 Lakhs.
 - b. In our opinion, the rate of interest and other terms and conditions of such loans are prima-facie not prejudicial to the interest of the Company.
 - c. The receipt and payment of principal amounts and interest have been regular during the year.
 - d. There were no overdue amounts of principal or interests in respect of above loans.
 - e. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods and services. Further, based on our checking we have not come across any major weakness in the internal control.

- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
- The particulars of contract or arrangements referred to in Section 301 that needed to be entered into the register, maintained under the said Section have been so entered.
 - In our opinion the transactions [excluding loans reported under paragraph (iii) above] exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time where such prices are available.
- (vi) As explained to us, the Company has not accepted any deposit from the public in the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act 1956 for any products of the Company.
- (ix) In respect of statutory dues :
- According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2010 for a period of more than six months from the date they become payable.
 - According to the information and explanations given to us, details of dues of Sales Tax and Income Tax which have not been deposited as on 31st March, 2010 on account of dispute are given below :

Name of the Statute	Forum where dispute is pending	Amount (Rs. Lakhs)
Sales Tax/Value Added Tax	Deputy Commissioner, Commercial Taxes, Kolkata	296.62
Income Tax	High Court, Kolkata	25.19

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debentureholders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) According to the information and explanations given to us the Company is dealing in securities and is maintaining proper records of such transactions. The shares and other investments are held by the Company in its own name.

- (xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial Institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) We have been informed by management that the fund raised for short term basis have not been used for long term investment.
- (xviii) The Company has made preferential allotment of Equity Shares during the year to parties and companies covered in register maintained under Section 301 of the Companies Act, 1956 and the price at which shares has been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised any money through a public issues during the year.
- (xxi) To the best of our knowledge and belief and according to information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Place : Kolkata
Dated : The 7th day of September, 2010

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E
CA K. C. Agrawal
Partner
Membership No. 10277

BALANCE SHEET as at 31st March, 2010

(Amount in Rs.)

	Schedule	31st March, 2010	31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	79,629,060	79,629,060
Reserves and Surplus	2	1,324,500,223	1,137,293,267
Loan Funds			
Secured Loans	3	1,222,836,946	477,215,349
Unsecured Loans	4	–	33,089,453
Deferred Tax Liability		69,985,493	65,308,757
TOTAL		2,696,951,722	1,792,535,886
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	750,087,577	637,290,849
Less : Depreciation		188,380,052	154,807,149
Net Block		561,707,525	482,483,700
Capital Work in Progress		287,952,678	54,952,804
		849,660,203	537,436,504
Investments	6	101,100,000	91,600,000
Current Assets, Loans & Advances			
Inventories	7	1,230,939,898	596,746,762
Sundry Debtors	8	1,023,015,312	710,171,866
Cash and Bank Balances	9	61,993,275	48,371,947
Loans, Advances & Deposits	10	241,944,842	336,360,029
		2,557,893,327	1,691,650,604
Less : Current Liabilities & Provisions			
Current Liabilities	11	724,465,253	463,822,363
Provisions	12	87,236,555	64,328,859
		811,701,808	528,151,222
Net Current Assets		1,746,191,519	1,163,499,382
TOTAL		2,696,951,722	1,792,535,886

Notes Forming Part of the Accounts 21

As per our Report of even date

For **K. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 10277

Place : Kolkata

Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala

Vice-Chairman

Priya Punjabi
Company Secretary**P. R. Agarwala**

Chairman

K. B. Agarwala
Managing Director

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	31st March, 2010	31st March, 2009
INCOME			
Sales/Income from Operations	13	5,199,364,611	4,118,377,589
Other Income	14	33,969,647	16,866,206
Increase (Decrease) in Stock	15	178,453,934	(88,848,920)
		5,411,788,192	4,046,394,875
EXPENDITURE			
Purchases (Finished Goods)		183,138,115	102,662,086
Raw Materials Consumed	16	2,569,441,124	1,870,049,103
Manufacturing Expenses	17	1,093,797,781	812,994,215
Payments to and Provision for Employees	18	30,417,587	24,092,024
Selling, Distribution, Administration and Other Expenses	19	1,073,925,567	916,012,494
Finance Charges	20	56,991,397	77,435,949
Depreciation & Amortisation		35,491,782	30,738,653
		5,043,203,353	3,833,984,524
Profit before Tax		368,584,839	212,410,351
Less : Provision for Taxation		122,500,000	70,000,000
Less : Provision for Fringe Benefit Tax		–	2,500,000
Less : Provision for Deferred Tax		4,676,736	3,332,434
Profit after Tax		241,408,103	136,577,917
Balance Brought from Previous Year		327,088,336	252,030,298
		568,496,439	388,608,215
APPROPRIATIONS			
General Reserve		25,000,000	15,000,000
Proposed Dividend		51,690,964	39,762,280
Corporate Dividend Tax		8,585,223	6,757,599
Balance Carried to Balance Sheet		483,220,252	327,088,336
		568,496,439	388,608,215
Earning Per Share - Basic and Diluted (Rs.)		30.36	26.27
Number of Weighted equity share		7,952,456	5,198,319
Notes Forming Part of the Accounts	21		

As per our Report of even date
 For **K. AGRAWAL & CO.**
 Chartered Accountants
 Firm Registration No. 306104E
CA K. C. Agrawal
 Partner
 Membership No. 10277
 Place : Kolkata
 Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala
 Vice-Chairman

Priya Punjabi
 Company Secretary

P. R. Agarwala
 Chairman

K. B. Agarwala
 Managing Director

CASH FLOW STATEMENT for the year ended 31st March, 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-ordinary Items		3,685.85		2,124.10
Adjustment : (a) Depreciation Charges	354.92		307.39	
(b) Interest Charges	514.82		734.95	
(c) Loss on Sale of Fixed Assets	9.38		5.91	
		879.12		1,048.25
		4,564.97		3,172.35
Adjustment : (a) Interest Income	(297.60)		(129.95)	
(b) Rent Income	(1.20)		(4.80)	
(c) Profit on Sale of Investment	(1.19)			
		(299.99)		(134.75)
Operating Profit before Working Capital Changes		4,264.98		3,037.60
Adjustment : (a) Increase in Trade & Other Receivable	(2,184.28)		(1,419.67)	
(b) Increase in Inventories	(6,341.93)		3,135.71	
		(8,526.21)		1,716.04
		(4,261.23)		4,753.64
Adjustment : (a) Increase/(Decrease) in Trade Payables		2,605.41		(2,490.24)
Cash Inflow/(Outflow) from Operations		(1,655.82)		2,263.40
Adjustment : (a) Direct Taxes Paid		(1,132.48)		(566.75)
		(2,788.30)		1,696.65
Adjustment : (a) Interest received from Operating Activities		20.38		25.86
Net Cash Inflow/(Outflow) from Operating Activities		(2,767.92)		1,722.51
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Inflow : (a) Sale of Fixed Assets	5.84		8.42	
(b) Captial Subsidy	60.75		-	
(c) Rent Income	1.20		4.80	
(d) Sale of Investment	506.19		-	
(e) Interest Received	277.22		104.09	
		851.20		117.31
Outflow : (a) Purchase of Fixed Assets	(3,492.38)		(1,087.89)	
(b) Investment in Mutual Fund	(600.00)		(500.00)	
		(4,092.38)		(1,587.89)
Net Cash Inflow/(Outflow) from Investing Activities		(3,241.18)		(1,470.58)

CASH FLOW STATEMENT for the year ended 31st March, 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
C. CASH FLOW ARISING FORM FINANCING ACTIVITIES				
(a) Proceeds from Share Capital	-		6,746.76	
(b) Dividend and Dividend Tax paid	(465.19)		(187.51)	
(c) Interest Paid	(514.82)		(689.68)	
(d) Increase/(Decrease) in Borrowing Capital	7,125.32		(5,964.47)	
Net Cash Inflow/(Outflow) from Financing Activities		6,145.31		(94.90)
Net Increase/(Decrease) in Cash/Cash Equivalent (A+B+C)		136.21		157.03
Cash/Cash Equivalents at the beginning of the year		483.72		326.69
Cash/Cash Equivalents at the end of the year		619.93		483.72

Notes :

- 1) The above Cash Flow Statement has been prepared pursuant to Clause 31 of Listing Agreement with Stock Exchange and under the Indirect Method set out in AS-3 issued by Chartered Accountants of India.
- 2) Significant Accounting Policies and other Notes to Accounts (Schedule 21) form an integral part of the Cash Flow Statement.
- 3) Previous year figures have been re-grouped/re-classified to confirm to current year's classification.

As per our Report of even date

 For **K. AGRAWAL & CO.**
Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal
Partner

Membership No. 10277

Place : Kolkata

Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala
Vice-Chairman
Priya Punjabi
Company Secretary
P. R. Agarwala
Chairman
K. B. Agarwala
Managing Director

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
2,00,00,000 Equity Shares of Rs. 10/- each	200,000,000	200,000,000
Issued		
79,73,356 Equity Shares of Rs. 10/- each	79,733,560	79,733,560
Subscribed & Paid-up		
79,52,456 Equity Shares of Rs. 10 each	79,524,560	79,524,560
Add : Forfeited Shares (20,900 nos)	104,500	104,500
	79,629,060	79,629,060

Note : (1) Of the above 50,000 Equity Shares of Rs. 10/- each have been allotted as fully paid-up bonus shares by capitalisation of General Reserve.

(2) 1948356 Equity shares of Rs. 10/- each fully paid-up has been converted from Deep Discount Debentures.

SCHEDULE - 2 RESERVES AND SURPLUS		
i) Share Premium Account Brought forward	688,030,890	47,093,250
Add : Received during the year	–	640,937,640
	688,030,890	688,030,890
ii) Capital Subsidy	6,075,040	–
iii) Debenture Redemption Reserve Brought forward	–	70,000,000
Less : Transferred to General Reserve	–	(70,000,000)
	–	–
iv) General Reserve		
As per last Balance Sheet	122,174,041	37,174,041
Add : Transferred from Debenture Redemption Reserve	–	70,000,000
Add : Transferred from Profit & Loss Account	25,000,000	15,000,000
	147,174,041	122,174,041
v) Balance in Profit & Loss Account	483,220,252	327,088,336
Total (i) + (ii) + (iii) + (iv) + (v)	1,324,500,223	1,137,293,267

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

		31st March, 2010	31st March, 2009
SCHEDULE - 3	SECURED LOANS		
From Bank			
	Working Capital Account	878,835,088	313,097,147
	Foreign Currency Loan	164,196,298	103,268,198
	Term Loan	179,805,560	60,850,004
		1,222,836,946	477,215,349

Note : a) The Working Capital Loan is secured by hypothecation of the entire current assets of the Company, equitable mortgage of certain property at Tirupur and Kolkata and Property at Kolkata of Rupa Global (P) Ltd. and corporate guarantee of Rupa Global (P) Ltd. and second charge on Domjur Unit.

b) The term loan from IDBI is secured by all movable and immovable Assets of Domjur and Tirupur units of the Company and first charge on Wind Turbine Generator including Land & Building at Dhule in the State of Maharashtra.

c) The term loan from Indusind Bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur unit on pari-passu.

d) The above loans are further secured by personal guarantee of Promoter Directors of the Company.

