



RUPA & COMPANY LIMITED



The New Growth Mantra

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**ANNUAL REPORT**  
(2022-23)



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# I'm possible

## Two identical words.

A subtle alteration in the way we see the initial two letters of the words **IMPOSSIBLE** and **I'M POSSIBLE** results in a significant variance in meaning with substantial implications.

The former conveys an attitude of scepticism, doubt, disillusionment and discouragement and the latter evokes feeling of hopefulness, boosted confidence, positive attitude and strengthened courage.

It is the journey between the two that often defines the identity of an organisation.

We thus prioritize our commitment to fulfil our promise while attentively addressing the queries that arise along the way.

At Rupa & Company Limited, our unwavering commitment to deliver consistent value to all our stakeholders remains firmly in place. As we look towards the future, we endeavour to embark on a phase of stable growth, backed by agile leadership, innovative products and strengthened capabilities. Our vision is centered on socially-inclusive and financially-viable growth, with a focus on creating sustainable value through targeted initiatives. We aspire to build an organization that serves as a strong foundation for our progress and delivers steadfast growth through the combination of these letters,

**I'm possible.**

### Disclaimer

In this Annual Report, we have disclosed the Company's objectives, expectations and forecasts to empower investors to take informed investment decisions. This report and other statements – written and oral – that we periodically make, may be forward-looking within the meaning of applicable securities laws and regulations. We have tried wherever possible to identify such statements by using words such as 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of prospective performance. Although we believe that we have been prudent in our assumptions, actual results could differ materially from those expressed in the statement. The achievement of results is subject to risks, uncertainties and inaccurate assumptions.





### Our vision

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



### Our mission



To exceed the customer's expectations by consistently offering the best products across different categories.



To promote the latest R&D and to follow eco-friendly production processes.



To create and deliver value for all stakeholders.



### Roots

Established in 1968 as Binod Hosiery, Rupa's origin trace back to a time when local manufacturers dominated the innerwear market. The Company was established by three first generation entrepreneurs, namely Mr. Prahlad Rai Agarwala, Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal with the objective to make innerwear available to the masses and transform it into a well-known brand for fashion-conscious consumers.



### Locational spread

With its best-in-class manufacturing facilities at Domjur (West Bengal), Tirupur (Tamil Nadu), Ghaziabad (NCR) & Bengaluru (Karnataka) alongwith sales offices and warehouses spread across the country, the Company's products are available through a strong network of 1,500+ dealers with a direct reach across 1,50,000+ retail outlets.



### Various product verticals

The Company endeavours to meet the growing aspirations of society by developing brands that are widely accepted by all consumer class. Our company is regarded as a top choice in the market with a diverse range of product categories which includes innerwear, thermalwear, casualwear and athleisure for men, women and kids. The company market these products in economy, mid-premium, premium and super premium segment at various price points.



### Listing

Shares of the Company are listed at the National Stock Exchange Limited (Scrip code: RUPA) and BSE Limited (Scrip code: 533552) with a market capitalisation of more than ₹ 1,600 crores as on 31st March, 2023.



### Brand Endorsement

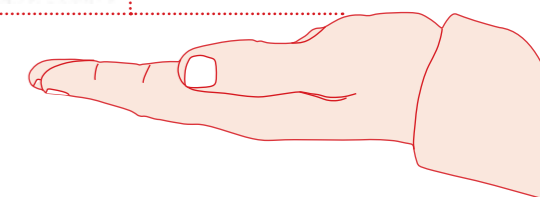
The Brands of the Company are endorsed by leading celebrities like Ranveer Singh, Kiara Advani, Kartik Aryan, Ranbir Kapoor, Naveen Kumar Gowda (Yash) and Khesari Lal Yadav.



### Quality

The Company holds ISO 9001:2015 certificate, reflecting its globally benchmarked manufacturing standards.

### Our bouquet of brands





## Founders' Statement

*Dear Shareholders*

If we are supposed to describe this Annual Report in three letters it would be – **Conviction, Endeavour, and Dedication.**

A **conviction** that the domestic economy is going to achieve new heights as it enters its “Amrit Kaal” period.

Various **endeavours** by the Central Government to make the country achieve a 5 trillion-dollar economy by 2026-27 and various initiatives for job creation have ensured that the relatively young population of the country have the highest disposable income ever.

A **dedication** by the management so that our brand “Rupa” reaches every corner of the country.

As a corporation with over five decades of experience in the innerwear sector, our courage, conviction, and dedication maintains our confidence in sustaining our goals for continual value creation and turning the tide in our favor with a positive transformation “I’m Possible” for a variety of reasons.

### The first good reason is Brand “Bharat”

According to the ‘International Monetary Fund’ (IMF), India is anticipated to grow by 5.9% in FY 2023–24 and by an average rate of 6.1% over the next five years. During the recently concluded Budget, the ‘effective capital expenditure’ by the Central Government is estimated to be around ₹ 13.7 lakh crore (4.5% of GDP) for FY 2023-24.

It is apparent that India’s large young population, along with an increasing number of upper-middle-income individuals possessing an appetite for spending, points to a future of consumption-driven prosperity. However, it is commonly assumed that investment will give India the required momentum to embark on a long-term path of sustainable domestic demand-led growth. Despite uncertainty, growth drivers have sustained a clear upward momentum, as demonstrated by high-frequency statistics such as GST collections, daily average gasoline consumption, vehicle sales, credit growth in various sectors and industries, and Purchasing Managers’ Indexes (PMIs).

### The second strong reason is the ever-changing Indian consumer, which Rupa caters to

The Indian consumer is rapidly evolving. Today, customers can purchase innerwear from local shops to high end stores at malls, as well as via e-commerce websites in a matter of a few clicks. The variety of designs, fabrics, cuts, colors, and styles available for every body type and need is astounding. This raises the question—what is driving the rapid evolution of India’s men and women innerwear market?

Social media exposure, increased fashion awareness, demand for different kinds of innerwear, and an understanding of health and hygiene are driving unprecedented growth in the innerwear market. Add to the mix, our country’s expanding disposable income, an increase in female spenders, desire for branded luxury innerwear, and the expansion of the retail sector are factors for the sector’s growth.

We, at Rupa, consistently raise the bar of consumer satisfaction by introducing fresh assortments in each sub-brand. Our products are infused with the latest fabric innovations, cutting-edge production techniques, and advanced design features to provide top-of-the-line style and comfort. We spare no effort in ensuring that our end-users relish the ultimate exquisite experience.

Social media exposure, increased fashion awareness, demand for different kinds of innerwear, and an understanding of health and hygiene are driving unprecedented growth in the innerwear market.

### The third motivation is how we are embracing opportunities amidst challenges and are sustaining growth

FY 2022-23 has been nothing short of an extraordinary year for the innerwear business. Seldom does one come across such contrasting scenarios as the sector witnessed this year. On one hand, the market sentiments were high, and consumers were upbeat on retail spending, resulting in a strong demand for products. On the other hand, the sharp spike in input prices at the beginning of the year, followed by a subsequent decline by more than 30%, had put pressure on margins pulling down this euphoria.

The situation demanded that some tough and wise judgments be made. Rupa has always chosen to shine in the lives of consumers and stakeholders regardless of the circumstances. Our primary focus was on execution to guarantee that our items remained available while also implementing many inward-looking cost-cutting strategies and expanding our distribution network.

We, at Rupa, consistently raise the bar of consumer satisfaction by introducing fresh assortments in each sub-brand.

Despite the problems of increased costs in FY 2022-23, our revenue was ₹ 1,143 crores, a 23% decrease year on year. The gross margin was 28.6%, down from 34.8% in the previous year. EBITDA for the year was ₹ 89 crores, with an EBITDA margin of 7.8%. The profit after tax was ₹ 54 crores, with a profit margin of 4.7%. A variety of factors have affected sales, resulting in de-growth across key indicators. However, due to our efficient financial management, we



have been able to drastically reduce our net debt and free up working capital. Net debt for FY 2022-23 was ₹134 crores, down from ₹ 231 crores in the previous year. Net working capital deployed in the Company decreased to ₹ 789 crores in FY 2022-23 from ₹ 910 crores. This year, we have greatly improved our cash flow operations, going from a net outflow of ₹ 116 crores to a positive cash inflow of ₹ 185 crores. CRISIL has assigned us a credit rating of CRISIL AA-/Stable for long-term borrowings and CRISIL A1+ for short-term borrowings of the Company.

The management is glad to recommend a 300% dividend. Looking ahead, we expect margins to increase in FY 2023-24 as market sentiment normalizes and the effects of underperforming areas fade. We remain committed to improving our operating efficiency, controlling costs, and capitalizing on growth prospects to increase shareholder value.

**The fourth good reason is our Phygital strategy**

Rupa enjoys a large presence in East India and has expanded towards the North, followed by West India. We are expanding our reach in South India and have plans to expand and increase our market share in the future. The company's network now includes more than 1,500 dealers, 1.50 lakh retail locations, and 28 Exclusive Branded Outlets (EBOs).

Rupa's strategy is to penetrate new markets by employing new distributors and assembling professional teams, as well as to expand in existing regions and make inroads into unexplored South Indian markets. We have a diverse product portfolio, which allows us to develop product offerings to meet the diverse consumer tastes of the respective states. We are expanding collaborations with retail chains and e-commerce businesses in order to boost product reach and relevance to both urban and semi-urban populations, particularly millennials. Our products are sold in over 1400 modern retail format stores, including Reliance, Metro, D-Mart, Spencers, More, Stylebazar, Pothy's, Lulu, Jaychandra, and others. We are available on Amazon, Flipkart, JioMart, Myntra, Tata Cliq, and other e-commerce platforms. We can also be reached through our Rupa Online store.

As a result, we have combined our physical and digital storefronts using the Phygital (Physical-digital) strategy. Thus, the combination of both e-commerce and brick-and-mortar business components has assisted us in improving the customer experience and increasing sales revenue.

Rupa has always chosen to shine in the lives of consumers and stakeholders regardless of the circumstances.

**The fifth positive factor is our focus on brand building**

Over time, we have increased our market share through concentrated brand building, celebrity endorsements, smart pricing, and product superiority, resulting in a compelling volume-play business for our Company. 'Macroman M-series' Premium Innerwear and Athleisurewear are endorsed by the famous celebrity and movie icon of South India - Naveen Kumar Gowda aka Yash; 'Euro' brand of innerwear products is endorsed by famous Bollywood actor Kartik Aaryan; 'Jon' our mass selling brand is endorsed by famous Bollywood star Ranbir Kapoor as well as famous Bhojpuri cinema actor Khesari Lal Yadav; 'Rupa Frontline' Innerwear and 'Rupa Torrido' are endorsed by famous celebrity and Bollywood star Ranveer Singh; and Rupa Softline Leggings is endorsed by famous celebrity and Bollywood actress Kiara Advani. During the year, we have spent around 7-8% of our revenue on various marketing activities.

**The sixth solid reason is our expanding international presence**

At Rupa, we recognized the need to revamp our international approach a few years ago, in order to improve efficacy and we are glad to report that these varied strategies have begun to bear fruit. Despite geopolitical obstacles, the Company's overseas operations grew by 25% during the fiscal year under review. As a result, the total international business today inspires great confidence in charting a sustainable and profitable growth trajectory in the medium to long term.

**The seventh compelling reason is our commitment to sustainability**

Our Company's ethos embodies a dedication to sustainability, which we believe will strengthen our leadership in excellence, agility, and innovation, generating value for all stakeholders along the way. Our sustainability agenda is built around core themes such as responsible resource usage, climate change, circular economy, sustainable supply chain, product responsibility, and

community development.

Businesses have a crucial role to play in society and are expected to drive positive change. Brands carry a significant responsibility in this regard. It is evident that consumers today prefer brands that prioritize a relevant purpose. Similarly, millennials seek employment in organizations that make sustainable decisions, and investors around the world are increasingly supporting companies that perform on all three fronts: people, planets, and profits.

We firmly believe that to enhance productivity, engagement, and job satisfaction among the workforce of tomorrow, it is essential to adopt value-based transformational goals as a catalyst. In line with this, our focus is on creating sustainable operations, supported by empowered people and good governance which will help us build and grow our business seamlessly and deliver on our commitments towards our stakeholders.

**The eighth reason is more than just a good cause; it is our appreciation for the stakeholders**

We thank all our stakeholders for their trust and support. We would also like to thank all the esteemed Board Members who bring in their respective expertise to drive this organisation forward. We are well-positioned in the

Over time, we have increased our market share through concentrated brandbuilding,celebrityendorsements, smart pricing, and product superiority, resulting in a compelling volume-play business for our Company.

industry, with a strong portfolio, extensive distribution network, and with our stakeholders support. We will continue to harness these to scale our business and maximize value for all, while also moving the country closer to self-sufficiency.

With best regards,

**Prahlad Rai Agarwala**, Chairman

**Ghanshyam Prasad Agarwala**, Vice-Chairman

**Kunj Bihari Agarwal**, Managing Director





# RUPA® FRONTLINE

## Strength of



<p>Possess a multi-decade industry experience</p>	<p>Following quality-first, the Company is ISO 9001:2015 certified</p>	<p>Products available through 1,50,000+ retail outlets across the country</p>	<p>Available across leading online stores and 28 EBO's</p>
<p>9000+ SKU's</p>	<p>100+ Registered Trademark</p>	<p>Agile &amp; efficient supply chain</p>	<p>Focused on organic growth, led by a keen eye for inorganic opportunities as well</p>
<p>The Brands of the Company are endorsed by leading celebrities</p>	<p>Multi continental presence and increase in exports</p>	<p>Reported significant growth in modern trade and e-commerce</p>	
<p>Reduced debt burden and maintained a positive cash flow</p>	<p>Spent ₹ 3.90 cores in FY 22-23 towards CSR activities</p>		



**YEH STYLE KA  
MAMLA HAI!**



# I'm possible

through our commitment towards value creation

The success of Rupa as a domestic innerwear brand, with a nationwide reach is a testament to our ability to connect with millions of Indian consumers. Our product line reflects a deep understanding of consumer aspirations, while our unwavering focus on quality has earned us the loyalty of our customers. Our corporate values are grounded in the Indian ethos of valuing relationships above personal gain, and we consider our employees and customers as our extended family.



### Financial Capital

As we strive to enhance stakeholder value creation, we remain dedicated to increase our revenues, profit margins and reduce our debts, thereby bolstering our leverage.



### Manufacturing Capital

The efficient utilization of manufacturing resources and infrastructure plays a vital role in the production of superior quality goods. At Rupa we are pursuing our growth aspiration through adoption of innovative processes and technologies with optimum utilization of resources.



### Human Capital

The people in our organization are our foremost strength when it comes to successful execution. Our organizational culture is firmly rooted in demonstrating empathy, which drives our commitment to nurturing human capital through meritocracy.



### Intellectual Capital

Our intellectual capital stems from our robust research and development abilities, extensive customer, vendor, and channel partner interactions, as well as the utilization of cutting-edge technologies at our production plants. Our 100+ registered trademarks forms part of our intellectual capital.



### Social & Relationship Capital

Rupa strives to positively impact the lives of all stakeholders by generating meaningful value. Our dedication to advancing socially inclusive growth is unwavering, as evidenced by our collaborations with value-chain partners and our community welfare initiatives.



### Natural Capital

We constantly focus on improving our Natural capital through several efforts, including raising staff awareness around responsible use of precious resources, monitoring water, paper, plastic, electricity consumption, etc. While we comply with all the environmental regulations, we are voluntarily working towards reducing carbon emissions.