SCHEDULE - 4	UNSECURED LOANS		
Short Term Loans			
	From Body Corporates	–	33,089,453
		–	33,089,453

SCHEDULE - 5	FIXED ASSETS									
Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2009	Additions	Sale	As at 31st March 2010	Upto 31st March 2009	For the year	Adjustment	As at 31st March 2010	As at 31st March 2009	As at 31st March 2010
INTANGIBLE ASSETS										
Copy write & Trade Mark	65,000,000	–	–	65,000,000	37,001,370	6,500,000	–	43,501,370	27,998,630	21,498,630
Computer Software	15,998,790	7,246,628	–	23,245,418	8,026,655	4,649,084	–	12,675,739	7,972,135	10,569,679
TANGIBLE ASSETS										
Land	60,871,504	4,568,900	–	65,440,404	–	–	–	–	60,871,504	65,440,404
Furniture & Fixture	34,992,919	3,182,448	–	38,175,367	14,029,227	2,329,145	–	16,358,372	20,963,692	21,816,995
Office Building	151,405,557	84,462,424	–	235,867,981	17,959,928	4,626,357	–	22,586,285	133,445,629	213,281,696
Plant & Machinery	208,363,420	2,781,799	2,493,237	208,651,982	48,354,867	9,965,691	962,419	57,358,139	160,008,553	151,293,843
Office Equipment	19,815,622	7,241,812	21,433	27,036,001	12,465,920	2,085,870	13,887	14,537,903	7,349,702	12,498,098
Vehicles	22,964,481	7,327,974	1,500,587	28,791,868	7,792,846	2,279,647	942,573	9,129,920	15,171,635	19,661,948
Wind Turbine Generator	57,878,556	–	–	57,878,556	9,176,336	3,055,988	–	12,232,324	48,702,220	45,646,232
Total	637,290,849	116,811,985	4,015,257	750,087,577	154,807,149	35,491,782	1,918,879	188,380,052	482,483,700	561,707,525
Previous Year	561,343,152	79,079,109	3,131,412	637,290,849	125,767,111	30,738,653	1,698,615	154,807,149	435,576,041	482,483,700
Capital Work in Progress									54,952,804	287,952,678

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	Face Value	Nos.	31st March, 2010	31st March, 2009
SCHEDULE - 6 INVESTMENTS				
Long Term - Traded				
UNQUOTED				
In Mutual Fund :				
- Morgan Stanley Growth Fund	10	10,000	100,000	100,000
- Reliance Liquid Fund - Treasury Plan	10	2717809.800	60,000,000	50,000,000
		(2369724.401)		
In Shares - Subsidiary Company :				
- Rupa Realty Ltd.	10	50,000	–	500,000
- Euro Fashion Inners International (P) Ltd.	10	41,00,000	41,000,000	41,000,000
			101,100,000	91,600,000
Aggregate NAV of Mutual Fund			600,598,443	50,363,429
SCHEDULE - 7 INVENTORIES				
(As taken, valued and certified by the management)				
Finished Goods			583,430,361	404,976,427
Raw Materials			529,423,793	112,641,619
Materials under Process			94,677,663	61,171,002
Packing Materials			23,408,081	17,957,714
			1,230,939,898	596,746,762
SCHEDULE - 8 SUNDRY DEBTORS (UNSECURED)				
Debtors outstanding for a period exceeding six months -				
Considered Good			31,598,324	17,059,484
Other Debts				
Considered Good			991,416,988	693,112,382
			1,023,015,312	710,171,866
SCHEDULE - 9 CASH AND BANK BALANCES				
Cash Balance in Hand (including Cheques of Rs. 8,570,693/- (Previous Year Rs. 3,018,850/-)			11,294,313	5,458,043
Balance with Scheduled Banks				
- In Current Account			29,191,362	40,201,148
- In Unpaid Dividend Account			599,931	498,441
In Fixed Deposit including interest accrued thereon			20,907,669	2,214,315
			61,993,275	48,371,947

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 10 LOANS, ADVANCES & DEPOSITS		
(Unsecured, Considered Good)		
Advance and Loan to Subsidiary Company	–	34,137,036
Advances - Recoverable in cash or in kind or for value to be received	180,075,377	251,036,587
Advances for Capital Goods	51,913,018	41,118,286
Security Deposits	9,956,447	10,068,120
	241,944,842	336,360,029
SCHEDULE - 11 CURRENT LIABILITIES		
Sundry Creditors		
- For Goods	214,936,051	228,904,681
- For Expenses	370,477,014	144,329,911
- For Advances, Deposits & Credit Balances	117,796,741	90,113,481
Advance from Subsidiary Company	20,679,667	–
Unclaimed Dividend (Refer Note No 6. of Schedule 21)	575,780	474,290
	724,465,253	463,822,363
SCHEDULE - 12 PROVISIONS		
For Fringe Benefit Tax (Net of Payments)	-	272,235
For Income Tax (Net of Payments)	26,960,368	17,536,745
For Proposed Dividend	51,690,964	39,762,280
For Corporate Dividend Tax	8,585,223	6,757,599
	87,236,555	64,328,859

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 13 SALES/INCOME FROM OPERATIONS		
Sales	5,106,431,409	4,028,242,716
Services (Tax Deducted at Source Rs. 1,204,243/- Previous Year Rs. 1,368,006/-)	76,422,672	69,251,293
Export Incentives	6,828,031	10,550,418
Electricity Charges	9,682,499	10,333,162
	5,199,364,611	4,118,377,589

SCHEDULE - 14 OTHER INCOME		
Interest (Tax Deducted at Source Rs. 3,277,223/- Previous Year Rs. 81,004/-)	29,760,033	12,995,175
Profit on Sale of Investments	119,197	–
Liability no longer required written back	116,109	–
Miscellaneous Income	3,974,308	3,871,031
	33,969,647	16,866,206

SCHEDULE - 15 INCREASE (DECREASE) IN STOCK		
Opening Stock	404,976,427	493,825,347
Less : Closing Stock	583,430,361	404,976,427
	178,453,934	(88,848,920)

SCHEDULE - 16 RAW MATERIALS CONSUMED		
Opening Stock	173,812,621	396,505,670
(Includes Materials under Process Rs. 61,171,002/- Previous Year Rs. 61,323,431/-)		
Add : Purchases	3,019,729,959	1,647,356,054
	3,193,542,580	2,043,861,724
Less : Closing Stock (Includes materials under process Rs. 94,677,663/- Previous Year Rs. 61,171,002/-)	624,101,456	173,812,621
	2,569,441,124	1,870,049,103

SCHEDULE - 17 MANUFACTURING EXPENSES		
Processing Charges	1,001,408,140	739,140,925
Store & Spares	515,912	386,406
Power & Fuel	29,031,642	24,390,130
Carriage Inwards	48,572,877	37,505,025
Factory Maintenance	14,269,210	11,571,729
	1,093,797,781	812,994,215

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 18 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus & Leave Pay	27,561,534	22,780,906
Contribution to Provident Fund	737,753	839,755
Contribution to Gratuity Fund	1,511,011	128,311
Staff Welfare	607,289	343,052
	30,417,587	24,092,024
SCHEDULE - 19 SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
A) Selling and Distribution Expenses		
Packing Materials Consumed	398,710,031	342,163,304
Carriage Outward	35,408,586	31,374,801
Brokerage & Commission	67,259,322	57,098,630
Advertisement	406,553,315	303,611,076
Marketing Expenses	26,609,570	23,630,404
	934,540,824	757,878,215
B) Administration and Other Expenses		
Rent, Rates & Taxes	8,521,095	5,803,068
Insurance	816,199	1,062,377
Telephone, Telex & Fax	4,183,385	4,571,810
Electricity Charges	2,070,078	1,868,764
Printing & Stationery	2,497,873	3,651,687
Postage & Courier Charges	2,612,856	2,513,329
Travelling & Conveyance	8,801,810	6,266,390
Legal & Professional Charges	15,966,781	8,031,035
Repair and Maintenance		
- For Machinery	4,645,907	4,017,052
- For Other	4,515,149	6,885,723
Vehicles Maintenance Expenses	3,114,877	3,589,785
Subscription and Membership	324,784	736,407
Directors' Sitting Fees	370,000	265,000
Directors' Remuneration	9,242,394	8,363,765
Auditors' Remuneration	242,111	234,477
Office Maintenance	4,205,355	371,024
Other Expenses	8,666,860	8,803,934
Foreign Exchange Difference	(7,920,270)	25,373,256
Loss on Sale of Fixed assets	938,186	590,744
Quality Development Expenses	3,744,015	2,958,333
Bad Debts	71,033	12,664,882
Dealers' Incentives & Sales Promotion	48,549,891	41,627,197
Business Convention	13,204,374	7,884,240
	139,384,743	158,134,279
TOTAL (A) + (B)	1,073,925,567	916,012,494

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 20 FINANCE CHARGES		
Interest		
- To Bank	45,143,160	67,083,447
- To Others	6,339,064	6,412,027
Other Financial Charges	5,509,173	3,940,475
	56,991,397	77,435,949

SCHEDULE - 21 NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**A. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Accounting Policies**

The Financial Statements of the Company are prepared under the historical cost convention and in compliance with generally accepted accounting principles of a going concern to comply with the applicable accounting standards. For recognition of income and expense, accrual basis of accounting is followed.

b) Use of Estimates

The Preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

c) Revenue Recognition

Revenue from sale of goods and services are recognized upon passage of title to the customers.

d) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of an asset comprises its purchase price and incidental expenses related thereto. Capital Work in Progress comprises the cost of fixed assets that are not yet ready for their intended use as on the balance sheet date.

e) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization.

f) Depreciation & Amortization

i) Depreciation on fixed assets is provided on Straight Line Method at the rate prescribed in Schedule XIV of the Companies Act, 1956. Depreciation for assets purchase/sold during the period is proportionately charged.

ii) Copy Right & Trade Marks are amortized over a period of ten years.

iii) Computer software is amortized by one - fifth on Straight Line Method.

g) Investments

Long Term Investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary.

Current Investments are stated at lower of cost and fair value. Decline in the value of current Investment are charged to the profit & loss account.

SCHEDULES TO THE ACCOUNTS

h) Inventories

Inventories are valued using FIFO method on the basis mentioned below -

- i) Raw Materials, Packing Materials and Materials under process are valued at cost or net realizable value whichever is lower.
- ii) Finished goods are valued at cost or net realizable value whichever is lower.
- iii) Cost of Material under process comprises cost of materials and proportionate manufacturing expenses.

i) Government Grants

- i) Government Grant of the nature of project subsidy on Capital Assets is recognized as capital subsidy when there is a reasonable assurance that the subsidy will be received.
- ii) Revenue Grant is recognized in the profit & loss account on confirmation of reasonable assurance of the receipt.

j) Sales

Sales are recorded net of indirect taxes, sales return and discounts.

k) Exports Incentives

Benefits on account of duty drawback are being accounted in the year of export.

l) Employees Benefits

- i) Company's contributions to Provident Fund are charged to Profit & Loss Account.
- ii) Gratuity Liability is actuarially ascertained and is charged to Profit & Loss Account and covered by appropriate scheme with Life Insurance Corporation of India.
- iii) Leave encashment benefits are accounted for on accrual basis.

m) Foreign Currency Transactions

- i) Transactions in Foreign Currencies are recorded at exchange rate prevailing at the time of the transaction.
- ii) Foreign Currency assets and liabilities covered by forward contracts are stated at forward contract exchange rate. The cost of the forward exchange contract is amortized over the period of the contract.
- iii) Assets and Liabilities are valued at rates prevailing at the end of the year. Any income or expense on account of exchange difference is recognized in the Profit & Loss Account.

n) Borrowing Cost

Borrowing Cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

o) Taxes on Income

Tax on Income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

SCHEDULES TO THE ACCOUNTS

p) Segment Reporting

The accounting policies applicable to the reportable segments are the same as those as used in the preparation of the financial statements as set out above.