## Beneficiaries of Rupa's value creation model

At Rupa, we hold the conviction that our success stems from the harmonious balance of values for all our stakeholders, leading to the sustained growth and longevity of our enterprise.



### Employees:

Our Workforce embodies a collective intelligence in various domains essential for business expansion, including Research and Development, Sales, Procurement, Manufacturing, Marketing, Technology, and Finance amongst others.

**Focus:** Our foremost aim is to create an exhilarating work environment for all our employee that is varied, inclusive and diverse.



### Shareholders:

We receive the necessary backing from our shareholders whenever required.

**Focus:** Our primary objective is to generate sustainable cash flow, boost Return on Capital Employed (RoCE) and increase the overall investment value.



### Vendors:

Our vendors deliver reliable and uninterrupted access to essential raw materials.

**Focus:** Our primary goal is to ensure smooth and quality procurement while decreasing average costs, expand our reach and reinforce our sustainability efforts.



### Customers:

It is our esteemed clientele who ensure that we continue to thrive as a business by consistently purchasing our products. Their continuous support enables us to sustain our operations.

**Focus:** Our primary objective is to offer our esteemed clients a wide variety of products that strike the perfect balance between premium quality and reasonable pricing.



### Communities:

Our societies offer vital resources and networks, including education, employment, training, and cultural enrichment, which collectively constitute social capital.

**Focus:** Our primary goal is to foster the development of the communities surrounding our operations.



### Governments:

Government helps businesses in the field of technique, finance, market development etc through various schemes and policies.

**Focus:** Our objective is to fulfil our role as a responsible corporate citizen by fulfilling our tax obligations and complying with any new and existing regulatory requirements.





**CLASS, COMFORT, CONFIDENCE!**

Paint The World With Colors of Your Spirit!  
Crafted with finesse & style by designers par excellence for men and kids extraordinaire, Colors is a passion-play on the palette of vibrant prints and vivid shades inspired from nature for spicing your inner game!

Come, embrace that walk-like-a-breeze feeling while looking like a trendsetter, with the premium range of Colors!



**OUR RANGE**



VEST #201 #202 #203 #204 #205 #206 #207 #208 #209 #210 #211 #212 #213 #214 #215  
 BRIEF #106 #107 #109 #111 #116 #117 #118 #126  
 TRUNK #101 #102 #103 #104 #105 #108 #110 #112 #113 #114 #115 #119 #120 #121 #122 #123 #124 #125  
 TOWEL #301 #302 #303 #401 #402 #501 | HANDKERCHIEF #701 #702 #703 #704 #705



**TEXTURE**

*Inspired by Nature*  
Each time you run your fingers over your ribbed derby vest, you cannot stop imagining a ripped look of yourself.

**DERBY VEST**  
#204, #205, #206



AVAILABLE IN ASSORTED COLOURS



**DERBY VEST**  
#203

AVAILABLE IN WHITE



ACTIVE MAN'S CHOICE  
**DERBY VEST**  
THAT REFLECT YOUR ACTIVE SIDE

BREATHABLE | FORM FITTING | MOISTURE WICKING



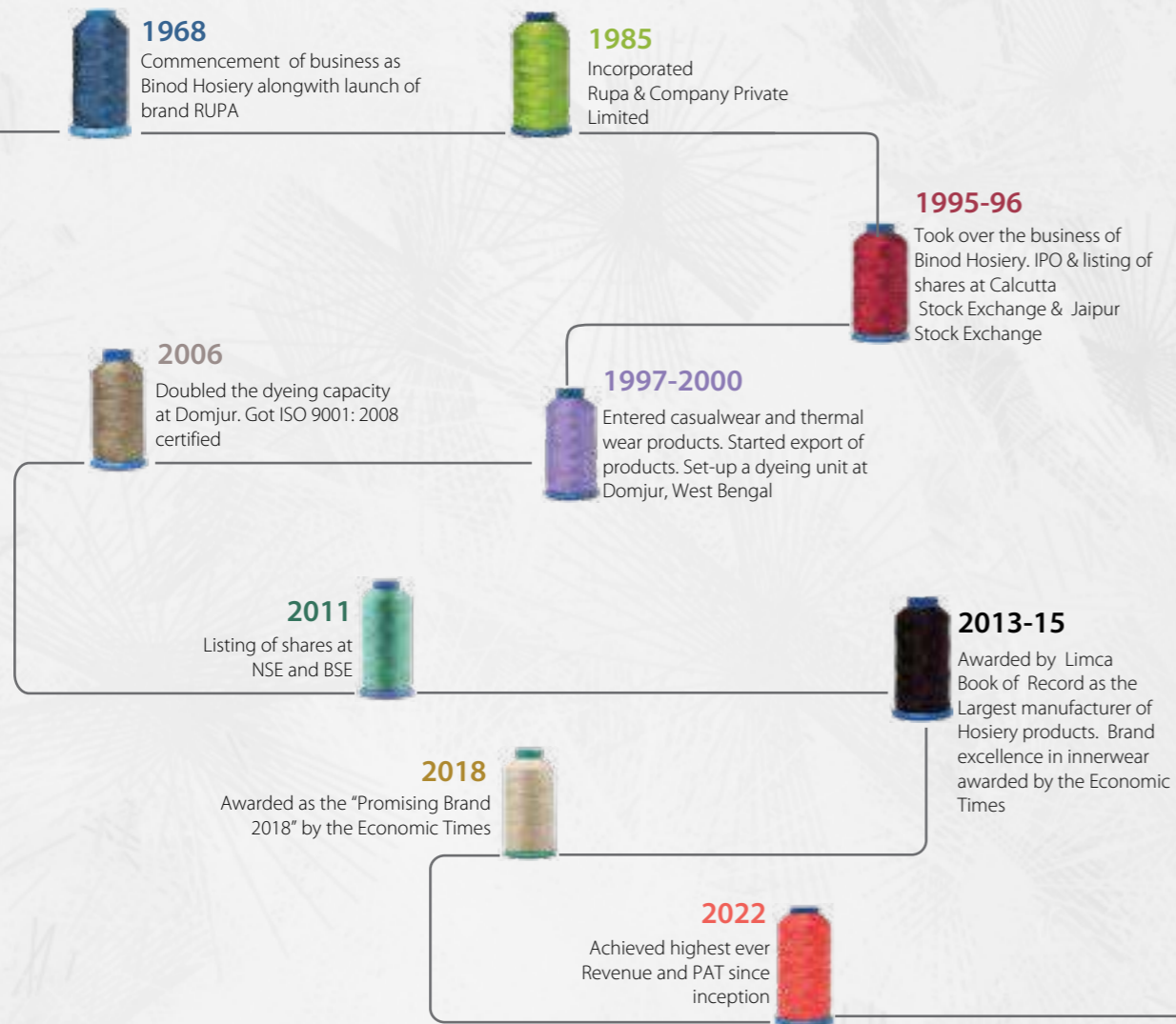
Half a dozen colors to match your attire. | No wrinkles. No Creases. | Despite repeated washes, the vest continues to hug you.



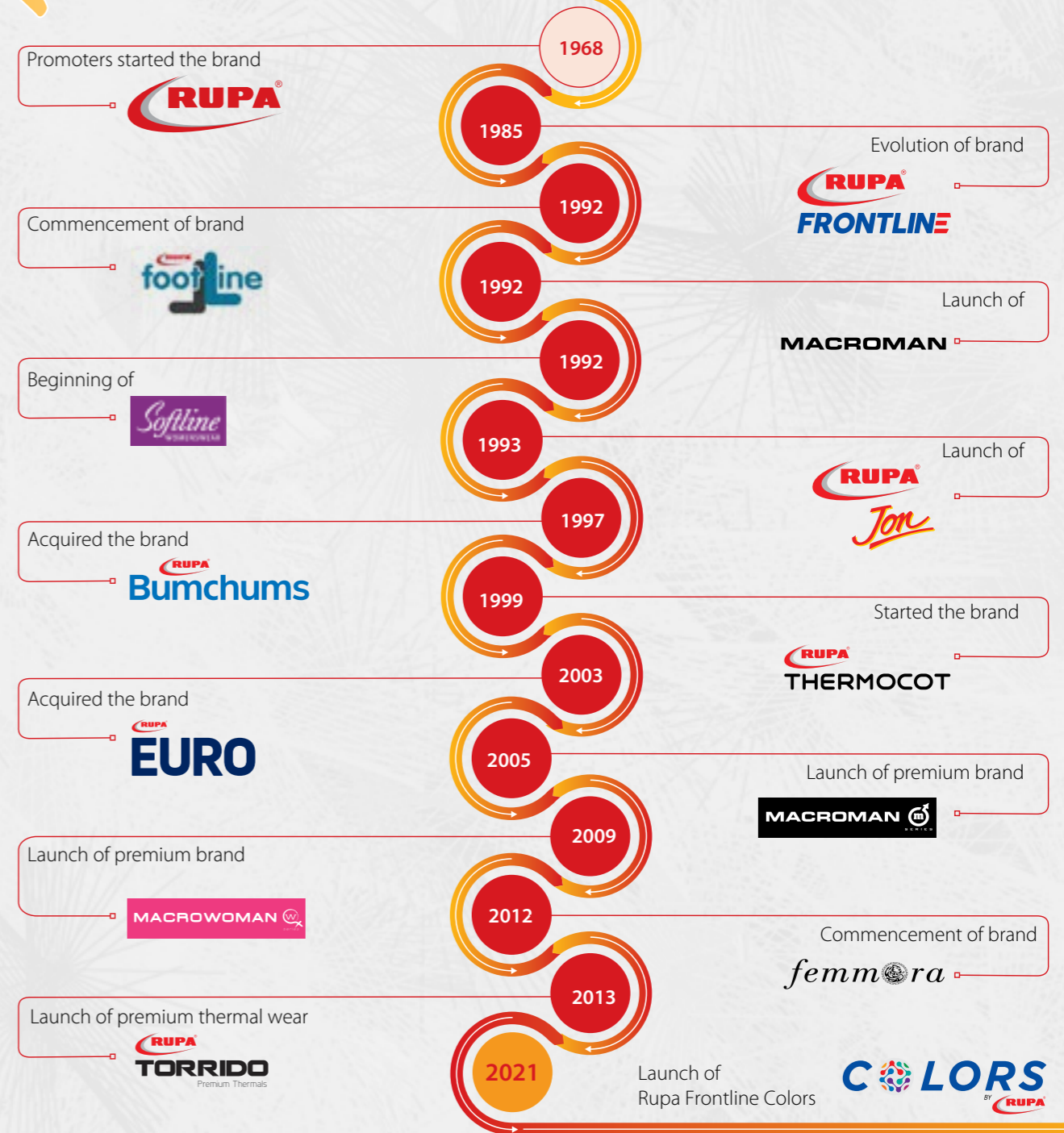
# I'm possible

is our strength to achieve new milestones

The increasing ambitions of the Indian population are creating unparalleled possibilities. Throughout Rupa's history, our unwavering aim has been to fulfil these aspirations with superior products while simultaneously striving for sustainable growth. This is evident in our diverse and successful portfolio of brands, which have amassed significant market share over time.



## Journey of our brands





# I'm possible

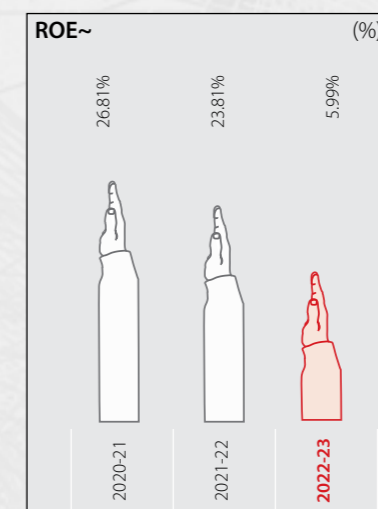
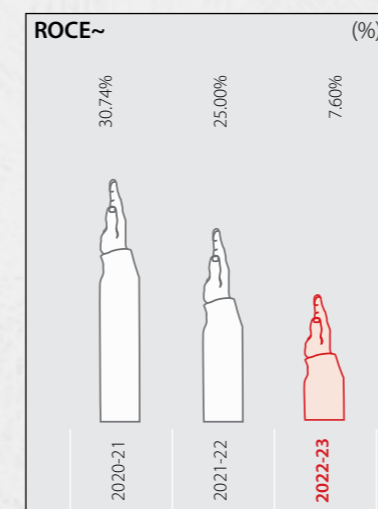
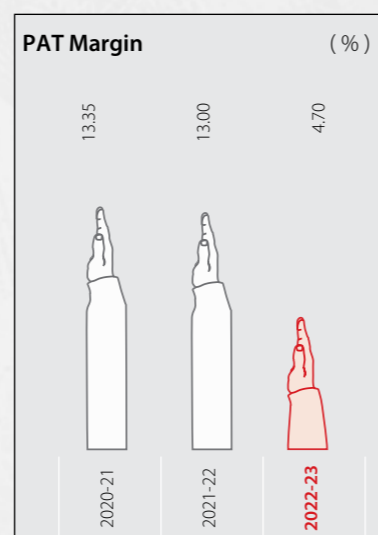
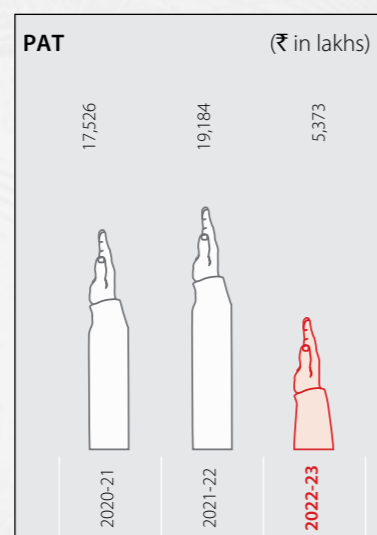
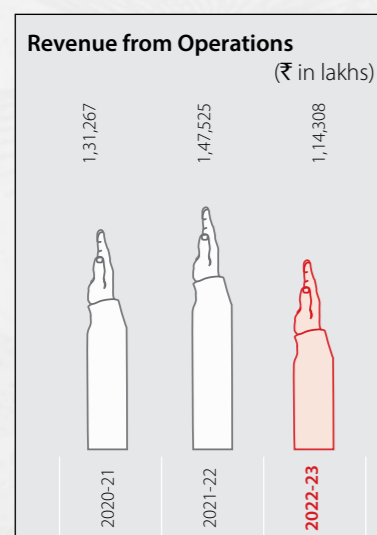
in our commitment to deliver consistent results

Growth is not a flash in the pan. It is a long-term, consistent and steady journey towards superior value creation for all those who are directly or indirectly associated with it. A well thought out, mature strategy is the key to achieving it.

Since its inception, Rupa has steadily nurtured its appetite for growth. We are engaging the market with new products and exploring and finding better ways to work. We are exploiting every opportunity with greater vigour and much greater efficiency, resulting in significant shareholder value accrual. This is achieved by way of major strategic initiatives as well as small tactical steps adding up to something big.

We are widening our franchise in the larger market segments – our core markets – through our proven strategy of delivering higher quality of innerwear products at multiple price points. At the same time the brand 'Rupa' is being steadily enhanced with new product categories as we make ever deeper inroads into markets both domestically and internationally. And all this, with a very rigorous vigil on manufacturing efficiency and fiscal discipline.

During 2022-23, we achieved a turnover of ₹1,143 crores and our PAT stood at ₹ 54 crores. Debt burden reduced by 42% to ₹134 crores. Cash generated from Operations grew to ₹185 crores. We are fully geared to build on this momentum. The focus remains on the lucrative mid-premium and premium segment. We are defeating expected and unexpected challenges affecting our business operations, by implementing stable strategies and embracing agility.