Segment revenue and expense include amount, which can be directly identifiable to the segment or allocable on a reasonable basis.

Assets and Liabilities relate to the Company as a whole and do not relate to any other segment, are not allocated.

q) Prior Period Adjustments

Income/Expenditure pertaining to prior periods is reflected as "Prior Period Adjustment".

r) Provisions, Contingent Liabilities and Contingent Assets

i) The Company recognizes as provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.

ii) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

iii) Contingent Assets are neither recognized nor disclosed.

s) Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use, determined by the present value of estimated future cash flow.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of :

(Amount in Rs.)

	31.03.2010	31.03.2009
i) Bank Guarantee	4,519,000	4,489,000
ii) Letter of Credit	81,605,908	NIL
iii) Sales Tax Demand (under appeal)	29,661,690	29,661,690
iv) Income Tax Demand (under appeal)	2,518,740	2,518,740

2. Managing and Whole-time Directors' remuneration :

	31.03.2010	31.03.2009
Salaries & Allowances	7,200,000	6,657,195
Other Perquisites	1,856,451	1,520,627
Commission	1,200,000	1,200,000
	10,256,451	9,377,822

SCHEDULES TO THE ACCOUNTS

3. Calculation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for the purpose of calculating Directors Commission :

(Amount in Rs.)

	31.03.2010	31.03.2009
Profit as Per Profit & Loss Account	368,584,839	212,410,351
Add : Directors Remuneration	10,256,451	9,377,822
Loss on Sale of Fixed Assets	938,186	590,744
	379,779,476	222,378,917
Net Profit for calculating Directors Commission	378,765,419	221,364,860
Commission payable to Director (@ 1% of Net Profit)	3,787,654	2,213,649
Commission Payable restricted to	1,200,000	1,200,000

4. Sales Tax incentives granted by the Government of West Bengal, Finance (Taxation) Department under West Bengal Industrial Promotion (Assistant to Industrial Unit) Scheme, 1994 against payment of Value Added Tax under the West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956 are recognized when there is a reasonable assurance of receipt. (Previous year Rs. 6,408,265/-).
5. In the absence of any confirmation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006" the Company is unable to make provision wherever required under the said Act.
6. Unpaid dividend does not include any amount to be credited to Investor Education and Protection Fund.
7. Bank Guarantee issued in favour of the Company are secured against bank fixed deposit and other Current Assets.
8. The Company has capitalized Interest amounting to Rs. 648,000/- (Previous year Rs. NIL) paid on Borrowings attributable to Machinery.
9. The Company has received a sum of Rs. 6,075,040 towards capital subsidy against specified processing machineries installed in the year 2006-07 from Government of India, Ministry of Textiles under the Technology up-gradation Fund Scheme (TUFS).

10. Auditors Remuneration includes :

(Amount in Rs.)

	31.03.2010	31.03.2009
Statutory Audit Fees	193,025	132,360
Tax Audit Fees	27,575	22,060
Others	21,511	80,057
	242,111	234,477

11. The Company has amortized Computer Software at one fifth on straight line method during the year. Hitherto, the Company amortized over the period of 10 years. Had the Company followed the same method of amortization of computer software, the depreciation/amortization will be decreased by Rs. 1,599,879 and profit will be increased by the same amount.
12. The Company has carried out comprehensive exercise to assess the Impairment Loss of Assets. Based on such exercise, there is no impairments of Assets. Accordingly, no adjustment in respect of loss on impairment of Assets is required to be made in the Accounts.
13. Figures of Previous year have been re-grouped/re-arranged wherever considered necessary.

SCHEDULES TO THE ACCOUNTS

14. Deferred Tax Liabilities

Calculation of Deferred Tax Liabilities as at 31st March, 2010 and 31st March, 2009 is as given below :

(Amount in Rs.)

	Deferred Tax Liabilities as on 31.3.2010	Deferred Tax Liabilities as on 31.3.2009
Arising on account of difference between Book Value of Depreciable assets as per books of Account and Written Down value for tax purpose	70,499,086	65,328,981
Expenses charged but allowable in the future year on Payment or under other provisions of the Income Tax Act	(513,593)	(20,224)
Net Deferred Tax Liability	69,985,493	65,308,757
Net Impact taken into Profit & Loss Account	4,676,736	3,332,434

15. Earning Per Shares (EPS)

Calculation of earning per share is given below :

	2009-2010	2008-2009
a. Net Profit after Tax available for equity shareholders (Rs.)	241,408,103	136,577,917
b. Number of Equity Shares allotted	7,952,456	7,952,456
b. Weighted average number of Equity Share outstanding during the year	7,952,456	5,198,319
c. Basic/Diluted Earning Per Share (Rs.)	30.36	26.27
d. Nominal Value Per Share (Rs.)	10.00	10.00

16. Segment information :

i) Primary Segment (Business Segments) :

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Revenue (Sales & Services)	5,113,259,440 (4,038,793,134)	76,422,672 (69,251,293)	9,682,499 (10,333,162)		5,199,364,611 (4,118,377,589)
Inter Segment services		139,062,563 (100,504,429)		139,062,563 (100,504,429)	
Segment Result (PBIT)	398,251,211 (254,999,600)	21,815,852 (30,906,225)			420,067,063 (285,905,825)
Interest	48,330,648 (68,628,214)	3,151,576 (4,867,260)			51,482,224 (73,495,474)
Profit before Tax					368,584,839 (212,410,351)
Provision for Taxation					122,500,000 (70,000,000)

SCHEDULES TO THE ACCOUNTS

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Provision for Fringe Benefit Tax					– (2,500,000)
Provision for Deferred Tax					4,676,736 (3,332,434)
Profit after Tax					241,408,103 (136,577,917)
Other Information					
Assets					3,508,653,530 (2,320,687,108)
Liabilities					2,090,614,358 (1,103,764,781)
Depreciation	22,386,025 (17,774,203)	10,049,769 (9,908,462)	3,055,988 (3,055,988)		35,491,782 (30,738,653)

ii) Secondary Geographical segment - Revenue

	Domestic	Export	Total
Revenue	5,103,382,330 (3,988,516,139)	95,982,281 (129,861,450)	5,199,364,611 (4,118,377,589)

Note :

- a) Assets used in the Company's operations or liabilities contracted have not been identified to any of the reportable segments, as the assets and liabilities are used interchangeably between segments.
- b) Previous year figures are given under current year figures.
17. As per the Accounting Standard on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows :

Key Management Personnel	: Mr. P. R. Agarwala Mr. G. P. Agarwala Mr. K. B. Agarwala Mr. Ramesh Agarwal Mr. Mukesh Agarwal
Relatives of Key Management Personnel	: Shri. Baijnath Agarwal Mr. Manish Agarwal Mr. Ravi Agarwal Mr. Vikash Agarwal Mr. Rajnish Agarwal Smt. Puspa Devi Agarwal
Subsidiary	: Euro Fashion Inners International (P) Ltd.
Other Associates	: M/s Binod Hosiery M/s Salasar Projects and Estates Pvt. Ltd. M/s Siddhant Flats & Apartments Pvt. Ltd. M/s Siddhant Credit Capital Ltd.

SCHEDULES TO THE ACCOUNTS

Information on related party transactions as required by Accounting Standard (AS-18) for the year ended 31st March, 2010

(Amount in Rs.)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Other Associates		Subsidiary Company	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Rent	492,000	384,000	114,000	222,000	96,000	96,000		
Salary & Perquisites	8,042,394	7,163,765	4,200,000	5,400,000				
Commission	1,200,000	1,200,000						
Loan Repayment					21,111,659	700,547,000		
Loan Taken					-	720,540,000		
Interest Paid					35,561	(2,930,500)		
Balance Standing					-	21,076,098		
Sales							3,446,860	48,551,103
Purchase							180,804,793	102,662,086
Rent Received							160,000	480,000

18. Disclosure pursuant to Accounting Standard - 15 : Employee Benefit

A. Defined Benefits Plan (Gratuity)	
i. Change in the Present Value of the Defined Benefit Obligation	
1. Present value of obligations as at 01.04.2009	3,189,137
2. Current Service Cost	424,143
3. Actuarial loss on Obligations	-
Present value of obligations as at 31.03.2010	3,613,280
ii. Liability recognised in the Balance Sheet	
1. Present Value of obligations as at 31.03.2010	3,613,280
2. Fair value of plan assets at the end of the year (Funded with the LIC under group gratuity scheme)	3,189,137
Net (Assets)/Liability recognised in Balance Sheet	424,143
iii. Expenses recognised in Profit & Loss Account	
1. Current Service Cost	424,143
2. Net Actuarial (Gain)/Loss recognised during the year	-
Total Expenses recognised in Profit & Loss Account	424,143
iv. Actuarial Assumption	
1. Discount Rate	8.00%
2. Expected rate of future salary increase	7.00%

SCHEDULES TO THE ACCOUNTS

19. Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956 :
INFORMATION IN RESPECT OF GOODS MANUFACTURED

Raw Materials Consumed - All Indigenous

	Quantity in Kg.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Yarn				
Opening Stock	301,421	418,919	37,134,292	49,660,446
Purchases	10,857,744	6,998,648	1,456,614,502	825,840,526
	11,159,165	7,417,567	1,493,748,794	875,500,972
Consumption	10,497,883	7,116,146	1,388,314,954	838,366,680
Closing Stock	661,282	301,421	105,433,840	37,134,292

	Quantity in Kg.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Than				
Opening Stock	519,989	1,654,688	71,758,558	242,212,937
Purchases	6,431,426	3,270,614	1,037,538,563	451,344,805
Production	10,497,883	7,116,146	1,388,314,954	838,366,680
	17,449,298	12,041,448	2,497,612,075	1,531,924,422
Consumption	15,268,770	11,229,160	2,091,659,510	1,413,398,015
Sales	41,047	292,299	7,388,471	46,767,849
Closing Stock	2,139,481	519,989	398,564,094	71,758,558

	Quantity in Mtr.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Elastic				
Opening Stock	1,853,202	5,393,008	7,218,846	14,477,498
Purchases	84,004,898	71,175,689	256,214,940	193,597,876
	85,858,100	76,568,697	263,433,786	208,075,374
Consumption	84,834,670	74,715,495	259,237,725	200,856,528
Closing Stock	1,023,430	1,853,202	4,196,061	7,218,846

	Quantity in Kwh.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Electricity				
Opening Stock	-	-	-	-
Production	2,452,138	2,052,088	9,682,499	10,333,162
	2,452,138	2,052,088	9,682,499	10,333,162
Sales	2,452,138	2,052,088	9,682,499	10,333,162
Closing Stock	-	-	-	-

SCHEDULES TO THE ACCOUNTS

	Quantity in Dzs.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Finished products - Knitwear				
Opening Stock	1,725,277	1,848,450	404,976,427	493,825,347
Production	13,562,988	10,948,928	4,061,948,936	3,025,206,622
Purchases	382,798	306,858	183,138,115	102,662,086
Sales	13,484,599	11,378,959	5,099,042,938	3,981,474,867
Closing Stock	2,186,464	1,725,277	583,430,361	404,976,427

OTHER INFORMATION

(Amount in Rs.)

	Current Year	Previous Year
a) Expenditure in Foreign Currency		
Payment of Loan	95,223,718	126,539,440
Traveling Expenses	2,866,024	2,770,134
Finance Charges	7,403,511	9,767,976
Professional Fees	46,417	526,502
Advertisement	NIL	2,602,992
Commission	193,526	NIL
Business Promotional Expenses	NIL	1,571,790
b) C.I.F. Value of Imports		
Machinery	218,732,048	NIL
Machinery Spares parts	591,074	3,991,855
Product Accessories	52,010	164,051
c) Earning in Foreign Currency		
FOB Value of Export	89,154,250	119,311,032

Signatures to Schedules 1 to 21

As per our Report of even date

For **K. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 10277

Place : Kolkata

Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala

Vice-Chairman

P. R. Agarwala

Chairman

Priya Punjabi
Company Secretary**K. B. Agarwala**
Managing Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information as required under Part-IV of Schedule-VI of the Companies Act, 1956.

i) Registration Details

Registration No.

L	1	7	2	9	9	W	B	1	9	8	5	P	L	C	0	3	8	5	1	7
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

 State Code

						2	1
--	--	--	--	--	--	---	---

ii) Capital raised during the year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

 Right Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

 Private Placement

							N	I	L
--	--	--	--	--	--	--	---	---	---

iii) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

	3	5	0	8	6	5	4
--	---	---	---	---	---	---	---

 Total Assets

	3	5	0	8	6	5	4
--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			7	9	6	2	9
--	--	--	---	---	---	---	---

 Reserve & Surplus

	1	3	2	4	5	0	0
--	---	---	---	---	---	---	---

Secured Loans

	1	2	2	2	8	3	7
--	---	---	---	---	---	---	---

 Unsecured Loans

						N	I	L
--	--	--	--	--	--	---	---	---

Deferred Tax Liabilities

			6	9	9	8	6
--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

		8	4	9	6	6	0
--	--	---	---	---	---	---	---

 Investments

			1	0	1	1	0	0
--	--	--	---	---	---	---	---	---

Net Current Assets

	1	7	4	6	1	9	2
--	---	---	---	---	---	---	---

 Miscellaneous Expenditure

							N	I	L
--	--	--	--	--	--	--	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

iv) Performance of the Company (Amount in Rs. Thousands)

Turnover and Other Income

	5	2	3	3	3	3	4
--	---	---	---	---	---	---	---

 Total Expenditure

	5	0	4	3	2	0	3
--	---	---	---	---	---	---	---

Profit/(Loss) before Tax

		3	6	8	5	8	5
--	--	---	---	---	---	---	---

 Profit/(Loss) after Tax

		2	4	1	4	0	8
--	--	---	---	---	---	---	---

Earning Per Share (Rs.)

			3	0	.	3	6
--	--	--	---	---	---	---	---

 Dividend Rate (%)

							6	5
--	--	--	--	--	--	--	---	---

v) Generic Name of three Principal Products/Services of the Company (As per Monetary Terms)

Item Code No. (ITC code)	Product Description
610711.01	Gents Undergarments
610821.01	Ladies Undergarments
610910.02	T-Shirts

For and on behalf of Board

G. P. Agarwala
Vice-Chairman

P. R. Agarwala
Chairman

Place : Kolkata
Date : The 7th day of September, 2010

Priya Punjabi
Company Secretary

K. B. Agarwala
Managing Director

STATEMENT RELATING TO SUBSIDIARY COMPANY PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary	Euro Fashion Inners International Pvt. Ltd
2	Financial Year of the Subsidiary ended on	31st March, 2010
3	Share of the Subsidiary held by the Company on the above date	
	(a) Number and Face Value	41,00,000 of Rs10/- each
	(b) Extent of holding	100%
4	Net aggregate amount of Profit/(Loss) of the subsidiary for the above financial year so far as it concerns members of the Company	
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2010	–
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. 10,448,862/-
5	Net aggregate amount of profit/(losses) of the Subsidiary for the previous years of the subsidiary since it became a subsidiary so far as they concern Members of the Company	
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2010	–
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2010	Rs. 28,364,521/-

For and on behalf of Board

G. P. Agarwala
Vice-Chairman

P. R. Agarwala
Chairman

Place : Kolkata
Date : The 7th day of September, 2010

Priya Punjabi
Company Secretary

K. B. Agarwala
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Rajnish Agarwal
Shri Ramesh Agarwal
Shri Vikash Agarwal
Shri Sushil Patwari

AUDITORS

M/s K. Agrawal & Co.
Chartered Accountants
34, Ezra Street, Kolkata - 700 001

BANKERS

Indusind Bank Ltd.

REGISTERED OFFICE

102, VIP Plaza Plot No. 7
Veera Industrial Estate
New Link Road, Andheri (W)
Mumbai - 400 053

CORPORATE OFFICE

Metro Tower, 8th Floor
1, Ho Chi Minh Sarani
Kolkata - 700 071
E-mail : info@rupa.co.in

DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting the Fifth Annual Report of your Company along with the audited Statement of Accounts for the financial year ended 31st March, 2010

FINANCIAL RESULTS

The highlights of the financial results for the year 2009-2010 are as follows :

(Rupees)

	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales & Other Income	310,124,722	244,206,443
Gross Profit before Interest, Depreciation and Tax	17,967,766	12,268,484
Less : Interest	1,318,517	2,949,011
Gross Profit after Interest but before Depreciation and Taxation	16,649,249	9,319,473
Less : Depreciation	684,921	217,481
Profit before Tax	15,964,328	9,101,992
Less : Provision for Taxation	4,680,000	2,350,000
Provision for Fringe Benefit Tax	-	140,000
Provision for Deferred Tax	808,199	463,949
Prior Period Adjustment	27,267	276,874
Profit after Tax	10,448,862	5,871,169
Add : Surplus brought forward	17,915,659	12,044,490
Balance carried to Balance Sheet	28,364,521	17,915,659

OPERATIONS

The Sales & Other Income of the Company during the period under review are Rs. 310,124,722/- (Previous Year Rs. 244,206,443/-). The Company has earned a Profit after Tax of Rs. 10,448,862/- (Previous Year Rs. 5,871,169/-).

DIVIDEND

In view of the marginal profit earned by the Company, your Company do not recommend any dividend for the period under review.

DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS' REPORT

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

DIRECTORS

Mr. Vikash Agarwal retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

AUDITORS

The Auditors M/s. K. Agrawal & Co. Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that :

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year 2009-2010, and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration which requires disclosures under Section 217(2A) of the Companies Act, 1956 and the Rules made therein.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned details relating to energy conservation, technology absorption, foreign exchange earnings and outgo are given in Annexure - I attached hereto, which forms part of this Directors' Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and cooperation received from the Bankers Government Authorities and all others during the year under review. Your Directors wish to place on record their deep sense of appreciation to all the employees for their contribution during the year.

For & on behalf of the Board

Place : Kolkata

Dated : The 6th day of September, 2010

Rajnish Agarwal
Director

Ramesh Agarwal
Director

ANNEXURE - I TO THE DIRECTORS' REPORT

Information as required under Section 217(1)(e) read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Research & Development is being carried out by the Company in the areas of product design & marketing. Due to continuous efforts & development, products of your Company enjoy premium position in the market. Other provisions of Section 217(1)(e) of the Companies Act, 1956 with regards to conservation of energy and technology absorption not applicable to your Company.

For & on behalf of the Board

Place: Kolkata

Dated : The 6th day of September, 2010

Rajnish Agarwal
Director

Ramesh Agarwal
Director

AUDITORS' REPORT

To the members of

Euro Fashion Inners International Private Limited

1. We have audited the attached Balance Sheet of **EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED** as at 31st March, 2010 and the related Profit & Loss Account on that date of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of The Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a. We have 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 appears from our examination of those books;
 - c. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e. Based on the representations made by all the Directors of the Company as on March 31st, 2010 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima-facie, have any disqualification as referred to in Clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with the Notes thereon give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st, March, 2010; and
 - (ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E
CA K. C. Agrawal
Partner
Membership No. 10277

Place : Kolkata

Dated : The 6th day of September, 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even dated on the accounts for the year ended on 31st March, 2010 of Euro Fashion Inners International Private Limited

- (i) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. Some of the fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off any part of the fixed assets during the year.
- (ii) In respect of its inventories :
 - a. As explained to us, the inventories of finished and semi-finished goods and raw materials were physically verified during the year by the Management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In the case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans taken and granted by the Company from/to companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956, according to the information and explanations given to us :

The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods. Further based on our checking we have not come across any major weakness in the internal control.
- (v) In respect of contracts or arrangements enter in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
 - a. The particulars of contract or arrangements referred to in Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
 - b. In our opinion and according to the explanation given to us, these transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) As explained to us, the Company has not accepted any deposit from the public in the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for any products of the Company.

ANNEXURE TO THE AUDITORS' REPORT

- (ix) In respect of statutory dues :
- a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2010 for a period of more than six months from the date they become payable.
 - c. According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2010.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial Institutions.
- (xvi) Based on the information and explanations given to us by the management, the Company has not obtained any term loans.
- (xvii) We have been informed by management that the fund raised for short term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture during the year and it has created proper securities or charges in respect of outstanding debentures.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) To the best of our knowledge and belief and according to information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E
CA K. C. Agrawal
Partner
Membership No. 10277

Place : Kolkata
Dated : The 6th day of September, 2010

BALANCE SHEET as at 31st March, 2010

(Amount in Rs.)