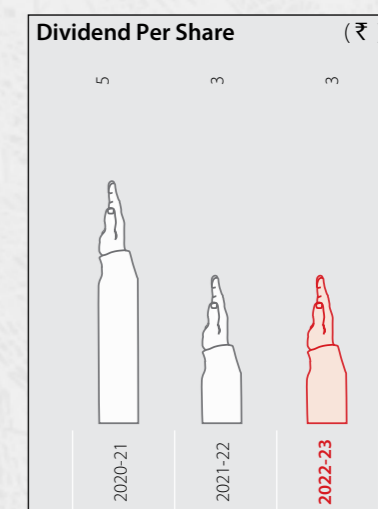
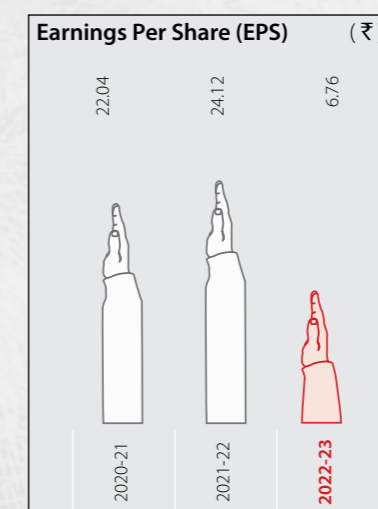
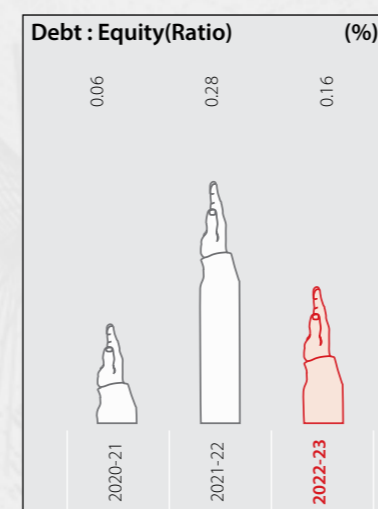
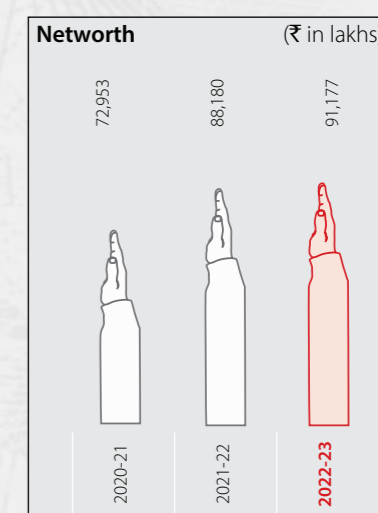


**CRISIL AA-/Stable**  
Long-term borrowing

**CRISIL A1+**  
Short-term borrowing

## Fulfilling aspiration of shareholders

Our strong balance sheet and consistent creation of shareholder value are achieved through careful management of cash flow, working capital, and cost optimization. Our team maintains close relationships with distributors and stockists to track demand and plan inventory production, ensuring consistent supply chain. Our portfolio's agility, financial prudence, and innovative go-to-market strategy were underpinned by the relationships of trust we have built over the years, and we were able to translate this into business success.





# I'm possible

through manufacturing excellence & technological capabilities

We have integrated our state-of-the-art manufacturing facilities with world class machineries to ensure advance quality products & maximise the value created. The equipments and machinery are backed with latest technology securing high levels of productivity and product excellence. Our investment in highly productive and energy efficient manufacturing facilities makes our products stand out.

Investments in the future are a reflection of the sustainability of growth and creation of value. Augmenting capacity in a growing market and a continual expansion of the gross block are imperatives of stability and success. At Rupa, we are making significant efforts to build an organisation for the future. Not only we do capacity augmentation, but we also keep on exploring ability to modify the consumer experience by bettering the existing product quality.

Continuous expansion plan year-on-year basis till date is on track. Further, we are setting up a dedicated export unit and a cutting unit at Domjur in West Bengal to produce various types of hosiery & knitwear products.

We are a leading innerwear manufacturing company in India, operating state-of-the-art manufacturing facilities across four states - West Bengal, Tamil Nadu, Uttar Pradesh, and Karnataka. We leverage cutting-edge technology and exceptional craftsmanship to ensure that our products meet all specifications, and we are supported by a team of highly qualified and trained professionals. Thanks to our robust infrastructure and advanced technology, we can conform to international standards and every product we offer comes with a Colorfast guarantee, making us a preferred choice for customers seeking quality and reliability.



We are using CNC technology in cutting, Autocad in designing, Softflow technology in processing and Dryhead & UBT technology in sewing. Further we have started a product development department with a sampling unit and laboratory for testing fabric.

### Our state-of-the-art equipment includes

- Spectraflash SF450 (a high-performance spectrophotometer) with colour matching software from DATACOLOR of USA. This makes it possible for the Company to dispatch a lab-tested colour sample within 24 hours of receipt from the client.
- Labomat beaker dyeing from Mathis (Switzerland) to achieve the precise result in the laboratory with tests across fabric fastness properties like rubbing, light, perspiration and washing in line with international standards.

### High volume capacities

<b>25</b> tons/day Fabric Dyeing & Bleaching	<b>3</b> tons/day Yarn Dyeing & Bleaching
<b>25</b> tons/day Knitting	<b>10</b> lakh pcs/day Cutting
<b>1</b> lakh pcs/day Stitching	<b>~8.5</b> lakh sq. ft. Warehouse space





**COLORS**  
BY RUPA FRONTLINE

**COLORS**



*Premium*

Innerwear Essentials  
Classic Briefs for Men for  
All-Day Comfort



SOFT TOUCH



EXCEPTIONAL FIT



ULTRA-DURABLE



ELASTICIZED  
WASTEBAND



SUPER  
STRETCHABLE



95% COTTON  
5% SPANDEX



REDESIGNED  
INSEAM

Bold Colours that Elevate Your Style | Snug Fit for Supreme Comfort | Roomy Hip & Opening Area | Pure Comfort with Seamless Joints

**MINI BRIEF**  
#107

AVAILABLE COLOURS



**COLORS**  
BY RUPA FRONTLINE

Bring on the Fun with  
**PRINTED**  
BRIEFS & TRUNKS

MINI BRIEF  
#106



FRONT OPEN LONG TRUNK  
#114



FRONT OPEN MINI TRUNK  
#104



STAY ON **Fleek** WITH MEN'S COTTON BRIEFS & TRUNKS  
THAT REFLECT YOUR FUN SIDE  
FUN. FUNKY. FLIRTY



SOFT TOUCH



EXCEPTIONAL FIT



ULTRA-DURABLE



ELASTICIZED  
WASTEBAND



SUPER  
STRETCHABLE



95% COTTON  
5% SPANDEX



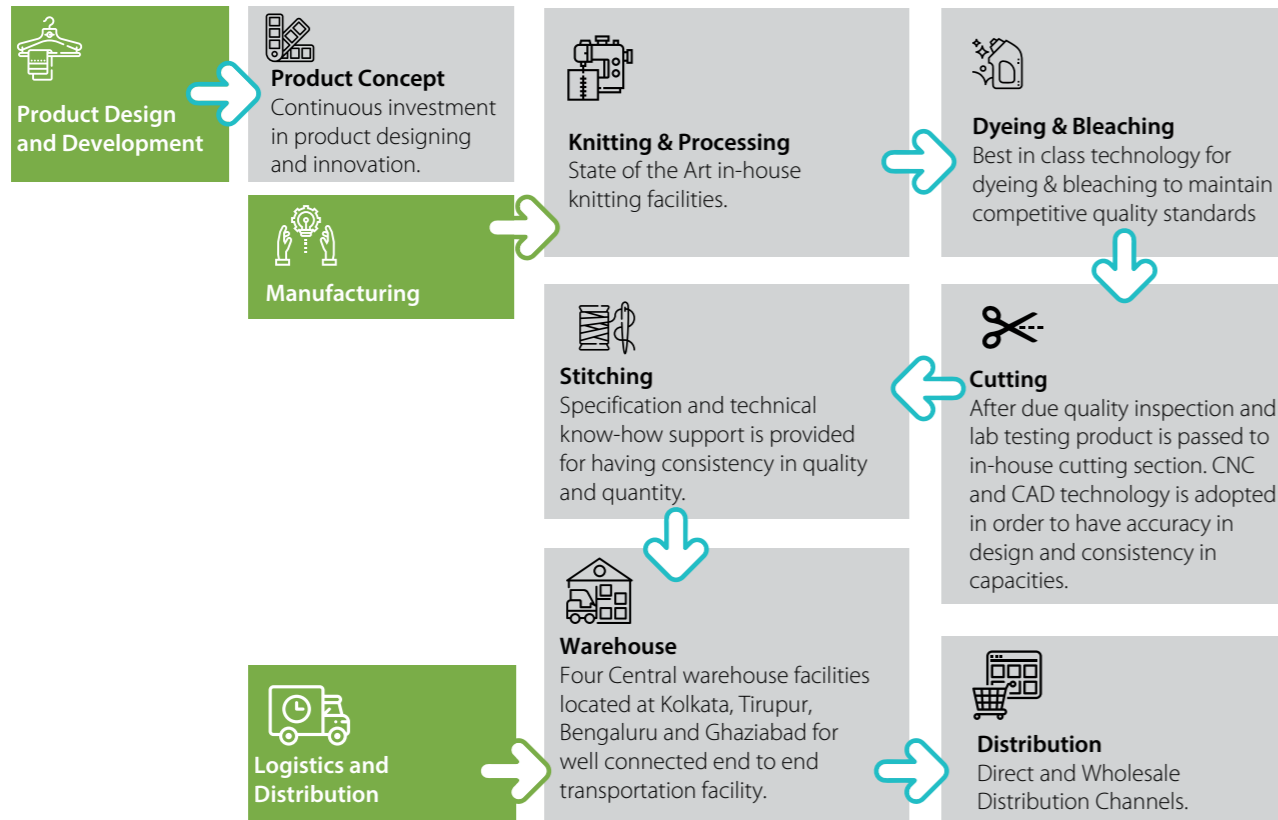
A PRINT FOR EVERY  
MOOD AND OCCASION

Funky Prints that Elevate Your Style | Snug Fit for Supreme Comfort | Roomy Hip & Opening Area | Pure Comfort with Seamless Joints



# I'm possible

through our effective production value chain

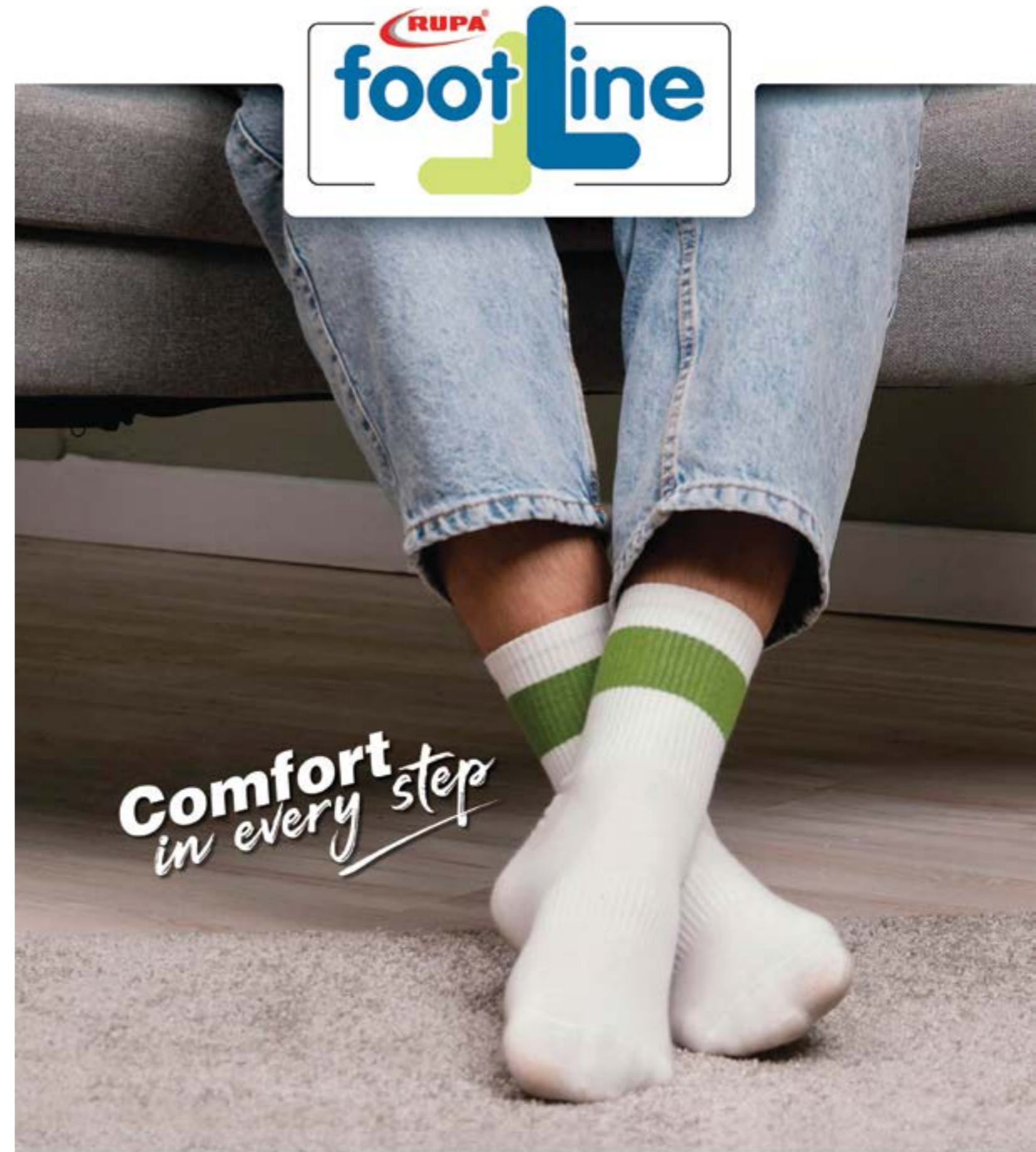


## Leveraging the power of data

In today's world, data is becoming ever more central to the success of businesses. At our organization, we utilize data analytics to gain valuable insights for product development and driving sales. As we've emphasized, in recent years, data is now the new fuel for any organization that seeks to thrive over the long term. By leveraging data, we gain a thorough understanding of our customer's needs, can identify critical social trends, and use this knowledge to craft new products, as well as optimize and build upon existing ones, for greater market share. Data-driven insights have also enabled us to create a more productive sales team, streamline operations at every level, and maintain compliance more effectively.