	Schedule	31st March, 2010	31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	41,000,000	41,000,000
Reserves and Surplus	2	28,364,521	17,915,659
Loan Funds			
Secured Loans	3	24,788,276	1,345,401
Unsecured Loans	4	—	34,137,036
Deferred Tax Liability		1,416,356	608,157
TOTAL		95,569,153	95,006,253
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	34,589,818	34,478,049
Less : Depreciation		1,170,027	485,106
Net Block		33,419,791	33,992,943
Current Assets, Loans and Advances			
Inventories	6	46,352,677	51,547,689
Sundry Debtors	7	20,406,737	25,107,716
Cash and Bank Balances	8	268,966	279,148
Loans, Advances and Deposits	9	35,126,392	12,598,175
		102,154,772	89,532,728
Less : Current Liabilities and Provisions			
(a) Current Liabilities	10	37,900,410	28,184,068
(b) Provisions	11	2,105,000	367,250
		40,005,410	28,551,318
Net Current Assets		62,149,362	60,981,410
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Preliminary Expenses		—	31,900
TOTAL		95,569,153	95,006,253

Notes Forming Part of the Accounts 19

As per our Report of even date
For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E

CA K. C. Agrawal
Partner

Membership No. 10277

Place : Kolkata

Date : The 6th day of September, 2010

Rajnish Agarwal
Director

Ramesh Agarwal
Director

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	31st March, 2010	31st March, 2009
INCOME			
Sales		309,709,299	243,855,572
Other Income	12	415,423	350,871
Increase (Decrease) in Stock	13	(14,768,059)	6,738,273
		295,356,663	250,944,716
EXPENDITURE			
Raw Materials Consumed	14	144,396,969	129,801,022
Manufacturing Expenses	15	67,198,334	54,473,810
Payments to and Provision for Employees	16	2,259,054	1,897,046
Selling, Distribution, Administration and Other Expenses	17	63,534,540	52,504,354
Finance Charges	18	1,318,517	2,949,011
Depreciation		684,921	217,481
		279,392,335	241,842,724
Profit before Tax		15,964,328	9,101,992
Less : Provision for Taxation		4,680,000	2,350,000
Less : Provision for Fringe Benefit Tax		–	140,000
Less : Provision for Deferred Tax		808,199	463,949
Less : Prior Period Adjustment		27,267	276,874
Profit after Tax		10,448,862	5,871,169
Balance Brought from Previous Year		17,915,659	12,044,490
Balance Carried to Balance Sheet		28,364,521	17,915,659
Earning Per Share - Basic and Diluted (Rs.)		2.55	1.43
Number of Weighted equity share		4,100,000	4,100,000
Notes Forming part of the Accounts	19		

As per our Report of even date

 For **K. AGRAWAL & CO.**
Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal
Partner

Membership No. 10277

Place : Kolkata

Date : The 6th day of September, 2010

Rajnish Agarwal
Director
Ramesh Agarwal
Director

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE 1 SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
Issued		
41,00,000 Equity Shares of Rs. 10/- each	41,000,000	41,000,000
Subscribed & Paid-up		
41,00,000 Equity Shares of Rs. 10/- each	41,000,000	41,000,000
SCHEDULE 2 RESERVES AND SURPLUS		
Profit & Loss Account	28,364,521	17,915,659
	28,364,521	17,915,659
SCHEDULE 3 SECURED LOANS		
From Bank		
Working Capital Loan	24,788,276	1,345,401
	24,788,276	1,345,401
Note :		
The Working Capital Loan is secured by hypothecation of the entire current assets of the Company, equitable mortgage of land at Tirupur and personal guarantee of Promoter Directors of the Company.		
SCHEDULE 4 UNSECURED LOANS		
Short Term Loans		
From Holding Company	–	34,137,036
	–	34,137,036

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

SCHEDULE 5		FIXED ASSETS								
Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As on 1st April 2009	Additions	Sale	As at 31st March 2010	Upto 31st March 2009	For the year	Adjustment	As at 31st March 2010	As at 31st March 2009	As at 31st March 2010
INTANGIBLE ASSETS										
Copy Right & Trade Mark	500,000	–	–	500,000	100,137	50,000	–	150,137	399,863	349,863
TANGIBLE ASSETS										
Land	4,688,520	–	–	4,688,520	–	–	–	–	4,688,520	4,688,520
Building	26,835,371	–	–	26,835,371	1,198	437,417	–	438,615	26,834,173	26,396,756
Furniture & Fixtures	3,432	56,269	–	59,701	868	510	–	1,378	2,564	58,323
Office Equipment	335,252	12,000	–	347,252	90,073	54,349	–	144,422	245,179	202,830
Plant & Machinery	1,397,734	43,500	–	1,441,234	103,967	74,460	–	178,427	1,293,767	1,262,807
Vehicles	717,740	–	–	717,740	188,863	68,185	–	257,048	528,877	460,692
Total	34,478,049	111,769	–	34,589,818	485,106	684,921	–	1,170,027	33,992,943	33,419,791
Previous Year	6,945,689	27,532,360	–	34,478,049	267,625	217,481	–	485,106	6,678,064	33,992,943

	31st March, 2010	31st March, 2009
SCHEDULE 6		
INVENTORIES		
(As taken, valued and certified by the management)		
Finished Goods	16,583,747	31,351,806
Raw Materials	21,499,531	14,736,972
Materials under process	6,294,502	3,357,010
Packing Materials	1,974,897	2,101,901
	46,352,677	51,547,689

SCHEDULE 7		SUNDRY DEBTORS (UNSECURED)	
Debtors outstanding for a period exceeding six month			
Considered Good		2,599,478	4,759,246
Other Debts			
Considered Good		17,807,259	20,348,470
		20,406,737	25,107,716

SCHEDULE 8		CASH AND BANK BALANCE	
Cash Balance in Hand		181,878	164,979
Balance with Schedule Banks			
In Current Account		87,088	114,169
		268,966	279,148

SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE 9	LOANS, ADVANCES & DEPOSITS	
(Unsecured, Considered Good)		
Advance for Capital Goods	5,280,000	5,280,000
Advances - Recoverable in cash or in kind or for value to be received	7,009,332	5,420,675
Income Tax Refundable	1,782,193	–
Advance Tax (Net of Provision)	375,200	1,897,500
Advance to Holding Company	20,679,667	–
	35,126,392	12,598,175
SCHEDULE 10	CURRENT LIABILITIES	
Sundry Creditors		
- For Goods	13,948,076	14,562,030
- For Expenses	20,656,797	9,704,104
- For Advances, Deposits & Credit Balances	3,053,837	3,311,804
Book Debt Balance with Bank	241,700	606,130
	37,900,410	28,184,068
SCHEDULE 11	PROVISIONS	
For Taxation (Net of Payments)	2,105,000	367,250
	2,105,000	367,250

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE 12 OTHER INCOME		
Interest	415,423	350,871
	415,423	350,871
SCHEDULE 13 INCREASE (DECREASE) IN STOCK		
Opening Stock	31,351,806	24,613,533
Less : Closing Stock	16,583,747	31,351,806
	(14,768,059)	6,738,273
SCHEDULE 14 RAW MATERIALS CONSUMED		
Opening Stock	18,093,982	17,691,030
(Includes Material Under Process Rs. 3,357,010/- Previous Year Rs. 2,062,298/-)		
Add : Purchases	154,097,020	130,203,974
	172,191,002	147,895,004
Less : Closing Stock	27,794,033	18,093,982
(Includes Material Under Process Rs. 6,294,502/- Previous Year Rs. 3,357,010/-)		
	144,396,969	129,801,022
SCHEDULE 15 MANUFACTURING EXPENSES		
Processing Charges	66,066,749	53,462,420
Carriage Inwards	1,131,585	1,011,390
	67,198,334	54,473,810
SCHEDULE 16 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus & Leave Pay	2,015,084	1,804,397
Contribution to Provident Fund	76,420	23,689
Staff Welfare	167,550	68,960
	2,259,054	1,897,046
SCHEDULE 17 SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
A) Selling and Distribution Expenses		
Packing Materials Consumed	24,700,187	20,771,561
Carriage Outward	567,872	405,158
Brokerage & Commission	316,786	232,374
Advertisement	26,789,530	20,239,766
Marketing Expenses	6,697,634	6,172,194
Sales Promotion Expenses	152,953	–
	59,224,962	47,821,053

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE 17 SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
B) Administration and Other Expenses		
Rent, Rates & Taxes	172,273	522,074
Telephone, Telex & Fax	1,131	4,393
Electricity Charges	39,469	143,470
Printing & Stationery	111,438	193,047
Postage & Courier	156,997	72,851
Travelling & Conveyance	31,061	29,732
Legal & Professional Charges	121,366	206,766
Repair and Maintenance		
- For Other	466,772	208,012
Vehicles Maintenance Expenses	122,980	118,898
Auditors' Remuneration		
- As Audit Fees	22,060	22,060
- As Tax Audit Fees	5,515	5,515
Office Maintenance	247,725	322,482
Insurance	44,052	49,353
Other Expenses	89,325	350,200
Quality Development Expenses	301,894	268,548
Dealer's Incentive	657,120	2,134,000
Preliminary Expenses Written off	31,900	31,900
Bad Debts	1,686,500	-
	4,309,578	4,683,301
Total (A) + (B)	63,534,540	52,504,354
SCHEDULE 18 FINANCE CHARGES		
Interest		
- To Bank	1,019,465	2,748,982
- To Others	127,536	178,242
Other Financial Charges	171,516	21,787
	1,318,517	2,949,011

SCHEDULES TO THE ACCOUNTS

SCHEDULE 19 NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting Policies

The accounts of the Company are prepared under the historical cost convention and on the basis of the accounting principles of a going concern to comply with the applicable accounting standards. For recognition of income and expenses, accrual basis of accounting is followed.

b) Revenue Recognition

Revenue from sale of goods is recognized upon passage of title to the customers.

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of an asset comprises its purchase price and incidental expenses related thereto.

d) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization.

e) Depreciation & Amortisation

(i) Depreciation on fixed assets is provided on Straight Line Method at the rate prescribed in Schedule XIV of the Companies Act, 1956. Depreciation for assets purchase/sold during the period is proportionately charged.

(ii) Copy Right & Trade Marks are amortized over a period of ten years.

f) Inventories

Inventories are valued using FIFO method on the basis mentioned below -

- Raw Materials, Packing Materials and Materials under process are valued at cost or net realizable value whichever is lower.
- Finished goods are valued at cost including excise duty or net realizable value whichever is lower.
- Cost of Material under process comprises cost of materials and proportionate manufacturing expenses.

g) Sales

Sales are recorded net of Value added tax, sales tax, sales return and discounts

h) Employees Benefits

i) Company's contributions to Provident Fund are charged to Profit & Loss Account.

ii) Leave encashment benefits are accounted for on accrual basis.

i) Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years from the year of Incorporation of the Company.

j) Prior Period Adjustment

Income/Expenditure pertaining to prior periods is reflected as "Prior Period Adjustment".

k) Borrowing Cost

Borrowing Cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

SCHEDULES TO THE ACCOUNTS

l) Taxes on Income

Tax on Income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) Contingent Liabilities

Contingent Liabilities are generally not provided for in the accounts and are shown separately in Notes on Accounts.

n) Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flow.

B. NOTES ON ACCOUNTS

- Contingent Liabilities not provided for : Rs. Nil.
- In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the said Act.
- Figures of Previous year have been regrouped/rearranged wherever considered necessary.
- The Company has carried out comprehensive exercise to assess the impairment loss of Assets. Based on such exercise, there is no impairments of Assets. Accordingly, no adjustment in respect of loss on impairment of Assets is required to be made in the Accounts.
- Deferred Tax Liabilities :**

Calculation of Deferred Tax Liabilities as at 31st March, 2010 and 31st March, 2009 is as given below :

(Amount in Rs.)