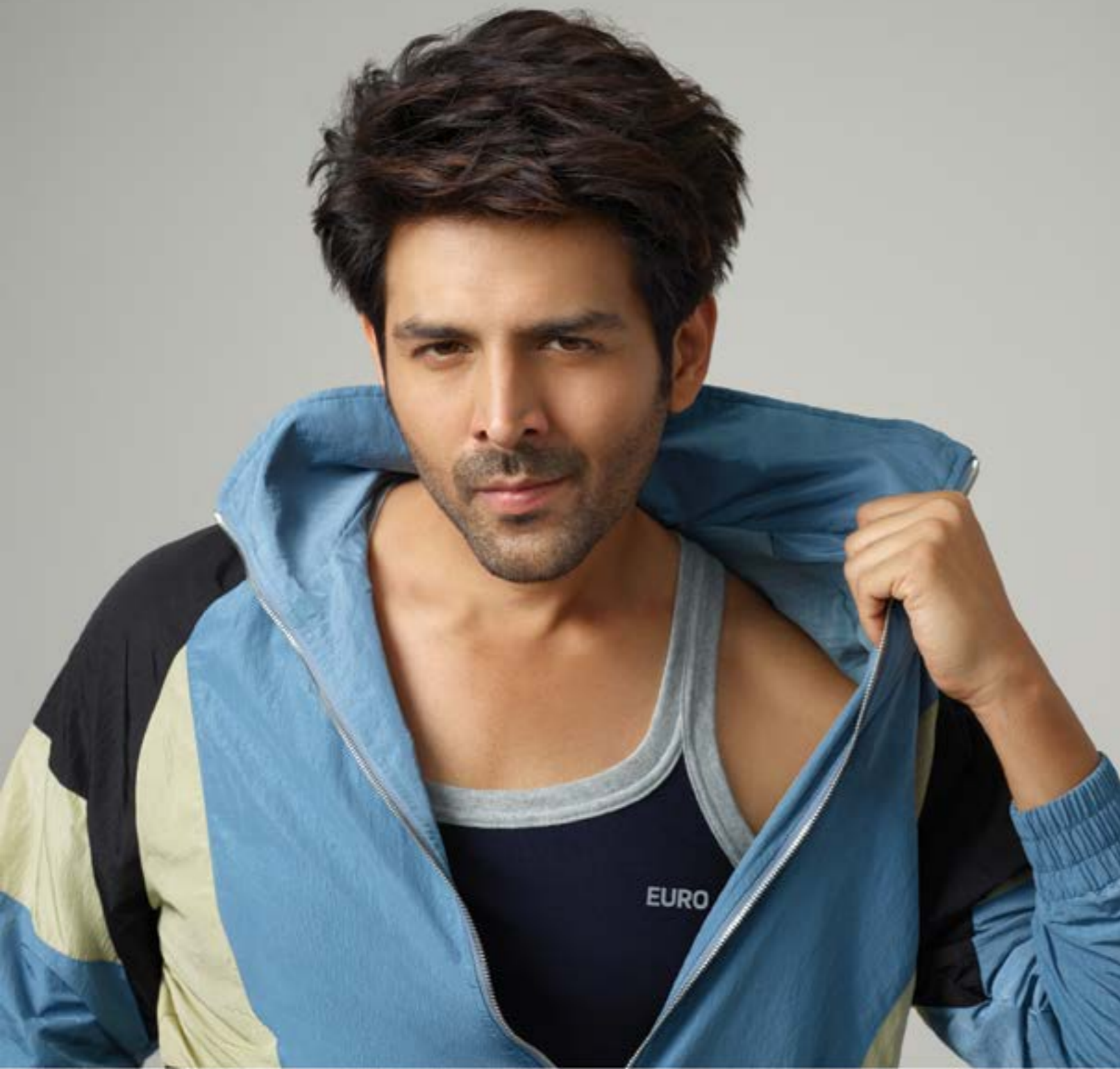
### During 2022-23:

- We implemented core enterprise solution by installing SAP F & VB S4 HANA to bring in more transparency and visibility in the organisation.
- We installed Dealer Management System (DMS) and Mobile Sales Force Automation into the IT value chain. These installations are expected to aid seamless distribution, aid secondary sales, improve distributor ROIs, minimize sales loss and ensure product availability as per customer requirements leading to stable growth.



PLAIN | PATTERN | ANKLE LENGTH | CREW LENGTH | SECRET |  
SPORTS | THUMB SOCKS | KIDS FANCY | SCHOOL SOCKS





**CHUMBAK  
HAI BHAI**



A range of fashionable innerwears  
[www.eurofashions.in](http://www.eurofashions.in)

**RUPA**  
**EURO**

## I'm possible

through our extensive distribution network

Scaling up a business in India is possible only through an effective and large distribution network. We foresee this and have always tried to build our relationship with our distributors by regularly engaging with the existing ones and continuously trying to add new ones.

Developing an efficient distribution network is one of the most critical aspects for the success of a Company. It is a component of strategic planning that allows a Company's products to reach customers quickly and efficiently and has an efficient role in promotion & marketing of goods. In this regard, our Company is always focused on widening and deepening its distribution network and also values the relationship with them. As a result, over the past several decades, we have successfully built a network of more than 1500+ distributors across the length and breadth of the country. These indeed serve almost 1,50,000+ retail outlets across India making our products available to the masses and meet with the competitive demands of the market. Going strong in the East, North and West, we are now aggressively eyeing the South Indian markets to

widen our footprint and presence, by engaging with new distributors and channel partners.

Our distributors are part of our big RUPA family and have direct access to the top management. Some of them are associated with us for past few decades. To maintain a healthy and sound relationship, we regularly engage with our distributors and retailers for understanding their needs, resolve their grievances, take feedback and brief them with the schemes and offers etc. We also arrange national and international distributors meets, conferences, trainings etc. round the year for our dealers and distributors. A distributors meet was organised at Bangkok during FY 2022-23, glimpse of which are as follows:





# I'm possible

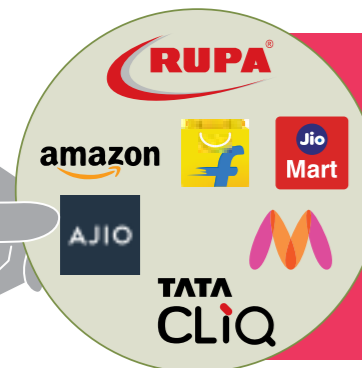
through deepening consumer connect

Relationship with the consumer continues to be a key differentiator for any business. Consumer trusts and expect a brand to be available at a click or near to their location within the best possible price point

### Online retail

India's textile & apparel industry has transformed through the interplay of online and offline sales. E-commerce has grown exponentially due to changing consumer behaviour, urbanisation, higher disposable incomes and internet penetration and is poised to grow at 13% CAGR over the next years.

Today, the companies that has the best of e-commerce capabilities embedded in their go-to-market strategy are the ones best able to profit from the huge spike in online orders of fashion and innerwear items. Thus we have also ramped up our e-commerce partnerships to reach a much wider consumers base which is regularly surfing online for the best products and price deals.



We have enhanced our online visibility to nudge consumers towards actively seeking out our products at various platforms. Our across the board products are available in exclusive packaging to catch the eye of the consumer visiting various digital platforms. We have developed a robust tech-based warehouse to support pure plug and place marketplace business model. Our products are available at leading online platforms like: Amazon, Flipkart, JioMart, Ajio, Myntra, Tata Cliq etc.

We have recently launched a new product category 'Coblue' which is exclusively available at Amazon. Going forward we plan to make our products available online at UAE via Amazon.

### Modern retail trade

Given the rapid changes in consumer purchasing behaviour, staying relevant is crucial. Our company has been increasingly focusing on the modern retail trade format in recent years, aiming to transition towards future-oriented distribution channels. By tackling challenges within this channel and executing specialized strategies, we increased our revenue share through modern retail trade. Currently we are available through more than 1,400 stores comprising of: Reliance Retail, Dmart, Metro Cash & Carry, More, Spencer's, Style Bazar, Pothy's, Lulu, Jayachandra etc.



We also offer our customers an unparalleled omni-channel experience through our exclusive 28 EBOs. Going ahead we plan to add more than 1,000 specialised point of sales in next two years. We also plan to add more EBOs at high footfall areas like airports and railway stations.

# Softline

## WOMENSWEAR

#Be a Softline girl

*Kiara Advani*

Available in **TRENDY COLOURS**  
For Every Occasion

SMART PANT

CHURIDAR LEGGINGS

**EFFORTLESSLY YOU**

Also available in Leggings | Palazzos | Pants



# Softline LINGERIE

## Bra Collection

REGULAR FANCY LOOSE BRA



SERINA

REGULAR COTTON BRA



CHANDERKIRAN

FANCY BRA



TWINKLE

EFFORTLESSLY  
YOU

Also Available in  
Lingerie | Leggings | Outerwear

Follow us on [www.softlinegirl.com](http://www.softlinegirl.com)

# I'm possible

when we reach new destinations

Growth is a direct corollary of an increasing geographic and product presence. The true test of a growing brand is always in the expansion of its selling territory.

At Rupa, we have increased our reach to all the major markets through introducing new products aimed at new segments as well as extending our product presence in new geographies.



### Domestic presence:

With our manufacturing prowess extended to four locations, we now distribute Pan India, through a network of 1,500+ dealers and more than 1,50,000 retail outlets. Our sales force has grown over the years, which shows the effort we have invested in the stupendous rise in our brand sales.

Our primary markets contributing almost 46% of our revenues are in Eastern part of India. We are gaining significant presence in North India which contributes to 25% of our overall sales, followed by 13% from West & Central India. Going forward, much of our focus will be on growing our presence in South India which currently contributes to 7% of our sales and North-East which contributes to 5% of the total sales. Our focus on the South will allow us to leverage our distribution strength by introducing a mix of mass selling and high margin brands in those territories.



### Export market:

Our exports, presently making up about 4% of total sales which grew by 25% over the last year. Our strategy is to foray in newer markets by appointing new distributors and building experienced team and further penetrate in the existing markets. Our customers come from a wide range of countries including UAE, Saudi Arabia, Kuwait, Myanmar, Algeria, Indonesia, Nigeria, Congo, USA, Singapore, Malaysia, Qatar, Oman, Bahrain, Ghana, United Kingdom, Mauritius and Jordan. Our focus on growing our presence across the diversity of India and reaching out to attractive global markets will ensure a healthy volume growth at a higher contribution level in the future.





# I'm possible

through various brand building measures

Sustained market leadership is achieved through well thought-out marketing campaigns and brand building initiatives. Our foray into digital and various areas of social media by endorsing top celebrities has kept the saliency of the brand high. Company's brand strength has translated into growing margins and enhanced shareholder's value.

In today's information cluttered environment, the question is not whether one advertises or not; the question is which media stream would serve as the most effective means of communication. We at Rupa deployed a dedicated team to analyse consumer trends to achieve a balanced media mix and carry its message to millions of consumers around the country.

During 2022-23 we invested ₹ 78 crores in brand building and promotions, one of the largest spends in the last four years .

The sustainable nature of our brands has graduated them into 'properties' that generate long-term revenues and profits for the Company. This is evident in the longevity of our prominent brands. In order to nurture the brands, we have been consistently involved in robust advertisement and brand promotion activities and have engaged leading celebrities including Ranveer Singh, Kiara Advani, Kartik Aaryan, Ranbir Kapoor, Naveen Kumar Gowda (Yash) and Khesari Lal Yadav for endorsement of our products. This increased spend will go a long way in connecting with our customers and potential target demography, thus strengthening our brand equity.



'Torrido'  
Ranbir Singh



'Jon'  
Khesari Lal Yadav



'Rupa Frontline'  
Ranveer Singh



'Jon'  
Ranbir Kapoor



'Macroman M-series'  
Naveen Kumar Gowda (Yash)



'Euro'  
Kartik Aaryan



'Softline'  
Kiara Advani



6 National celebrity endorsements across labels, a landmark for any Indian brand

## A. Traditional Marketing

### >> TVCs

In 2022-23, the ongoing **Yeh Style ka Mamla Hai** campaign of Rupa frontline featuring Frontline's Brand Ambassador Ranveer Singh made a re-entry with a jazzy TVC. The commercial was displayed in all prime TV channels – Aaj Tak, ABP Ananda, TV9, Republic TV, News 18, PTC News, Gulistan News, Zee 24 Ghanta, Times Now, India TV, Colors Kannada movies, Zee News.

### >> Upping The Outdoor Game

Riding on the momentum of edgy branding that's signature of the house always, Rupa aced the outdoor marketing front, finding place in almost every cities of India with campaigns of all key brands.

- Frontline's **Yeh Style ka Mamla hai** was featured across 16 states panning 125 cities of India
- Macroman's **Live Like A Macroman** campaign was featured in 15 states across 65 cities
- Bumchum's **Bermuda Campaign** featured across 5 states & 45 cities
- Euro's **Chumbak Hai Bhai** Campaign featured across 9 states & 31 cities
- Jon's outdoor campaign was placed in across 5 states & 38 cities
- Softline was featured in 11 cities across 5 states

### >> Print-Perfect Positioning

From city editions of national media frontrunner Times of India to leading vernaculars like Dainik Bhaskar, Dainik Jagran, ABP, Hindustan Hindi, Lokmat, Asamiya Protidin & Sanmarg, Rupa made its presence felt through impactful print ads.

### >> Incredible In-films

Rupa forayed into the genre of in-film marketing in 2022 with brand integration in Aamir Khan's release Laal Singh Chadda, forming an integral part of the storyline with a smart marketing move. The movie recorded **6.63 million** hours of views on OTT platform Netflix, apart from the box office view.





**B. Digital Marketing Key Campaigns**

» **Rupa Frontline - Yeh Style ka Mamla Hai**

Starting the year with a bang, a jazzy campaign featuring Frontline's Brand Ambassador Ranveer Singh shook the internet with 7.7 Million views & 14.4k impressions. The campaign consisted TVC released in digital platforms, along with series of statics that reinstated the transition of brand voice from aaram to style, shooting up the brand sales up.

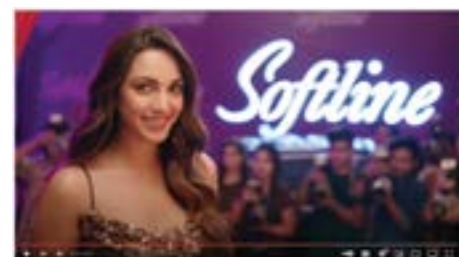


» **Rupa Frontline - Vest of India**

The year saw Rupa Frontline setting a benchmark in digital branding, with its unique collab campaign "Vest of India". A desktop masthead innovation campaign & series of online advertorials with leading daily "Times of India" traced the journey of Rupa's golden years towards being the choiced Vest of the country. The campaign gained eyeballs with media coverage in Afaqs.

» **Rupa Euro - Chumbak Hai Bhai**

Capitalising the magnetic appeal of the new-age Bollywood sensation Kartik Aaryan, Rupa Euro launched the "Chumbak Hai Bhai" campaign that sought to draw parallel between the star & the product's charismatic impact on the audience. The campaign was made live across multi-channels including social media, Google Display ads & YouTube. The digital video featuring Kartik created waves with 6 Lac+ views on Instagram, 3.2 Million views on YouTube, 2.3 Million views on Facebook.



» **Softline- I am a Softline Girl**

Softline has roped in Bollywood heart-throb Kiara Advani last year along with several other fashion influencers in the past for promoting its bottom wear.

» **Rupa JON**

The Company has recently roped in Bollywood star Ranbir Kapoor and Bhojpuri actor Khesari Lal Yadav to promote its mass brand JON.



» **Bumchums - Virtual Vacation**

A breakthrough digital branding initiative in Virtual Reality by Rupa Bumchums, the Virtual vacation was launched in June 2022 to tap the post-pandemic wanderlust in a travel-sceptic scenario. The campaign used smartphone marketing through a unique interactive application to boost product engagement & website visit with an at-home vacay feel for the users. The campaign achieved overall impression of 2.5+ Million and 379% user growth, with 5X growth in website visit & sales.



» **Live Like a Macroman**

Translating the south-film frenzy in a smart marketing move, Macroman M-Series onboarded South Indian Superstar Yash as its new brand ambassador with the new campaign "Live Like a Macroman". The campaign garnered a whopping 17 Million YouTube views, 11.5 Million Instagram views, 3.1 Million total views on Facebook, 2.9 Million views on Facebook and 6 Million website visits in a period of 60 days.

» **Rupa Sera Parar Pujo**

The festival of union turned into a war of titans as Rupa launched a virtual competition among Durga Puja Committees of West Bengal to find out The Best Parar Pujo of 2022. The digital contest saw entrée of 500+ Pujo committees.



**RUPA**  
1M followers

*Softline*  
150K followers

**EURO**  
FASHION INNERS  
709K followers

**MACROMAN**  
MACROWOMAN  
467K followers

**Bumchums**  
627K followers



# I'm possible

through consistent winnings and acclaims



**Bumchums:** Zee Digital's National Achievers Award for the most promising Digital Presence in Retail and E-Commerce



**Rupa Story Bag campaign and Shera Parar Puja 2022:** Iconic Platinum Awards for the best branded content campaign and for the best use of social media and digital marketing



**Rupa and Company Limited:** BrandEdge Awards 2022 for Best Practices for Annual Report Design



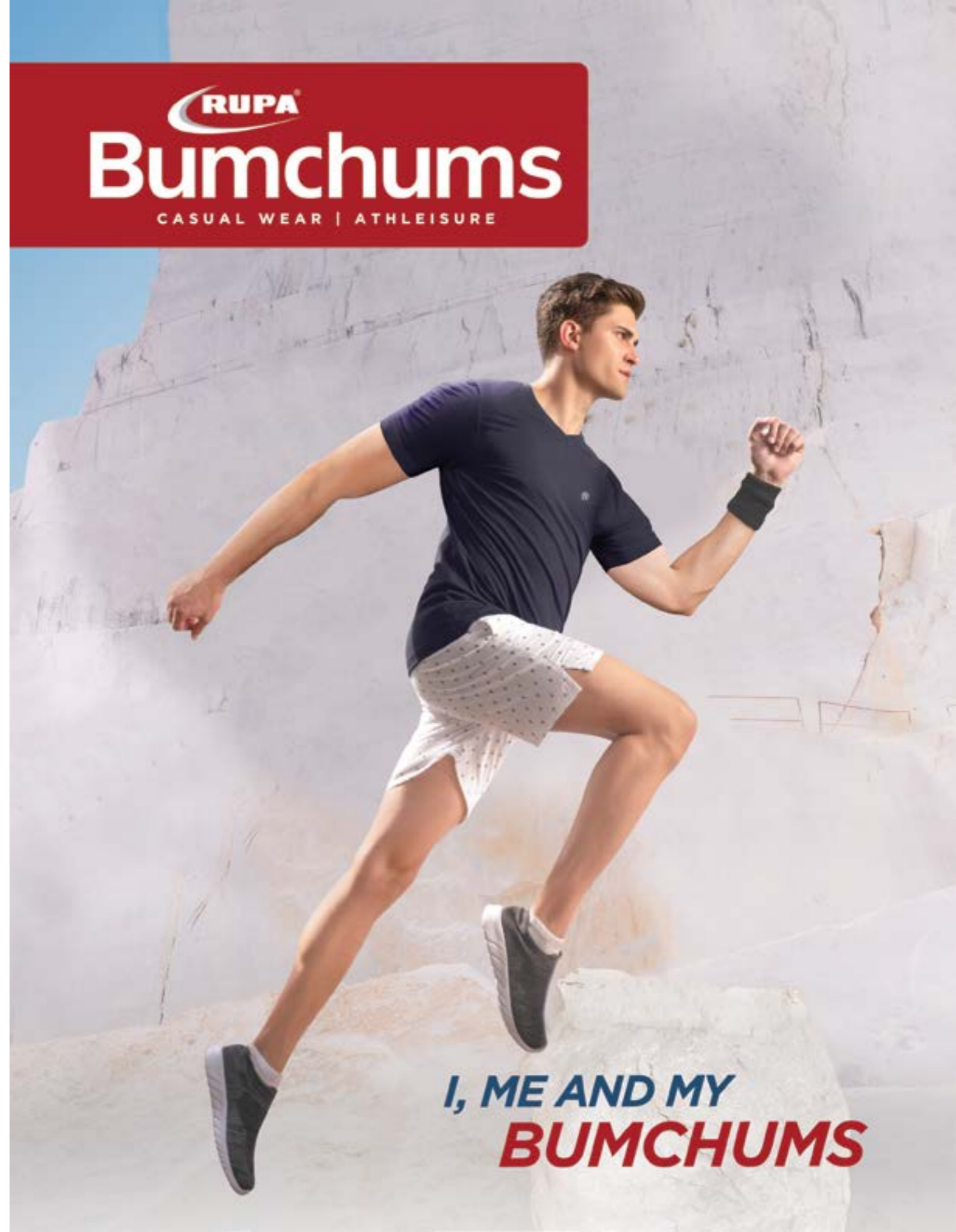
**RBM Connect 2022:** Award towards the invaluable service and excellence in the category of Fashion- Innerwear and Outerwear



**Rupa Virtual Durga Darshan:** Inkspell best Innovation / Creativity in Mobile Campaign



**Adgully Digixx 2021:** Gold Winner for Durga Darshan 2020



**RUPA**  
**Bumchums**  
CASUAL WEAR | ATHLEISURE

I, ME AND MY  
**BUMCHUMS**



# I'm possible

through our efforts towards sustainable growth

A strong governance structure is necessary for the successful integration of sustainability aspects within the organization. This requires committed leadership, strategic influence, and direction. ESG governance is a critical aspect of evaluating a company's overall environmental and societal impact, encompassing factors such as transparency, accountability, and ethical decision-making.

The Corporate Social Responsibility (CSR) Committee of the Company works towards the development of sustainability goals, implements the sustainability strategy of the Company and monitors progress on key ESG parameters. The Company explored the most pressing ESG issues perceived by the management and all its stakeholders including the investors, employees, customers, lenders and suppliers. The Company strives towards embedding these issues with an objective of mitigating risks, reducing costs and uncovering new opportunities to enhance stakeholders trust. Rupa aspires to take its lead on ESG by integrating the ESG principles into its operations and making a positive impact on the planet and creating value for both its stakeholders and the society.



## Rupa's Pillars of Sustainability

The Company has identified its material issues and has mapped them under its three strategic pillars of sustainability: Environmental, Social and Governance.



*Weaving a sustainable future*






### Environment

As a responsible business, Rupa strives towards protecting the environment. To minimize the impact on the environment, the Company focuses on reducing energy consumption, supporting biodiversity, and judiciously using water in its operations.

Additionally, to achieve the goal of creating a safe, sustainable, and inclusive future for all our stakeholders, Rupa is dedicated towards operating its business in a way that protects the environment and promotes inclusive development.

Energy and GHG Management	Water and Effluents Management
Biodiversity Management	Emissions Management
Waste Management	Responsible Materials


Rupa's Environmental Focus Areas




### Energy Management

Global warming and climate change are the most significant threats being perceived globally. To tackle this pressing global issue, Rupa is committed to do its part responsibly and is therefore dedicated towards improving its systems and technology continuously to improve energy management within the company. The focus areas include conservation of energy, improvement in energy efficiency, reliance on renewable energy and implementation of usage of alternative fuel.


The various approaches to Energy and Emission Reduction Strategies are depicted alongside:




LED lights have replaced traditional lighting system



The steam generated from the boiler is captured and reused in operations including drying, compaction and heating the incoming boiler water




Procurement of indigenous products locally leading to reduction in carbon footprint



### Emissions Management

Rupa understands the detrimental effects of air pollutants released during operational activities in and around the plant premises. High priority is consigned on maintaining the quality of the air. The Company responsibly undertakes initiatives across its plants to monitor and minimize the impacts due to air emissions. The following activities are implemented in our efforts towards keeping a check on the air quality around us:

- Bag filters installed to ensure particulate matter suppression and limit it within permissible limits
- Periodic air quality emissions assessment by NABL accredited laboratories




### Water & Effluent Management

Water is an essential resource both for sustaining life and the textile industry. The apparel industry is highly dependent on water.

All dyes, speciality chemicals and finishing chemicals are applied to plastic substrates from water baths. Additionally, most of the steps for fabric preparation, desizing, scouring, bleaching and mercerization processes are water intensive.

Water being a precious resource is highly valued by the Company. Rupa believes in sensible utilization of water at all levels of business. The main sources of water withdrawal are ground water, surface water and third-party water suppliers. The surface water and third-party water withdrawal has decreased significantly during the reporting period as compared to last financial year.

1. Calibrated flowmeters installed at withdrawal and consumption locations
2. Regular periodic maintenance to prevent water leakages
3. Pilot run conducted for achieving Zero Liquid Discharge (ZLD)
4. Water discharged from the Effluent Treatment Plant (ETP) is analysed by certified laboratories once in every six months




### Biodiversity Management

The Company focuses on the protection of the environment and biodiversity around the plant premises. The Company continuously works towards the reduction of adverse environmental influence on the surrounding natural areas, preserving the flora and fauna in the process.

Our action around biodiversity includes:

- Plantation of trees in and around the manufacturing plants
- Growing of vegetables and herbal medicinal plants within our sites




### Responsible Supply Chain Management

To meet the needs of its operations and business services, Rupa works with a wide range of suppliers. The Company understands the importance of integrating sustainability into its supply chain.

The Company undertakes all feasible approaches to ensure a sustainable and robust supply chain network.

**Implemented SAP S4 (HANA) in fashion raw materials procurement for increased efficiency in supply chain**







### Responsible Material Management

As an apparel brand, the Company depends on various raw material manufacturers to produce finished goods. All the procured raw materials, undergo quality tests on a sample basis before being approved for complete procurement from the designated vendors. This ensures all the Company's manufactured products have a standardized quality. The different raw materials used for manufacturing are listed below:

- **Primary Raw Materials** - Cotton, Polyester, Polyester-cotton, Dyes
- **Associated Raw Materials** - Softners
- **Packaging Materials** - Plastics (LDPE), Paper tubes, Cardboard boxes

The Company understands the importance of sourcing from the local suppliers. It minimizes the logistics related carbon footprint. By giving preference to local suppliers for both goods and services, the Company ensures consciously working towards the socio-economic growth of the nearby local communities.

**OEKO-TEX®**  
INSPIRING CONFIDENCE



Our material suppliers are GOTS approved and have received the Oeko-Tex certification, conforming that our materials are free of banned substances such as azo dyes



### Waste Management

Minimising resource use is a crucial component of our strategy for environmental stewardship. The goal of Rupa is to reduce our environmental impact by minimising resource consumption and incorporating the circular economy idea into all aspects of our business. All offices and factories work towards minimization of waste at source and employ conscientious methods for its safe and sustainable disposal.

The Company's approach to the waste management is guided by the 3R policy i.e., Reduce, Reuse and Recycle, which has been included in its operational processes. The measures and initiatives implemented around waste management at Rupa are as follows:

Segregation of waste into distinct source categories	Systematic accounting of waste generated
Disposal of waste through authorized waste handling vendors	Emphasis on reuse of raw materials and packaging materials wherever possible
More than <b>90%</b> of fabric waste is recycled	

The Company also manages hazardous and non-hazardous category separately and as per the applicable regulations in place.



#### Hazardous

At Rupa, hazardous waste is handled carefully, managed responsibly, and disposed through authorized waste handling vendors as per State Pollution Control Board (SPCB) guidelines and regulations.



#### Non - Hazardous

Along with hazardous waste, the plant generates some non-hazardous waste as well. The major non-hazardous waste constitutes textile waste which has reduced significantly as compared to last year. Alongside textile waste, the Company also produces paper and plastic waste as other non-hazardous categories of waste.





### Social

At all levels of the Company's business' activities, the Company's established Code of Conduct, Company principles and Company policies are geared towards fostering an unbiased workspace by supporting human rights.

The Company's larger objective is to create an inclusive and egalitarian workspace where every employee feels motivated, belonged and inspired to work with the Company.

### Diversity and Inclusion

For every company to be truly successful, the essential core conviction is employee satisfaction. In this regard numerous employee engagement initiatives are undertaken annually which provides multiple avenues for the Company to stay in touch with its workforce successfully.

Rupa acknowledges the creation of an inclusive and diverse workplace through various programmes, the Company organises every year.

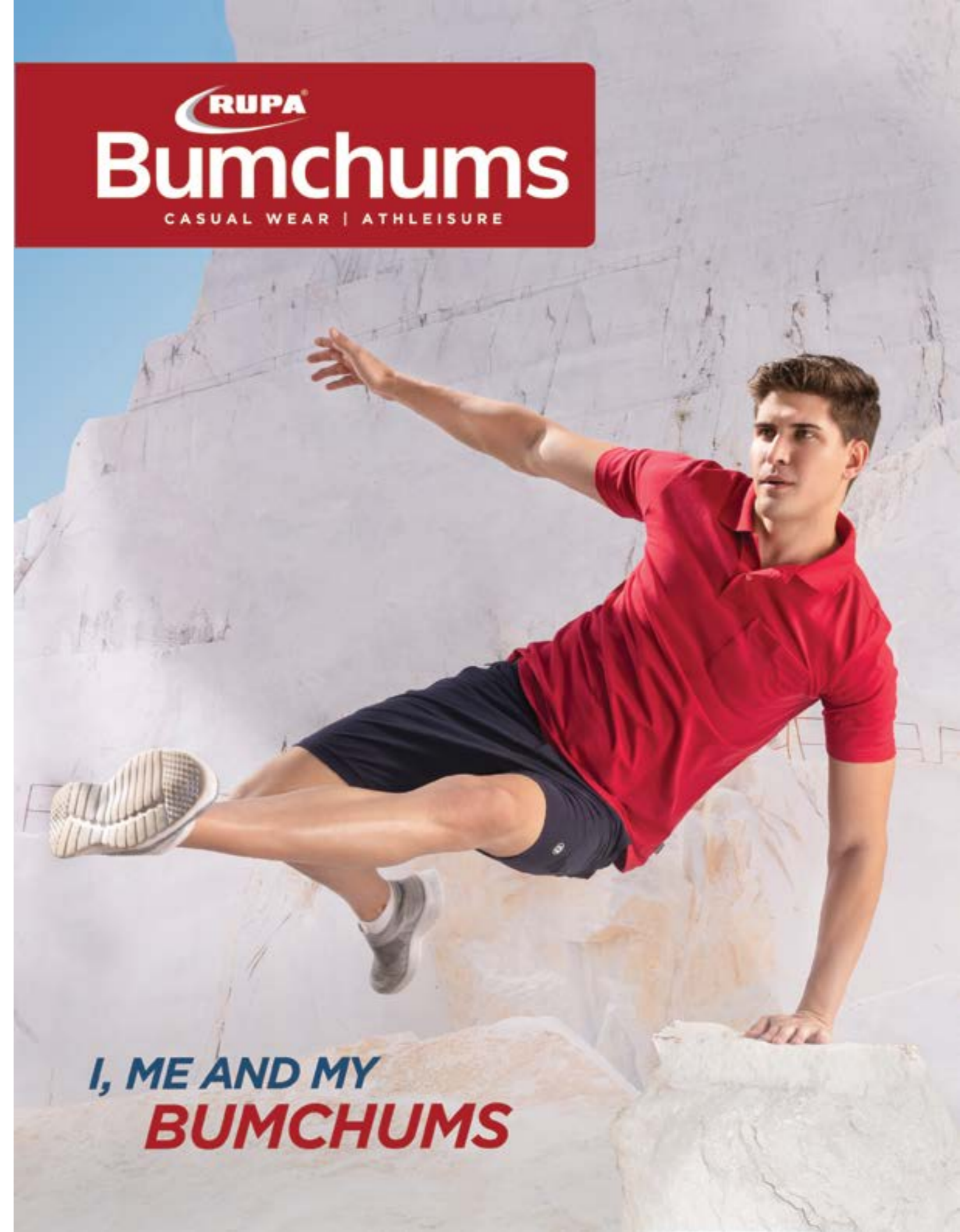
The Women's Day celebration is one of the Company's annual flagship events, celebrated with great pomp and show.