	Deferred Tax Liabilities as on 31.3.2010	Deferred Tax Liabilities as on 31.3.2009
Arising on account of difference between Book Value of Depreciable assets as per books of Account and Written Down value for tax purpose	1,416,356	608,157
Net Impact taken into Profit & Loss Account	808,199	463,949

SCHEDULES TO THE ACCOUNTS

6. Earning Per Shares (EPS)

Calculation of earning per shares as given below :

	2009-2010	2008-2009
a. Net profit after Tax available for equity shareholder (Rs.)	10,448,862	5,871,169
b. Number of Equity Share outstanding during the year	4,100,000	4,100,000
c. Weighted average number of Equity Share outstanding during the year	4,100,000	4,100,000
d. Basic/Diluted Earning Per Share (Rs.)	2.55	1.43
e. Nominal Value Per Share (Rs.)	10.00	10.00

The Company does not have any outstanding dilutive potential equity shares.

7. As per the Accounting Standard on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows :

Holding Company : Rupa & Company Ltd.

Other Associates :

Particulars	Holding Company		Other Associates	
	2009-2010	2008-2009	2009-2010	2008-2009
Purchases	3,446,860	48,551,103	NIL	NIL
Sales	1,808,04,793	1,026,62,086	NIL	NIL
Rent Paid	160,000	480,000	NIL	NIL

8. Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956 :

INFORMATION IN RESPECT OF GOODS MANUFACTURED

A) Raw Materials Consumed - All Indigenous

	Quantity in Kg.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
i) Yarn				
Opening Stock	16,864	18,400	2,037,552	2,189,600
Purchases	692,237	417,844	94,109,024	50,999,439
	709,101	436,244	96,146,576	53,189,039
Consumption	683,040	419,380	91,898,626	51,151,487
Closing Stock	26,061	16,864	4,247,950	2,037,552

SCHEDULES TO THE ACCOUNTS

	Quantity in Kg.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
ii) Than				
Opening Stock	80,302	72,446	10,617,452	10,581,240
Purchases	261,139	451,640	37,930,792	59,509,587
Production	683,040	419,380	91,898,626	51,151,487
	1,024,481	943,466	140,446,870	121,242,314
Consumption	817,060	831,066	105,516,344	106,452,182
Sales	129,924	32,098	19,586,113	4,299,311
Closing Stock	77,497	80,302	15,344,413	10,617,452

	Quantity in Mtrs.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
iii) Elastic				
Opening Stock	1,203,006	1,433,229	1,443,607	2,086,781
Purchases	11,475,507	10,511,978	15,598,568	12,645,861
	12,678,513	11,945,207	17,042,175	14,732,642
Consumption	11,782,546	10,742,201	15,787,821	13,289,035
Closing Stock	895,967	1,203,006	1,254,354	1,443,607

B. Finished Products - Knitwear

	Quantity in Dzs.		Amount in Rs.	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Opening Stock	105,651	105,796	31,351,806	24,613,533
Purchases	2,935	-	694,969	-
Production	674,287	666,425	236,295,490	205,046,393
	782,873	772,221	268,342,265	2,229,659,926
Sales	732,010	666,570	290,123,186	239,556,261
Closing Stock	50,863	105,651	16,583,747	31,351,806

SCHEDULES TO THE ACCOUNTS

OTHER INFORMATION

	Current Year	Previous Year
a) Expenditure in Foreign Currency	NIL	NIL
b) C.I.F. Value of Imports	NIL	NIL
c) Earning in Foreign Currency	NIL	NIL

SIGNATURES TO SCHEDULES 1 TO 19

As per our Report of even date

For **K. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 10277

Place : Kolkata

Date : The 6th day of September, 2010

Rajnish Agarwal

Director

Ramesh Agarwal

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information as required under Part-IV of Schedule-VI of the Companies Act, 1956.

i) Registration Details

Registration No.	U 1 7 1 2 0 M H 2 0 0 5 P T C 1 5 2 8 3 7
Balance Sheet Date	3 1 0 3 2 0 1 0
State Code	

ii) Capital raised during the year (Amount in Rs. Thousands)

Public Issue		N I L	Right Issue		N I L
Bonus Issue		N I L	Private Placement		N I L

iii) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities		1 3 5 5 7 5	Total Assets		1 3 5 5 7 5
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Sources of Funds

Paid-up Capital		4 1 0 0 0	Reserve & Surplus		2 8 3 6 5
Secured Loans		2 4 7 8 8	Unsecured Loans		N I L
Deferred Tax Liabilities		1 4 1 6			

Application of Funds

Net Fixed Assets		3 3 4 2 0	Investments		N I L
Net Current Assets		6 2 1 4 9	Miscellaneous Expenditure		N I L
Accumulated Losses		N I L			

iv) Performance of the Company (Amount in Rs. Thousands)

Turnover and Other Income		3 1 0 1 2 5	Total Expenditure		2 9 4 1 6 1
Profit/(Loss) before Tax		1 5 9 6 4	Profit/(Loss) after Tax		1 0 4 4 9
Earning Per Share (Rs.)		2 . 5 5	Dividend Rate (%)		N I L

v) Generic Name of three Principal Products/Services of the Company (As per Monetary Terms)

Item Code No. (ITC code)	Product Description
610711.01	Gents Undergarments
610821.01	Ladies Undergarments
610910.02	T-Shirts

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E
CA K. C. Agrawal
Partner

Membership No. 10277
Place : Kolkata
Date : The 6th day of September, 2010

Rajnish Agarwal
Director

Ramesh Agarwal
Director

CONSOLIDATED AUDITORS' REPORT

To the Board of Directors

Rupa & Company Limited

1. We have audited the attached Consolidated Balance Sheet of **RUPA & CO. LTD.** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at 31st March, 2010 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards AS-21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2010;
 - ii) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E
CA K. C. Agrawal
Partner
Membership No. 10277

Place : Kolkata
Dated : The 7th day of September, 2010

CONSOLIDATED BALANCE SHEET as at 31st March, 2010

(Amount in Rs.)

	Schedule	31st March, 2010	31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	79,629,060	79,629,060
Reserves and Surplus	2	1,352,864,744	1,155,208,926
Loan Funds			
Secured Loans	3	1,247,625,222	478,560,750
Unsecured Loans	4	–	33,089,453
Deferred Tax Liability		71,401,849	65,916,914
TOTAL		2,751,520,875	1,812,405,103
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	784,677,395	671,768,898
Less : Depreciation		189,550,079	155,292,255
Net Block		595,127,316	516,476,643
Capital Work in Progress		287,952,678	54,952,804
		883,079,994	571,429,447
Investments	6	60,100,000	50,600,000
Current Assets, Loans and Advances			
Inventories	7	1,277,292,575	648,294,451
Sundry Debtors	8	1,043,422,049	735,279,582
Cash and Bank Balances	9	62,262,241	48,651,095
Loans, Advances and Deposits	10	256,391,567	314,821,168
		2,639,368,432	1,747,046,296
Less : Current Liabilities and Provisions			
Current Liabilities	11	741,685,996	492,006,431
Provisions	12	89,341,555	64,696,109
		831,027,551	556,702,540
Net Current Assets		1,808,340,881	1,190,343,756
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Preliminary Expenses		–	31,900
TOTAL		2,751,520,875	1,812,405,103

Notes Forming Part of the Accounts 21

As per our Report of even date

For **K. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 10277

Place : Kolkata

Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala

Vice-Chairman

P. R. Agarwala

Chairman

Priya Punjabi
Company Secretary**K. B. Agarwala**
Managing Director

CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	31st March, 2010	31st March, 2009
INCOME			
Sales/Income from Operations	13	5,324,822,257	4,211,019,972
Other Income	14	34,225,070	16,737,077
Increase (Decrease) in Stock	15	163,685,875	(82,110,647)
		5,522,733,202	4,145,646,402
EXPENDITURE			
Purchases (Finished Goods)		2,333,322	–
Raw Materials Consumed	16	2,710,391,233	1,951,299,022
Manufacturing Expenses	17	1,160,996,115	867,468,025
Payments to and Provision for Employees	18	32,676,641	25,989,070
Selling, Distribution, Administration and Other Expenses	19	1,137,300,107	968,036,848
Finance Charges	20	58,309,914	80,384,960
Depreciation & Amortisation		36,176,703	30,956,134
		5,138,184,035	3,924,134,059
Profit before Tax		384,549,167	221,512,343
Less : Provision for Taxation		127,180,000	72,350,000
Less : Provision for Fringe Benefit Tax		–	2,640,000
Less : Provision for Deferred Tax		5,484,935	3,796,383
Less : Earlier Year Taxation		27,267	276,874
Profit after Tax		251,856,965	142,449,086
Balance Brought from Previous Year		345,003,995	264,074,788
		596,860,960	406,523,874
APPROPRIATIONS			
General Reserve		25,000,000	15,000,000
Proposed Dividend		51,690,964	39,762,280
Corporate Dividend Tax		8,585,223	6,757,599
Balance Carried to Balance Sheet		511,584,773	345,003,995
		596,860,960	406,523,874
Earning Per Share - Basic and Diluted (Rs.)		31.67	27.40
Number of Weighted equity share		7,952,456	5,198,319

Notes Forming Part of the Accounts

21

As per our Report of even date

 For **K. AGRAWAL & CO.**
Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal
Partner

Membership No. 10277

Place : Kolkata

Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala
Vice-Chairman
Priya Punjabi
Company Secretary
P. R. Agarwala
Chairman
K. B. Agarwala
Managing Director

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-ordinary Items		3,845.49		2,214.94
Adjustment : (a) Depreciation Charges	361.77		309.56	
(b) Interest Charges	528.01		764.44	
(c) Public Issue Expenses Written off	0.32		0.32	
(d) Preliminary Expenses Written off	–		0.10	
(e) Loss on Sale of Fixed Assets	9.38		5.91	
		899.48		1,080.33
		4,744.97		3,295.27
Adjustment : (a) Interest Income	(301.75)		(126.44)	
(b) Profit on Sale of Investment	(1.19)		–	
		(302.94)		(126.44)
Operating Profit before Working Capital Changes		4,442.03		3,168.83
Adjustment : (a) Increase in Trade & Other Receivable	(2,362.54)		(1,173.55)	
(b) Increase in Inventories	(6,289.98)		3,054.82	
		(8,652.82)		1,881.27
		(4,210.49)		5,050.10
Adjustment : (a) Increase in Trade Payables		2,702.57		(2,424.16)
Cash Inflow/(Outflow) form Operations		(1,507.92)		2,625.94
Adjustment : (a) Direct Taxes Paid		(1,162.18)		(610.87)
		(2,670.10)		2,015.07
Adjustment : (a) Interest Received from Operating Activities		24.53		29.37
Net Cash Inflow/(Outflow) from Operating Activities		(2,645.57)		2,044.44
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Inflow : (a) Sale of Fixed Assets	5.84		8.42	
(b) Captial Subsidy	60.75		–	
(c) Sale of Investment	506.19		–	
(d) Interest Received	277.22		104.09	
		850.00		112.51
Outflow : (a) Purchase of Fixed Assets	(3,493.50)		(1,339.93)	
(b) Investment in Mutual Fund	(600.00)		(500.00)	
		(4,093.50)		(1,839.93)
Net Cash Inflow/(Outflow) from Investing Activities		(3,243.50)		(1,727.42)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
C. CASH FLOW ARISING FORM FINANCING ACTIVITIES		
(a) Proceeds from Share Capital	–	6,746.76
(b) Dividend and dividend Tax paid	(465.19)	(187.51)
(c) Interest Paid	(528.01)	(719.17)
(d) Increase/(Decrease) in borrowing Capital	7,018.38	(6,000.49)
Net Cash Inflow/(Outflow) from Financing Activities	6,025.18	(160.41)
Net Increase/(Decrease) in Cash/Cash Equivalent (A+B+C)	136.11	156.61
Cash/Cash Equivalents at the beginning of the year	486.51	334.94
Cash/Cash Equivalents at the end of the year	622.62	491.55

Notes :

- 1) The above Cash Flow Statement has been prepared pursuant to Clause 31 of Listing Agreement with Stock Exchange and under the Indirect Method set out in AS-3 issued by Chartered Accountants of India.
- 2) Significant Accounting Policies and other Notes to Accounts (Schedule 21) form an integral part of the Cash Flow Statement.
- 3) Previous year figures have been re-grouped/re-classified to confirm to current year's classification.