### Employee Satisfaction

One of the Company's key areas of concern is employee satisfaction and therefore numerous employee engagement initiatives that provide a variety of avenues for staying in touch with the staff is implemented successfully.

As a responsible employer, Rupa makes efforts to instil a sense of pride among its workforces. Various events of national and religious importance are celebrated with absolute joy and a sense of togetherness at the organisation frequently throughout the year. The different programmes and initiatives include Wish and Greet, Diwali Celebration, Christmas Celebration, Women's Day Celebration, Bengali New Year Celebration, Annual Lunch, Team building activity among the departments, Self-awareness sessions etc.







**CHUMBAK  
HAI BHAI**



A range of fashionable innerwears  
[www.eurofashions.in](http://www.eurofashions.in)

**RUPA**  
**EURO**



**Employee Training**

Training is important for organizational success. Not only do these programs offer opportunities for staff to improve their skillsets, but also enhances employee productivity and company culture. We have structured training programs for which need assessments are done at three levels: organisational, operational and individual. The different categories of employee training programmes are Product training, Behavioural training, Functional training and Personality training.

**Employee Benefits**

The Company is cognizant of the fact that the key factor in fostering happiness, boosting competence, and enhancing satisfaction is by ensuring the wellbeing of its employees. The Company takes all reasonable steps to safeguard its employees' overall well-being as a responsible employer. Few of the employee benefits provided to our employees' includes health insurance, accidental insurance, maternity leaves and Provident Funds.

**Occupational Health & Safety**

The Company believes in avoiding accidents and achieve excellence in safety practices through the creation of a safety culture within the organization. Rupa has a policy around Occupational Health and Safety, which acts as a guidance for managing the health and safety practises in the organisation. We arrange weekly doctor visit for our employees at the Corporate office and also arrange annual health check-up camp for our employees to ensure their wellbeing.

**Human Rights**







Respect for human rights is fundamental to the way Rupa conducts its' business and forms the core of its workforce policies. The Company is committed towards upholding human and labour rights in its' operations, and business activities.

The business abides by and complies with the applicable regional labour laws based on the fundamental human rights conventions and the universal declaration of human rights.

Rupa has deployed a formal employee grievance mechanism by putting in place a designated email-id. The employees also have an option of putting forward grievances around human rights to the management though the Dropdown Box placed at offices.

Rupa diligently follows the different human rights principles mentioned alongside:



 No Child Labour	 No Forced Labour
 Fair Working Hours	 Non-Discrimination
 Fair Wages	 Decent Working Condition





The Company contributed ₹ 3.90 crores in CSR activities during the financial year 2022-23 mainly towards the following areas:

<p><b>2 ZERO HUNGER</b> Poverty and Hunger <b>1</b></p> <p><b>Project Objectives:</b></p> <ul style="list-style-type: none"> <li>• Eradication of hunger and poverty</li> <li>• Eradication of malnutrition in children</li> </ul>	<p><b>3 GOOD HEALTH AND WELL-BEING</b> Health <b>2</b></p> <p><b>Project Objectives:</b></p> <ul style="list-style-type: none"> <li>• Providing general healthcare</li> <li>• Promoting preventive healthcare</li> </ul>	<p><b>4 QUALITY EDUCATION</b> Education <b>3</b></p> <p><b>Project Objectives:</b></p> <ul style="list-style-type: none"> <li>• Providing quality education to children</li> </ul>
<p><b>6 CLEAN WATER AND SANITATION</b> Water, Sanitation and Hygiene <b>4</b></p> <p><b>Project Objectives:</b></p> <ul style="list-style-type: none"> <li>• Creating access to safe and potable drinking water for all</li> </ul>	<p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> National Art and Cultural <b>5</b></p> <p><b>Project Objectives:</b></p> <ul style="list-style-type: none"> <li>• Restoration and renovation of Manikarnika Ghat at Varanasi</li> </ul>	<p><b>15 LIFE ON LAND</b> Ecology <b>6</b></p> <p><b>Project Objectives:</b></p> <ul style="list-style-type: none"> <li>• Maintaining ecological balance</li> <li>• Animal welfare</li> </ul>



## Corporate Social Responsibility

We at Rupa, encourage inclusive growth and leverage the potential of co-operation between communities, governments, NGOs, and businesses. The Company firmly believes that for a business to succeed, it is necessary to promote the success of the communities around which it operates. Rupa has consciously focused on partnering with the communities to ensure that the interventions were community-led. The Company collaborated with several implementing agencies for better implementation and execution of the CSR initiatives.

The community development initiatives at Rupa are implemented at the local level, thereby channelling contributions to areas of the greatest impact in the local context. Furthermore, the Company engages with the vulnerable/marginalized groups to understand the needs of the community through need assessment. Based upon it, the Company develops specific CSR programmes aimed at addressing the community needs. The Company's staff also voluntarily takes part in the management of the CSR projects.





### Glimpses of Rupa's CSR Initiatives



📷 Promoting Education



📷 Promoting Healthcare



📷 Access to Safe Drinking Water



📷 Promoting Education



📷 Promoting Education



📷 Eradication of Malnutrition



📷 Promoting Healthcare



📷 Promoting Education



📷 Mid day Meal



📷 Promoting Sports



📷 Animal Welfare





# Management Discussion and Analysis Report



## ECONOMIC OVERVIEW

The last two years have seen the global economy struggling to deal with overlapping crises, which was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve and the latest being the liquidity troubles after a series of global bank crises. While the impact appears to have been contained, these uncertainties continue to undermine the confidence among consumers and businesses to spend, therefore impacting economic growth.

The World Bank now fears that the ongoing slump in global economic growth will likely result in a “lost decade.” The global economy is projected to grow at weaker pace of 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to

be 6.5% in 2023 (Source: IMF). On the positive side, the reopening of China’s economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (IMF). Many market analysts believe that this could well be India’s decade and there are enough reasons and data to back this claim. Recent data revisions by India suggest the economy has fared better than previously believed despite continuing global uncertainties. The International Monetary Fund (IMF) expects India to grow by 5.9% in FY 2023–24 and by an average rate of 6.1% over the next five years.

India’s exports (merchandise and services) in April-February 2022-23 were estimated to have grown 16.18 percent over the same period of the previous year. As India’s domestic demand remained steady amidst a global slowdown, imports in April-February 2022-23 were estimated to have grown 19.93 percent over the corresponding period of the previous year.

While betting on consumption-driven growth is obvious given India’s large, young, and rising share of the upper middle-income population (with a high propensity to spend), it is believed that investment will play an important role over the next two years. It is investments that will provide India with necessary momentum to take off on a path of sustained domestic demand-led growth for decades to come. The next two years are expected to be crucial for investment to gain momentum before the economy takes off on a sustained and rapid growth path.

High-frequency data—for example, electricity generation, GST collections (through e-way bills), average fuel consumption per day, sale of two-wheelers and tractors, credit growth across sectors and industry, occupancy rates in hotels, and the purchasing managers’ indices (PMIs) - clearly indicate that growth drivers have maintained a positive momentum despite uncertainties.

India’s GDP is expected to be driven by domestic demand and increased public investment. In FY24, India’s retail inflation rate is likely to decrease from 6.6 percent to 5.2 percent. The growth will be supported by expanded credit, improved capacity utilization, and reduced trade deficits, leading to a decline in headline and core inflation rates. Additionally, private sector investments are expected to recover.

The Production-Linked Incentive Scheme (PLI) had a positive impact on downstream sectors, contributing to steady inflation. The country is on the verge of making substantial investments in renewable energy and other industries, positioning itself as a viable industrial alternative to China. By the end of the decade, India is expected to surpass Germany and Japan and become the world’s third-largest economy.

The combination of broad-based credit growth, improved capacity utilization, government emphasis on capital spending and infrastructure, will strengthen investment activity. Surveys indicate that manufacturing, services, and infrastructure sector companies are optimistic about future business prospects. However, there are downside risks such as prolonged geopolitical tensions, tightening global financial conditions, and a slowdown in external demand.







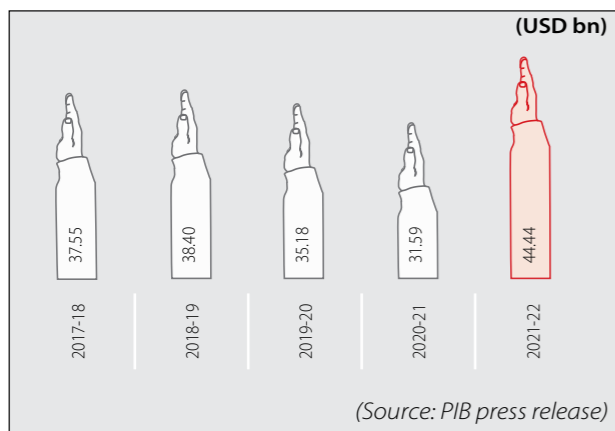
## INDUSTRY STRUCTURE AND DEVELOPMENT

### TEXTILE AND APPAREL INDUSTRY

The textile industry is a vital sector of the Indian economy, with a rich history dating back to centuries. India has been known for its textiles and is one of the largest textile producers and exporters in the world. The textiles and apparel industry in India has strengths across the entire value chain from fibre, yarn, fabric to apparel and is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool to silk products. It is one of the largest employers in the country, generating jobs across the entire value chain, from cotton farming and spinning to weaving, dyeing, printing, and garment manufacturing and provides direct employment to 45 million people and 100 million people in allied industries.

India is the 3rd largest exporter of textiles & apparel in the world and has a share of 4.6% of the global trade in textiles and apparel and is one of the largest producers of cotton and jute in the world, 2nd largest producer of silk in the world and 95% of the world's hand-woven fabric comes from India. The domestic apparel & textile industry in India contributed to 2.3% to the country's GDP, 7% of industry output in value terms and the industry is expected to reach \$250 billion business size by 2025. (Source: Annual Report-Ministry of Textiles and [www.investindia.gov.in](http://www.investindia.gov.in))

The details of India's textiles & apparel exports including handicrafts exports during the last five years are as follows:

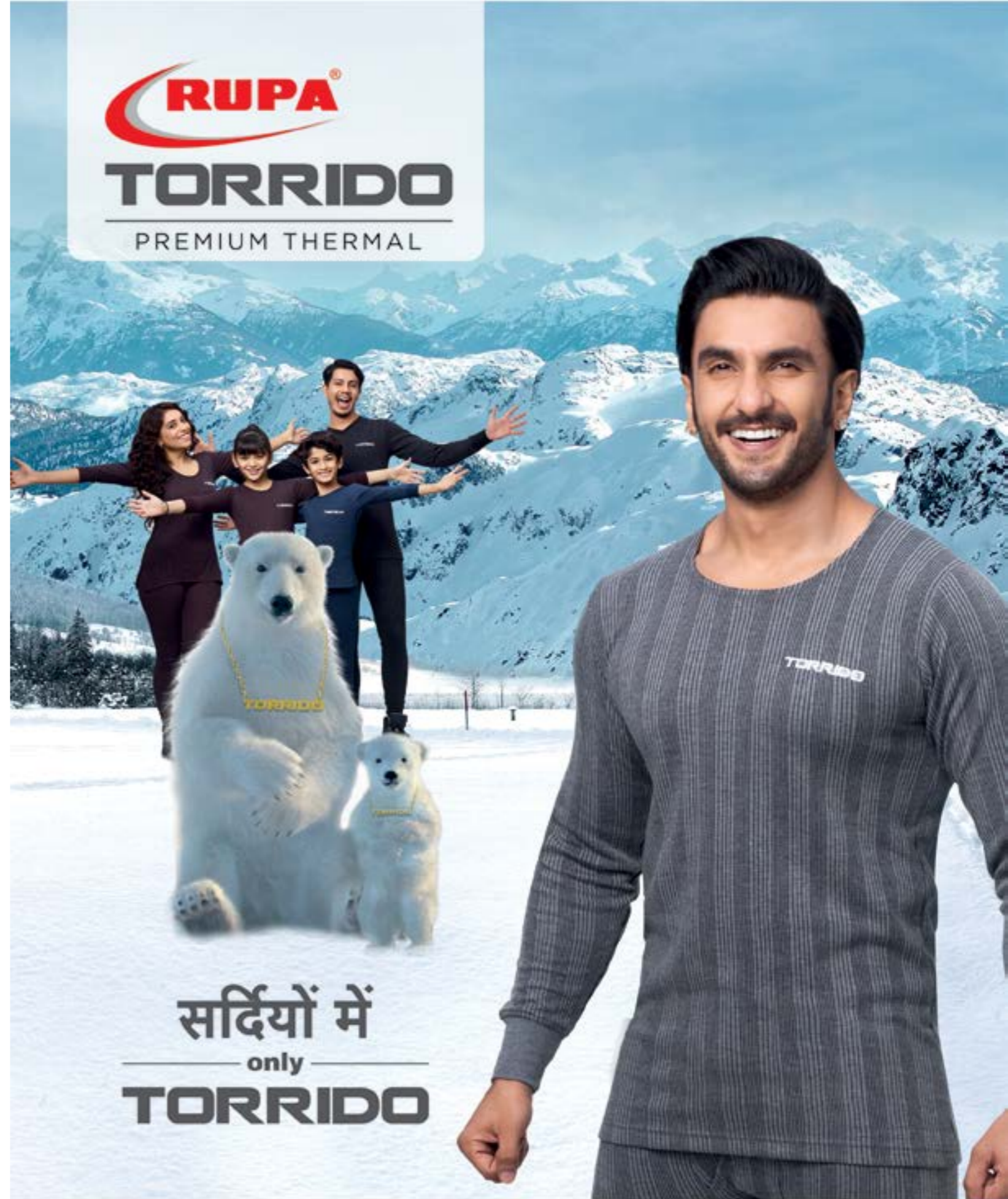


The Government is highly focused on advancement of technical textiles and foresees it as a future of the textile industry. In a couple of years, it will be about 320-billion-dollar industry, while India is aspiring to reach a figure of 40 billion dollars by 2025-26. Technical textiles are textile products that have technical performance and functionality as their primary focus. The end usage of these products cater to a wide array of sectors including construction, agriculture, aerospace, automotive, healthcare, protective gear, home care, among others. Technical textile products exhibit enhanced performance over the traditional textiles, the products that largely focuses on the aesthetics. (Source: PIB press release)

### Government Initiatives:

The Indian government has consistently shown support for the textile sector, as evident in the budget allocations over the years. In addition to increasing the investment in the sector, the budget initiatives also aim to enhance its competitiveness. Major initiatives undertaken for the textile sector are:

- Government has approved the Production Linked Incentive (PLI) Scheme for Textiles in 2021 with an approved outlay of ₹ 10,683 crores over a five-year period to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable textiles industry to achieve size and scale and to become competitive. Financial Year 2022-23 and 2023-24 are gestation periods under the PLI scheme for Textiles. Performance years commences from financial year 2024-25 to 2028-29. Government has approved 64 applications out of 67 applications received. In the approved 64 applications, the proposed total investment is ₹19,798 crores and projected turnover of ₹ 1,93,926 crores with a proposed employment of 2,45,362.
- In line with the Hon'ble Prime Minister's vision of five F: from Farm to Fiber to Factory to Fashion to Foreign, seven mega textile parks under the PM Mitra Scheme have been announced to be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh with an overall outlay of ₹ 4,445 crore over a period of seven years up to 2027-28. Parks will offer an opportunity to create an integrated textiles value chain right from spinning, weaving, processing/dyeing and printing to garment manufacturing at a single location. It is expected that these parks will enhance the competitiveness of the textiles industry by helping it achieve economies of



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- scale as well as attract global players to manufacture in India. Nearly ₹ 70,000 crores investment and 20 lakhs employment generation is envisaged from the project.
- The textile sector will receive a total grant of ₹4,389.34 crores for the year 2023-24. The grant has been increased by 22.6% and additional sectors have been included under the PLI scheme. This, along with support for MSMEs, will create opportunities to boost investment in the country.
- National Technical Textiles Mission (NTTM) is the flagship scheme of the Ministry of Textiles with an outlay of ₹ 1,480 crore and launched for the period 2020-21 to 2023-24. The objectives of the scheme are to improve penetration level of technical textiles and upgrade skillsets of the workforce, promote technical textiles' usage in various flagship schemes and missions, develop products, indigenous machineries and equipment for technical textiles in order to boost 'Make in India' as well as enable competitiveness of the industry, and position India as the global leader.
- An allocation of ₹ 900 crores have been made for the ATUF scheme to address pending claims. This will result in a significant increase in investment, productivity, crop quality, employment opportunities, exports, production of textile machines, and import substitution.
- The allocation to both RoDTEP and RoSCTL has been increased, along with a ₹ 9,000 crore corpus for revamping credit guarantee schemes. These measures aim to provide collateral-free guaranteed credit worth ₹ 2 lakh crore.
- Silk Samagra-2 Scheme is being implemented from the year 2021-22 to 2025-26 for development of sericulture industry in the country.
- Schemes/ programmes such as SAMARTH- Scheme for Capacity Building in Textile Sector, National Handloom Development Programme, Raw Material Supply Scheme, National Handicraft Development Programme, Comprehensive Handicrafts Cluster Development Scheme, Integrated Wool Development Programme etc. to promote and develop indigenous textile sector are being implemented.
- Government has put in place liberal and transparent investor-friendly Foreign Direct Investment (FDI) policy for the textile sector. 100% FDI is allowed in the textile sector under the automatic route.
- Efforts to promote sustainability in the textile industry, as well as the inclusion of Industry 4.0 courses like coding, AI, and robotics through the Pradhan Mantri Kaushal Vikas Yojana 4.0, demonstrate the commitment to create a skilled workforce for current manufacturing jobs and international opportunities through Skill India Centers.

These comprehensive initiatives are anticipated to not only create jobs in the textile sector but also enhance exports. The implementation of various incentives and financial allocations will also facilitate the advancement of research and development in innovative textiles and yarns. (Source: PIB press release and other newspaper articles)





### INNERWEAR INDUSTRY

The Innerwear Category is one of the high growth categories in the apparel market and promises growth and innovation. Innerwear has graduated from being just a functional category to a category that offers additional fashion quotient. Population growth, increasing consumer awareness of personal hygiene, higher disposable income, on-the-go lifestyle, higher living standards and shifting customer tastes are driving the innerwear industry globally. Increased product visibility, innovation and the proliferation of contemporary retail forms, both offline & online are also contributing factors for growth of this segment.

The innerwear industry in India is highly fragmented. The bulk of the market is dominated by private label brands and small local or regional players. However, the market is evolving gradually and moving towards organised retail and holds immense growth potential. The industry is witnessing a shift from price sensitive category to a brand sensitive category and the industry is likely to emerge as a promising retail segment of the future. The recent popularity of online retail, especially for apparel shopping, has also permeated into the innerwear category, providing much more exposure to the consumers. Further, there is a rise in innovative and newer brands that focus on producing comfortable and stylish innerwear with a sustainability focus.

#### Men innerwear industry:

Men's innerwear industry is basically categorized into super premium, premium, medium and economy segment and product category includes briefs, trunks, vests, boxer shorts among others. The mass/ economy segment constitutes ~53% followed by mid-premium segment ~32% and premium and super premium ~15%. The market is projected to grow at a CAGR of 7%-9% in the next few years with the premium and super premium segments expected to experience faster growth compared to the economy and mid-price segments. Most Indian brands primarily cater to the mid to economy segments, targeting the masses.

Over the time men's innerwear segment is on a growth trajectory due to factors like improving fashion trends, increasing disposable income, availability of a wide range of products, increasing awareness about health, personal hygiene and growing millennial population. Millennials are driving the demand in the men's innerwear market as they are more receptive to new and different products than other generations. The high demand for new and innovative products in terms of colour, fabric, print, and style among millennials is creating opportunities.

#### Women innerwear industry:

The women's innerwear industry can be categorized into three distinct consumer segments based on demographics, behaviour traits, lifestyle activities, and purchase patterns: Urbane Enthusiasts, Exuberant Seekers and Thriving



Homemakers. The women's innerwear market offers a wide range of choices with various widths (types) and depth (sizes, colors, styles) combinations and product categories include brassieres, camisoles, panties, tees, nighties, shorts, etc. Brassieres and panties contribute 85% of the total women's innerwear segment.

The domestic women's innerwear industry is estimated to grow at a CAGR of ~14% between FY 2020-25 and accounts for 60-65% of overall innerwear market and ~13-15% of overall women's apparel market. The mid-price and economy segment constitutes ~80% of the market and remaining 20% are from premium and super premium segment (Source: Phillip Capital).

Women's innerwear market is gaining momentum and likely to grow at a faster pace due to a host of variables like growing number of working women, changing fashion trends, increased awareness about better fits, quality, brands, colours, styling, increasing per capita disposable income, rising level of information. Celebrity promotion and social media exposure have also given the industry a new dimension. In tandem to this, the sales of luxury lingerie too are increasing with growing purchasing power of women.

#### Kids wear industry:

The sheer confidence with which the present-age kids are donning the latest fashion is contributing to the growth of the kids wear industry in India. This growth in kids wear segment can also be attributed to the robust internet penetration that is leading to a change in consumer behaviour. In the past, the market for kids' clothing was largely unorganized with limited options. Today's millennial age parents have been instrumental in giving the desired boost to this segment. The market for the booming kid's population in India is poised to grow further due to growing trend of nuclear families, increased spending on children, brand awareness among kids, and the enhanced focus of the organized players in this domain. The India kids wear market size is valued at ~₹899.47 billion in 2020 and is expected to reach ~ ₹1,635.40 billion by 2025, exhibiting a growth rate (CAGR) of 10.5% during 2020-2025 (Source: Philip Capital).

#### Athleisure

Active wear is becoming everyone's choice with great comfort and amazing styling and is ruling everywhere from work to workout and everything in between. Casualisation as a trend has been gaining traction in terms of Athleisure, Comfort Wear, T-shirts, Shorts and Sportswear. Athleisure is witnessing significant acceleration due to hybrid working models, societal trend toward a healthier and more active lifestyle among all age groups, and the growing popularity of sportswear worn as casualwear.

The rapid penetration of e-commerce is providing growth opportunities for athleisure market as it helps them to cater to a larger customer base. Furthermore, the growing influence of lifestyle blogs and celebrity endorsements in marketing athleisure items to a broader customer base favors the market progress.





## OPPORTUNITIES AND THREATS

### Opportunities

- Increase in fashion consciousness: In India, the domestic innerwear market is experiencing a tremendous roar and the market is witnessing the advent of premium innerwear brands. Customers do not overlook crucial requirements like quality and comfort and are willing to pay the amount required. By adding different silhouettes to every innerwear category, brands have changed the tides for the Indian customer and this is a great opportunity for the Industry.
- New Fabrics & Trends: Cotton has always been highly preferred in this segment, but today with technological advancements, we notice a wide array of comfortable fabrics being used. From nylon to organic cotton, spandex blend cotton fabric to modal and from micro-fiber to more durable material. This has led to product innovations in the industry.
- Shifting to Branded Products: There has been a shift in market demand from unbranded products to branded products, mainly driven by higher awareness and celebrity advertising.
- Rising disposable incomes: Increasing disposable incomes, dual income households etc., has brought remarkable changes in the lifestyle of the people. They have more income to spare, becoming more brand conscious and opting for better products and services.
- Exports- India is the 3rd largest exporter of Textiles & Apparel in the world. Capacity built over years has led to low cost of production per unit in India's textile industry. This has lent a strong competitive advantage to the country's textile exporters relative to key global peers.
- Multiple channels of easy product availability, including EBOs, MBOs and online platforms that provide the added convenience of home delivery.
- Increasing hybrid work trends driving the athleisure wear industry, as consumers choose comfort and style.

### Threats

- Large domestic organised enterprises are constantly evolving to capture a larger market share, but they are facing stiff competition from the unorganised industry as well as international brands entering India.
- Threat from fluctuating prices of the raw materials used in production, such as cotton, yarn, and chemicals, and thereby raising price of the finished products may not be viable in a competitive market.
- Today innerwear products are considered more of a fashion accessory than a necessity. Being a fashion product, industry players must adapt to the constantly evolving fashion trends in the mass market to remain viable. Rapid changes in consumer preferences from one brand to another makes it difficult for a Company to establish a permanent connect and in gaining brand loyalty, consequently leading to loss of business to competitors.
- Emergence of start-ups in the innerwear industry with aggressive marketing and discount to attract customers.



## OUTLOOK

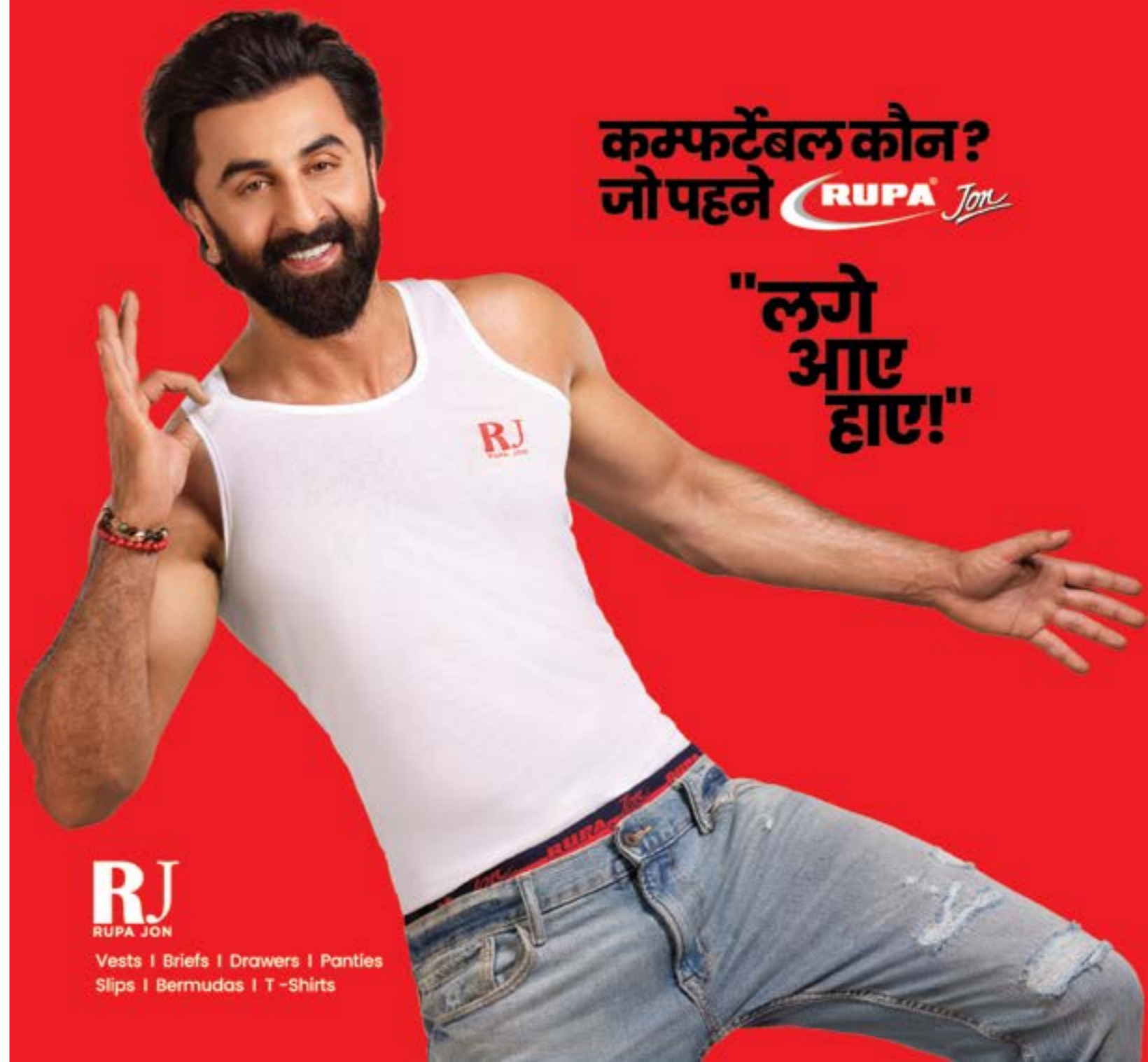
The growth potential of the Indian innerwear market is immense and holds tremendous opportunities. Exposure to premium products and international standards of quality and design have enabled consumers to seek innerwear shopping and consumption as an experiential process over just attending to basic essential needs. Companies are adapting to new consumer priorities, and digital is providing a nexus for growth.

Improving fashion trends, increasing disposable income, and changing consumer lifestyles along with preferences are the factors expected to boost market growth. The availability of products in a variety of fabrics such as cotton, polyester, nylon, rayon, silk, and cotton blends is driving the product demand. The Indian consumers are becoming more aware and environmentally conscious, and want to buy products from brands that follow ethical



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जो पहने **RUPA Jon**

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हाए!"



**RJ**  
RUPA JON

Vests | Briefs | Drawers | Panties  
Slips | Bermudas | T-Shirts





"लागेला  
आए  
हाए!"

कम्फर्टेबल कौन?  
जो पहने **RUPA Jon**

**RJ**  
RUPA JON

Vests | Briefs | Drawers | Panties  
Slips | Bermudas | T-Shirts



and sustainable practices – whether it is exploring eco-friendly fabrics, sustainable manufacturing processes, reducing the carbon footprint or cutting down waste. The time is ripe for the industry to embrace a more sustainable model to contribute their share for the environment and stay ahead of the game.



## COMPANY OVERVIEW

Incorporated in 1985, Rupa & Company Limited is a name synonym in the hosiery industry. The Company is primarily engaged in the manufacturing, marketing, sales and distribution of innerwear, thermal wear and casual wear for men, women and kids segment and serves all sections of the society with its economy, mid-premium, premium and super-premium ranges. The Company is present across the entire value chain in the knitted garment space offering a gamut of products. The Company has over 18 sub-brands and 9,000 SKUs (Stock Keeping Unit) which includes brands like Frontline, Jon, Macroman, Euro, Bumchums, Torrido, Thermocot, Kidline, Footline and Softline. The Company also has premium brand like Macroman M-Series, Macrowoman W-Series, FCUK and

Fruit of the Loom which includes products like innerwear, lingerie, active wear and leisurewear.