As per our Report of even date

 For **K. AGRAWAL & CO.**
Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal
Partner

Membership No. 10277

Place : Kolkata

Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala
Vice-Chairman
Priya Punjabi
Company Secretary
P. R. Agarwala
Chairman
K. B. Agarwala
Managing Director

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
2,00,00,000 Equity Shares of Rs. 10/- each	200,000,000	200,000,000
Issued		
79,73,356 Equity Shares of Rs. 10/- each	79,733,560	79,733,560
Subscribed & Paid-up		
79,52,456 Equity Shares of Rs. 10/- each	79,524,560	79,524,560
Add : Forfeited Shares (20,900 nos)	104,500	104,500
	79,629,060	79,629,060

Note : (1) Of the above 50,000 Equity Shares of Rs. 10/- each have been allotted as fully paid-up bonus shares by capitalisation of General Reserve.

(2) 19,48,356 Equity shares of Rs. 10/- each fully paid-up has been converted from Deep Discount Debentures.

SCHEDULE - 2 RESERVES AND SURPLUS		
i) Share Premium Account Brought forward	688,030,890	47,093,250
Add : Received during the year	–	640,937,640
	688,030,890	688,030,890
ii) Capital Subsidy	6,075,040	–
iii) Debenture Redemption Reserve Brought forward	–	70,000,000
Less : Transferred to General Reserve	–	(70,000,000)
	–	–
iv) General Reserve		
As per last Balance Sheet	122,174,041	37,174,041
Add : Transferred from Debenture Redemption Reserve	–	70,000,000
Add : Transferred from Profit & Loss Account	25,000,000	15,000,000
	147,174,041	122,174,041
v) Balance in Profit & Loss Account	511,584,773	345,003,995
Total (i) + (ii) + (iii) + (iv) + (v)	1,352,864,744	1,155,208,926

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

		31st March, 2010	31st March, 2009
SCHEDULE - 3	SECURED LOANS		
From Bank			
	Working Capital Account	903,623,364	314,442,548
	Foreign Currency Loan	164,196,298	103,268,198
	Term Loan	179,805,560	60,850,004
		1,247,625,222	478,560,750

- Note :** a) The Working Capital Loan is secured by hypothecation of the entire current assets of the Company, equitable mortgage of certain property at Tirupur and Property at Kolkata of Rupa Global (P) Ltd. and corporate guarantee of Rupa Global (P) Ltd and second charge on Domjur Unit.
- b) The term loan from IDBI is secured by all movable and immovable Assets of Domjur and Tirupur units of the Company and first charge on Wind Turbine Generator including Land & Building at Dhule in the State of Maharashtra.
- c) The term loan from Indusind Bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur unit on pari passu.
- d) The above loans are further secured by personal guarantee of Promoter Directors of the Company.

SCHEDULE - 4	UNSECURED LOANS		
Short Term Loans			
	From Body Corporates	–	33,089,453
		–	33,089,453

SCHEDULE - 5	FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
	As on 1st April 2009	Additions	Sale	As at 31st March 2010	Upto 31st March 2009	For the year	Adjustment	As at 31st March 2010	As at 31st March 2009	As at 31st March 2010	
INTANGIBLE ASSETS											
Copy write & Trade Mark	65,500,000	–	–	65,500,000	37,101,507	6,550,000	–	43,651,507	28,398,493	21,848,493	
Computer Software	15,998,790	7,246,628	–	23,245,418	8,026,655	4,649,084	–	12,675,739	7,972,135	10,569,679	
TANGIBLE ASSETS											
Land	65,560,024	4,568,900	–	70,128,924	–	–	–	–	65,560,024	70,128,924	
Furniture & Fixture	34,996,351	3,238,717	–	38,235,068	14,030,095	2,329,655	–	16,359,750	20,966,256	21,875,318	
Office Building	178,240,928	84,462,424	–	262,703,352	17,961,126	5,063,774	–	23,024,900	160,279,802	239,678,452	
Plant & Machinery	209,761,154	2,825,299	2,493,237	210,093,216	48,458,834	10,040,151	962,419	57,536,566	161,302,320	152,556,650	
Office Equipment	20,150,874	7,253,812	21,433	27,383,253	12,555,993	2,140,219	13,887	14,682,325	7,594,881	12,700,928	
Vehicles	23,682,221	7,327,974	1,500,587	29,509,608	7,981,709	2,347,832	942,573	9,386,968	15,700,512	20,122,640	
Wind Turbine Generator	57,878,556	–	–	57,878,556	9,176,336	3,055,988	–	12,232,324	48,702,220	45,646,232	
Total	671,768,898	116,923,754	4,015,257	784,677,395	155,292,255	36,176,703	1,918,879	189,550,079	516,476,643	595,127,316	
Previous Year	568,288,841	106,611,469	3,131,412	671,768,898	126,034,736	30,956,134	1,698,615	155,292,255	442,254,105	516,476,643	
Capital Work in Progress									54,952,804	287,952,678	

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	Face Value	Nos.	31st March, 2010	31st March, 2009
SCHEDULE - 6 INVESTMENTS				
Long Term - Traded				
UNQUOTED				
In Mutual Fund :				
Morgan Stanley Growth Fund	10	10,000	100,000	100,000
Reliance Liquid Fund - Treasury Plan	10	2717809.800	60,000,000	50,000,000
		(2369724.401)	60,100,000	50,100,000
In Shares - Subsidiary Company :				
- Rupa Realty Ltd.	10	50,000	–	500,000
Total Investments			60,100,000	50,600,000
Aggregate NAV of Mutual Fund			600,598,443	50,363,429
SCHEDULE - 7 INVENTORIES				
(As taken, valued and certified by the management)				
Finished Goods			600,014,108	436,328,233
Raw Materials			550,923,324	127,378,591
Materials under Process			100,972,165	64,528,012
Packing Materials			25,382,978	20,059,615
			1,277,292,575	648,294,451
SCHEDULE - 8 SUNDRY DEBTORS (UNSECURED)				
Debtors outstanding for a period exceeding six months				
Considered Good			34,197,802	21,818,730
Other Debts				
Considered Good			1,009,224,247	713,460,852
			1,043,422,049	735,279,582
SCHEDULE - 9 CASH AND BANK BALANCES				
Cash Balance in Hand (including Cheques of Rs. 8,570,693/- (Previous Year Rs. 3,018,850/-)			11,476,191	5,623,022
Balance with Scheduled Banks				
- In Current Account			29,278,450	40,315,317
- In Unpaid Dividend Account			599,931	498,441
In Fixed Deposit including interest accrued thereon			20,907,669	2,214,315
			62,262,241	48,651,095

CONSOLIDATED SCHEDULES TO THE BALANCE SHEET

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 10 LOANS, ADVANCES & DEPOSITS		
(Unsecured, Considered Good)		
Advances - Recoverable in cash or in kind or for value to be received	187,084,709	256,457,262
Advances for Capital Goods	57,193,018	46,398,286
Income Tax Refundable	1,782,193	–
Advance Income Tax (Net of Payments)	–	1,522,300
Advance Fringe Benefit Tax (Net of Payments)	375,200	375,200
Security Deposits	9,956,447	10,068,120
	256,391,567	314,821,168

SCHEDULE - 11 CURRENT LIABILITIES		
Sundry Creditors		
- For Goods	228,884,127	243,466,711
- For Expenses	391,133,811	154,039,530
- For Advances, Deposits & Credit Balances	120,850,578	93,419,770
Book Debt Balance with Bank	241,700	606,130
Unclaimed Dividend	575,780	474,290
	741,685,996	492,006,431

SCHEDULE - 12 PROVISIONS		
For Income Tax (Net of Payments)	29,065,368	17,903,995
For Fringe Benefit Tax (Net of Payments)	–	272,235
For Proposed Dividend	51,690,964	39,762,280
For Corporate Dividend Tax	8,585,223	6,757,599
	89,341,555	64,696,109

CONSOLIDATED SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 13 SALES/INCOME FROM OPERATIONS		
Sales	5,231,889,055	4,120,885,099
Services (Tax Deducted at Source Rs. 1,204,243/- Previous Year Rs. 1,368,006/-)	76,422,672	69,251,293
Export Incentives	6,828,031	10,550,418
Electricity Charges	9,682,499	10,333,162
	5,324,822,257	4,211,019,972
SCHEDULE - 14 OTHER INCOME		
(Unsecured, Considered Good)		
Interest (Tax Deducted at Source Rs. 3,277,223/- Previous Year Rs. 81,004/-)	30,175,456	13,346,046
Profit on Sale of Investments	119,197	–
Liability no longer required written back	116,109	–
Miscellaneous Income	3,814,308	3,391,031
	34,225,070	16,737,077
SCHEDULE - 15 INCREASE (DECREASE) IN STOCK		
Opening Stock	436,328,233	518,438,880
Less : Closing Stock	600,014,108	436,328,233
	163,685,875	(82,110,647)
SCHEDULE - 16 RAW MATERIALS CONSUMED		
Opening Stock (Includes Materials under Process Rs. 64,528,012/- Previous Year Rs. 63,385,729/-)	191,906,603	414,196,700
Add : Purchases	3,170,380,119	1,729,008,925
	3,362,286,722	2,143,205,625
Less : Closing Stock (Includes materials under process Rs. 100,972,165/- Previous Year Rs. 64,528,012/-)	651,895,489	191,906,603
	2,710,391,233	1,951,299,022
SCHEDULE - 17 MANUFACTURING EXPENSES		
Processing Charges	1,067,474,889	792,603,345
Store & Spares	515,912	386,406
Power & Fuel	29,031,642	24,390,130
Carriage Inwards	49,704,462	38,516,415
Factory Maintenance	14,269,210	11,571,729
	1,160,996,115	867,468,025
SCHEDULE - 18 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus & Leave Pay	29,576,618	24,585,303
Contribution to Provident Fund	814,173	863,444
Contribution to Gratuity Fund	1,511,011	128,311
Staff Welfare	774,839	412,012
	32,676,641	25,989,070

CONSOLIDATED SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 19 SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
A) Selling and Distribution Expenses		
Packing Materials Consumed	423,410,218	362,934,865
Carriage Outward	35,976,458	31,779,959
Brokerage & Commission	67,576,108	57,331,004
Advertisement	433,342,845	323,850,842
Marketing Expenses	33,307,204	29,802,598
Sales Promotion Expenses	152,953	–
	993,765,786	805,699,268
B) Administration and Other Expenses		
Rent, Rates & Taxes	8,533,368	5,845,142
Insurance	860,251	1,111,730
Telephone, Telex & Fax	4,184,516	4,576,203
Electricity Charges	2,109,547	2,012,234
Printing & Stationery	2,609,311	3,844,734
Postage & Courier Charges	2,769,853	2,586,180
Travelling & Conveyance	8,832,871	6,296,122
Legal & Professional Charges	16,088,147	8,237,801
Repair and Maintenance		
- For Machinery	4,645,907	4,017,052
- For Other	4,981,921	7,093,735
Vehicles Maintenance Expenses	3,237,857	3,708,683
Subscription and Membership	324,784	736,407
Directors' Sitting Fees	370,000	265,000
Directors' Remuneration	9,242,394	8,363,765
Auditors' Remuneration	269,686	262,052
Office Maintenance	4,453,080	693,506
Other Expenses	8,756,185	9,154,134
Preliminary Expenses Written Off	31,900	31,900
Foreign Exchange Difference	(7,920,270)	25,373,256
Loss on Sale of Fixed Assets	938,186	590,744
Quality Development Expenses	4,045,909	3,226,881
Bad Debts Written Off	1,757,533	12,664,882
Dealers' Incentive	49,207,011	43,761,197
Business Convention	13,204,374	7,884,240
	143,534,321	162,337,580
TOTAL (A) + (B)	1,137,300,107	968,036,848

CONSOLIDATED SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	31st March, 2010	31st March, 2009
SCHEDULE - 20 FINANCE CHARGES		
Interest		
- To Bank	46,162,625	69,832,429
- To Others	6,466,600	6,590,269
Other Financial Charges	5,680,689	3,962,262
	58,309,914	80,384,960

SCHEDULE - 21 NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**1. Principles of Consolidation**

- a. The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- b. CONSOLIDATED FINANCIAL STATEMENTS relates to Rupa & Company Limited, the Company and its subsidiary. The Consolidated Financial Statements are in conformity with the Accounting Standard 21 - Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and are prepared on the following:
 - i. The financial statement of the Company and its Subsidiary have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating inter-company balances and transactions including profits in the year end inventories.
 - ii. The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transaction and other events in similar circumstances and presented to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.
 - iii. The cost to the Company of its investment in the subsidiary and the Company's portion of equity of subsidiary at the dates on which investment in the subsidiary is made, is eliminated.
 - iv. The financial statement of the subsidiary in the consolidation are drawn up to the same reporting date as that of the company i.e, 31st March, 2010.
- c. Accounting Policies and Notes on Accounts of the Company and its Subsidiary are set out in their respective financial statements.

2. The Consolidated Financial Statement comprise the financial statements of Rupa & Company Limited and its Subsidiary as on 31st March, 2010, which is as under :

Name of the Company	Extent of Company's Interest	Country of Incorporation
Euro Fashion Inners International Pvt. Ltd.	100%	India

3. Contingent Liabilities not provided for in respect of :

(Amount in Rs.)

	31.03.2010	31.03.2009
a) Bank Guarantee	4,519,000	4,489,000
b) Letter of Credit	81,605,908	NIL
c) Sales Tax Demand (under appeal)	29,661,690	29,661,690
d) Income Tax Demand (under appeal)	2,518,740	2,518,740

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

4. Managing and Whole-time Directors' remuneration : (Amount in Rs.)

	31.03.2010	31.03.2009
Salaries & Allowances	7,200,000	6,657,195
Other Perquisites	1,856,451	1,520,627
Commission	1,200,000	1,200,000
	10,256,451	9,377,822

- Sales Tax incentives granted by the Government of West Bengal, Finance (Taxation) Department under West Bengal Industrial Promotion (Assistant to Industrial Unit) Scheme, 1994 against payment of Value Added Tax under the West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956 are recognized when there is a reasonable assurance of receipt. (Previous year Rs. 6,408,265/-)
- In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006" the Company is unable to comply with the disclosure required under the said Act.
- The Institute of Chartered Accountant of India (ICAI) has made Accounting Standard-Impairment of Assets-AS 28 mandatory and the Company has carried out comprehensive exercise to assess the impairment loss of Assets, Based on such exercise, there is no Impairments of Assets. Accordingly, no adjustment in respect of Loss on Impairment of Assets is required to be made in the Accounts.

8. Deferred Tax Liabilities

Calculation of Deferred Tax Liabilities as at 31st March, 2010 and 31st March, 2009 is as given below :

(Amount in Rs.)

	Deferred Tax Liabilities as on 31.3.2010	Deferred Tax Liabilities as on 31.3.2009
Arising on account of difference between Book Value of Depreciable assets as per books of Account and Written Down value for tax purpose	71,915,442	65,937,138
Expenses charged but allowable in the future year on Payment or under other provisions of the Income Tax Act	(513,593)	(20,224)
Net Deferred Tax Liability	71,401,849	65,916,914
Net Impact taken into Profit & Loss Account	5,484,935	37,96,383

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

9. Segment information :

i) Primary Segment (Business Segments) :

(Amount in Rs.)

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Revenue (Sales & services)	5,238,717,086 (4,131,435,517)	76,422,672 (69,251,293)	9,682,499 (10,333,162)		5,324,822,257 (4,211,019,972)
Inter Segment services		139,062,563 (100,504,429)		139,062,563 (100,504,429)	
Segment Result (PBIT)	415,362,540 (267,028,786)	21,815,852 (30,906,255)			437,178,392 (297,935,041)
Interest	49,477,649 (71,555,438)	3,151,576 (4,867,260)			52,629,225 (76,422,698)
Profit before Tax					384,549,167 (221,494,761)
Provision for Taxation					127,180,000 (72,350,000)
Provision for Fringe Benefit Tax					— (2,640,000)
Provision for Deferred Tax					5,484,935 (3,796,383)
Profit after Tax					251,856,965 (142,449,086)
Other Information					
Assets					3,582,548,426 (2,369,107,643)
Liabilities					2,136,144,733 (1,134,269,657)
Depreciation	23,070,946 (17,991,684)	10,049,769 (9,908,462)	3,055,988 (3,055,988)		36,176,703 (30,956,134)

ii) Secondary Geographical segment - Revenue

	Domestic	Export	Total
Revenue	5,228,839,976 (4,081,158,522)	95,982,281 (129,861,450)	5,324,822,257 (4,211,019,972)

Note :

- Assets used in the Company's operations or liabilities contracted have not been identified to any of the reportable segments, as the assets and liabilities are used interchangeably between segments.
- Previous year figures are given under current year figures.

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

10. As per the Accounting Standard on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows :

Key Management Personnel	:	Mr. P. R. Agarwala Mr. G. P. Agarwala Mr. K. B. Agarwala Mr. Ramesh Agarwal Mr. Mukesh Agarwal
Relatives of Key Management Personnel	:	Shri Baijnath Agarwal Mr. Manish Agarwal Mr. Ravi Agarwal Mr. Vikash Agarwal Mr. Rajnish Agarwal Smt. Puspa Devi Agarwal
Other Associates	:	M/s Binod Hosiery M/s Salasar Projects and Estates Pvt. Ltd. M/s Siddhant Flats & Apartments Pvt. Ltd. M/s Siddhant Credit Capital Ltd.

Information on related party transactions as required by Accounting Standard (AS-18) for the year ended 31st March, 2010.

(Amount in Rs.)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Other Associates	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Rent	492,000	384,000	114,000	222,000	96,000	96,000
Salary & Perquisites	8,042,394	7,163,765	4,200,000	5,400,000		
Commission	1,200,000	1,200,000				
Loan Repayment					21,111,659	700,547,000
Loan Taken						720,540,000
Interest Paid					35,561	(2,930,500)
Balance Standing						21,076,098

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

11. Disclosure pursuant to Accounting Standard - 15 : Employee Benefit

(Amount in Rs.)

A. Defined Benefits Plan (Gratuity)	
i. Change in the Present Value of the Defined Benefit Obligation	
1. Present Value of Obligations as at 01.04.2009	3,189,137
2. Current Service Cost	424,143
3. Actuarial Loss on Obligations	–
Present Value of Obligations as at 31.03.2010	3,613,280
ii. Liability recognised in the Balance Sheet	
1. Present Value of Obligations as at 31.03.2010	3,613,280
2. Fair value of plan assets at the end of the year	
(Funded with the LIC under group gratuity scheme)	3,189,137
Net (Assets)/Liability recognised in Balance Sheet	424,143
iii. Expenses recognised in Profit & Loss Account	
1. Current Service Cost	424,143
2. Net Actuarial (Gain)/Loss recognised during the year	–
Total Expenses recognised in Profit & Loss Account	424,143
iv. Actuarial Assumption	
1. Discount Rate	8.00%
2. Expected rate of future salary increase	7.00%

12. Figures pertaining to the subsidiary company have been re-classified wherever necessary to bring them in line with the company's financial statement.
13. Figures of previous year have been re-grouped/re-arranged wherever considered necessary.
14. Euro Fashion Inners International Pvt. Ltd is wholly owned Subsidiary of the Company. The financial position and results of the subsidiary is given below :

(Amount in Rs.)

	Euro Fashion Inners International Pvt. Ltd.	
	31st March, 2010	31st March, 2009
Funds Employed		
Share Capital	41,000,000	41,000,000
Reserves & Surplus	28,364,521	17,915,659
Secured Loan	24,788,276	1,345,401
Unsecured Loan	–	34,137,036
Deferred Tax Liability	1,416,356	608,157
Current Liability	37,900,410	28,184,068
Provisions	2,105,000	367,250

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

	Euro Fashion Inners International Pvt. Ltd.	
	31st March, 2010	31st March, 2009
Application of Funds		
Fixed Assets	33,419,791	33,992,943
Current Assets	67,028,380	76,934,553
Loans & Advances	35,126,392	12,598,175
Miscellaneous Expenditure (to the extent not written off)	–	31,900
Income		
Sale of Products	309,709,299	243,855,572
Other Income	415,423	350,871
Expenses		
Manufacturing and Other Expenses	278,707,414	241,625,243
Depreciation	684,921	217,481
Profit before Tax	15,964,328	9,101,992
Provision for Taxation	4,680,000	2,350,000
Provision for Fringe Benefit Tax	–	140,000
Provision for Deferred Tax	808,199	463,949
Prior Period Adjustment	27,267	276,874
Profit after Tax	10,448,862	5,871,169

As per our Report of even date
 For **K. AGRAWAL & CO.**
Chartered Accountants
 Firm Registration No. 306104E
CA K. C. Agrawal
Partner
 Membership No. 10277
 Place : Kolkata
 Date : The 7th day of September, 2010

For and on behalf of Board

G. P. Agarwala
Vice-Chairman

Priya Punjabi
Company Secretary

P. R. Agarwala
Chairman

K. B. Agarwala
Managing Director