The Company has a large distribution network consisting of 4 central warehouses, 28 EBOs (Exclusive Brand Outlets), more than 1,500 dealers and access to 1,50,000 retailers. The Company is enhancing its availability through presence in e-commerce, MBOs (Multi-Brand Outlets) and LFRs (Large Format Retail Stores).

The Company's expansion strategy continues in the quest to strengthen its retail footprint nationwide. The Company also plans to foray in newer markets by appointing new distributors and building experienced team while offering products as per consumer preferences. In the anticipation of growing exports, the Company is also setting up an exclusive export unit and a cutting unit in West Bengal, which shall start commissioning in the FY 2023-24. The Company will continue to focus on widening the product range through new launches in core portfolio and enhance omni-channel capabilities through collaboration with large online marketplaces. The Company has integrated digitalisation to increase efficiencies and focuses to invest more in modern trade and e-commerce in the upcoming years. It strives to focus on enhancing operational efficiency, expanding its market reach, and capitalizing on emerging opportunities to drive sustainable growth and create long-term value for its stakeholders.



In anticipation of growing exports, the Company is setting up an exclusive export unit and a cutting unit in West Bengal.





## BUSINESS AND FINANCIAL OVERVIEW

The Company's financial statements were prepared as per the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, read with the Companies

(Indian Accounting Standards) Rules, 2015, other relevant provisions of the Act and other accounting principles generally accepted in India.

### Financial Performance and Analysis

(Amount in Rs. Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	1,11,744.01	1,42,978.63
Profit before Finance Charges, Tax, Depreciation / Amortization (PBITDA)	10,423.10	27,723.75
Less: Finance Charges	2,263.18	1,814.15
Profit before Tax, Depreciation/Amortization (PBTDA)	8,159.92	25,909.60
Less: Depreciation/Amortization	1,320.29	1,383.69
Profit before Taxation (PBT)	6,839.63	24,525.91
Less: Tax Expense	1,531.02	5,449.91
Profit after Taxation (PAT)	5,308.61	19,076.00

### Key Financial Ratios

Ratios	2022-23	2021-22	Reason where variance is more than 25%
Debtors Turnover	2.31 %	3.17 %	Primarily due increase in amount outstanding from debtors
Inventory Turnover	2.10 %	2.96 %	Primarily due to decrease in sales during the year
Interest Coverage Ratio	4.02 %	14.52 %	Primarily due to decrease in EBIT during the year
Current Ratio	2.52 %	2.02 %	-
Debt Equity Ratio	0.16 %	0.28 %	Primarily due to decrease in net debt during the year.
Operating Profit Margin (%)	7.89 %	18.64 %	Primarily due to decrease in operating profit during the year
Net Profit Margin (%)	4.75 %	13.34 %	Primarily due to decrease in sales during the year
Return in Net Worth (%)	5.96 %	23.83%	Primarily due to decrease in profits during the year



## SEGMENT WISE AND PRODUCT WISE PERFORMANCE

The Company is engaged in the business of manufacturing of hosiery and related products and there is no separate reportable segment.



## RISK & CONCERNS

The Company has developed and implemented a comprehensive risk management system to identify and manage the risks associated with its business activities. The framework is designed to aid in decision-making processes that will help the Company achieve its objectives by minimizing possible losses, improving uncertainty management, and maximizing prospects. It is designed to anticipate, evaluate and mitigate risks that could materially impact the business objectives. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted by the Company to oversee and implement the risk management framework. The major categories of risks identified by the Company includes competition risk, financial risk, procurement and price fluctuation risk, cyber security risk, regulatory compliance risk etc. Appropriate mitigation plans are in the place and the Risk Management Committee oversees the same on a regular basis.



## INTERNAL CONTROL SYSTEM

The Company maintains appropriate and effective internal control systems in proportion to the business' size and complexity. In our opinion, these systems offer, among other things, a fair guarantee that transactions are carried out with management authorisation. These have been implemented at every level and are meant to ensure compliance with statutory and regulatory requirements for internal controls, as well as the accurate recording of financial and operational data. The permissible compilation of financial accounts in accordance with generally accepted accounting standards is also ensured, as is the sufficient protection of the Company's assets from major misappropriation or loss. In addition to this the Company also has a robust internal audit programme and the same is regularly reviewed by Management and the Audit Committee. The Audit Committee periodically meets the statutory and internal auditors of the Company

to ascertain their views on the adequacy of internal control system and keeps the Board informed of its observations from time to time.



## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Employees are the most valuable and indispensable asset for a Company. A Company's success depends on the ability to attract, develop and retain best talent at every level. The Company's overarching goal is to attract and retain competent employees while also providing a fulfilling workplace that is safe, welcoming, and supportive of career progress. During the year under review, the Company expanded on a variety of projects to improve current HR systems and procedures, as well as to create new tools to improve the employee experience. The Company's 'Human Capital' headcount, stands at 778 as on March 31, 2023.



## CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.



# RUPA® FRONTLINE

## Corporate Information

### Board of Directors

#### Whole-time Directors

Mr. Prahlad Rai Agarwala, *Chairman*  
Mr. Ghanshyam Prasad Agarwala, *Vice-Chairman*  
Mr. Kunj Bihari Agarwal, *Managing Director*  
Mr. Ramesh Agarwal  
Mr. Mukesh Agarwal  
Mr. Vikash Agarwal  
Mr. Niraj Kabra

#### Independent Directors

Mr. Dipak Kumar Banerjee  
Mr. Dharam Chand Jain  
Mr. Ashok Bhandari  
Mr. Sushil Patwari  
Mrs. Alka Devi Bangur  
Mr. Vinod Kumar Kothari  
Mr. Sunil Rewachand Chandiramani

#### Chief Financial Officer

Mr. Sumit Khowala

#### Company Secretary & Compliance Officer

Mr. Manish Agarwal

#### Statutory Auditors

M/s. Singhi & Co., *Chartered Accountants*

#### Secretarial Auditor

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

#### Bankers

IndusInd Bank Limited  
State Bank of India  
Citi Bank N.A.  
Standard Chartered Bank  
HDFC Bank Limited  
Kotak Mahindra Bank Limited  
Yes Bank Limited  
The HSBC Limited  
ICICI Bank Limited  
DCB Bank Limited

#### Registrar and Share Transfer Agent

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

### Board Committees

#### Audit Committee

Mr. Dipak Kumar Banerjee, *Chairman*  
Mr. Vinod Kumar Kothari, *Member*  
Mr. Ashok Bhandari, *Member*  
Mr. Sushil Patwari, *Member*  
Mr. Ramesh Agarwal, *Member*  
Mr. Mukesh Agarwal, *Member*

#### Nomination and Remuneration Committee

Mr. Vinod Kumar Kothari, *Chairman*  
Mr. Dipak Kumar Banerjee, *Member*  
Mr. Ashok Bhandari, *Member*

#### Corporate Social Responsibility Committee

Mr. Prahlad Rai Agarwala, *Chairman*  
Mr. Kunj Bihari Agarwal, *Member*  
Mr. Dipak Kumar Banerjee, *Member*

#### Stakeholders' Relationship Committee

Mr. Ashok Bhandari, *Chairman*  
Mr. Ramesh Agarwal, *Member*  
Mr. Mukesh Agarwal, *Member*

#### Risk Management Committee

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

#### Operations Committee

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



**YEH STYLE KA  
MAMLA HAI!**

#### Registered Office

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Phone: +91-33-4057 3100, Fax: +91-33-2288 1362  
Website: www.rupa.co.in, E-mail ID: connect@rupa.co.in  
CIN: L17299WB1985PLC038517



## Report of the Board of Directors

for the Financial Year ended March 31, 2023

*Dear Shareholders,*

Your Directors take pleasure in presenting the 38<sup>th</sup> Annual Report on the business and operations of the Company, along with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2023.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended March 31, 2023 as compared to previous financial year is summarized below:

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	1,11,744.01	1,42,978.63	1,14,308.03	1,47,525.01
Profit before Finance Costs, Tax, Depreciation/ Amortization (PBITDA)	10,423.10	27,723.75	10,512.66	27,876.52
Less: Finance Costs	2,263.18	1,814.15	2,263.53	1,815.83
Profit before Tax, Depreciation/Amortization (PBTDA)	8,159.92	25,909.60	8,249.13	26,060.69
Less: Depreciation	1,320.29	1,383.69	1,325.64	1,389.24
<b>Profit before Tax (PBT)</b>	<b>6,839.63</b>	<b>24,525.91</b>	<b>6,923.49</b>	<b>24,671.45</b>
Less: Tax Expense	1,531.02	5,449.91	1,550.31	5,487.36
<b>Net Profit after Tax (PAT)</b>	<b>5,308.61</b>	<b>19,076.00</b>	<b>5,373.18</b>	<b>19,184.09</b>
Other Comprehensive Income	9.66	18.82	8.96	19.58
<b>Total Comprehensive Income for the year</b>	<b>5,318.27</b>	<b>19,094.82</b>	<b>5,382.14</b>	<b>19,203.67</b>

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company achieved a standalone turnover of ₹ 1,11,744.01 lakhs and consolidated turnover of ₹ 1,14,308.03 lakhs during the financial year 2022-23 as against ₹ 1,42,978.63 lakhs and ₹ 1,47,525.01 lakhs respectively in 2021-22, registering a de-growth over the last year. Net Profit for the year 2022-23 stood at ₹ 5,308.61 lakhs on standalone basis and ₹ 5,373.18 lakhs on consolidated basis as against ₹ 19,076.00 lakhs and ₹ 19,184.09 lakhs respectively in 2021-22.

This has been one of the most challenging years for the Company and the industry. The impact was seen across the spectrum starting from highest raw material prices in decades to high energy cost in manufacturing. These factors had a significant impact on our gross margin. Consequently, as prices escalated, there was dampening demand, which has led to a significant slowdown in sales. The gradual return to workplace and reducing work from home culture, stunted the growth of the Athleisure segment. Further, our high-margin products and thermal wear witnessed slow demand. These were the major reasons for the downturn in the sales growth. We also compromised on the top line on the primary sales, keeping interest of the long-term financial discipline of the Company, which should pay off the Company in long run.

Keeping the tradition of sharing profits with the shareholders, the Board of Directors have recommended a dividend of 300% i.e ₹ 3/- per equity share for the financial year ended March 31, 2023.

The Company is primarily engaged in the manufacturing, marketing, sales and distribution of innerwear, thermal wear and casual wear for men, women and kids segment and serves all sections of the society with its economy, mid-premium, premium and super-premium ranges. The Company has over 18 sub-brands and 9,000 SKUs (Stock Keeping Unit) which includes brands like Frontline, Jon, Macroman, Euro, Bumchums, Torrido, Thermocot, Kidline, Footline and Softline. The Company also has premium brand like Macroman M-Series, Macrowoman W-Series, FCUK and Fruit of the Loom which includes products like innerwear, lingerie, active wear and leisurewear.

## Report of the Board of Directors

for the Financial Year ended March 31, 2023

The male innerwear segment contributes significantly to the Company's business in comparison to the female innerwear segment. Women's innerwear has seen increasing momentum in sales and is increasing at a very rapid rate due to factors like rising number of working women, increase in income levels, greater awareness, increasing purchasing power etc. Keeping this in mind, the Company is actively focusing on increasing its presence in the female wear segment. Presently, the Company is catering to female innerwear and loungewear space through its brands Jon and Softline for economy and premium category; and Macrowoman W-Series for super-premium category.

Our exports continue to perform well and now contributes almost about 3.71% to our revenue. We have registered an impressive 25% growth year-on-year in exports. Modern trade registered a robust growth of 32% and contributed ₹ 51 crores towards overall top line.

In order to nurture its brands, the Company has been consistently involved in robust advertisement and brand promotion activities and have engaged leading celebrities including Ranveer Singh, Kiara Advani, Kartik Aaryan, Ranbir Kapoor, Naveen Kumar Gowda (Yash) and Khesari Lal Yadav for endorsement of its products. This increased spend will go a long way in connecting with our customers and potential target demography, thus strengthening our brand equity.

The Company has a large distribution network consisting of 4 central warehouses, 28 EBOs (Exclusive Brand Outlets), more than 1,500 dealers and access to 1,50,000 retailers. The Company is enhancing its availability through presence in e-commerce, MBOs (Multi-Brand Outlets) and LFRs (Large Format Retail Stores). The Company has tied-up with leading online/ offline stores in this regard and is aggressively focusing on expanding e-commerce and EBO business. The Company is also expanding in new international geographies in its export business.

The Company remains focused on enhancing operational efficiency, expanding market reach, and capitalizing on emerging opportunities to drive sustainable growth and create long-term value for the stakeholders.

### SUBSIDIARIES

The Company has following 5 (five) Wholly-owned Subsidiaries as on March 31, 2023:

- (i) **Euro Fashion Inners International Private Limited**, which was earlier engaged in selling hosiery premium products under the brand name "EURO", has transferred its Business Operations to the Company through a Business Collaboration Agreement effective from April 1, 2014 and gets royalty from the Company for using the brand EURO in its business.  
During the Financial Year under review, the Revenue from Operations, including Other Income, was ₹ 22.76 lakhs, as against ₹ 17.55 lakhs during the previous year. Net Profit during the year was ₹ 12.81 lakhs, as compared to ₹ 5.35 lakhs, during the previous year.
- (ii) **Imoogi Fashions Private Limited** is engaged in manufacturing, processing and selling of premium category hosiery and casual wear products for female and kids segments under the brand name "Femmora".  
During the Financial Year under review, the Revenue from Operations, including Other Income, was ₹ 586.21 lakhs, as against ₹ 389.48 lakhs during the previous year. Net Profit during the year was ₹ 17.81 lakhs, as compared to ₹ 11.06 lakhs, during the previous year.
- (iii) **Oban Fashions Private Limited** is engaged in the business of trading of Yarn.  
During the Financial Year under review, the Revenue from Operations, including Other Income was ₹ 2,368.43 lakhs, as against ₹ 4,449.54 lakhs, during the previous year. Net Profit during the year was ₹ 34.70 lakhs, as compared to loss of ₹ 92.31 lakhs, during the previous year.
- (iv) **Rupa Fashions Private Limited** was incorporated as Wholly-owned Subsidiary of the Company, with the object, inter alia, to be engaged in manufacturing and trading activities.  
During the Financial Year under review, there was no Revenue from Operations and the Net Loss during the year under review was ₹ 0.38 lakhs, as against ₹ 0.39 lakhs in the previous year.



## Report of the Board of Directors

for the Financial Year ended March 31, 2023

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

During the Financial Year under review, there was no Revenue from Operations and the Net Loss during the year under review was ₹ 0.39 lakhs, as against ₹ 0.22 lakhs in the previous year.

None of the above mentioned subsidiaries are 'Material Subsidiary' in terms of Regulation 16(1)(c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

The statement in Form AOC-1 containing the salient features of the aforesaid subsidiaries has been separately annexed hereto, in terms of the first proviso to the Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014. Further, the contribution of these subsidiaries to the overall performance of the Company are provided under the Notes to the Consolidated Financial Statements. The Audited Standalone & Consolidated Financial Statements of the Company and other related information/documents along with the Audited Accounts of the Company's Subsidiaries are available on the website of the Company at <https://rupa.co.in/financial-information/>

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

During the year under review, no company became or ceased to be a subsidiary, joint venture or associate of your Company.

### CHANGE(S) IN THE NATURE OF BUSINESS

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

### CAPITAL STRUCTURE & CHANGES IN SHARE CAPITAL

During the year under review, there were no change in the Share Capital of the Company. Further the Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended March 31, 2023 and till the date of this report.

### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status of the Company or its future operations.

### DIVIDEND

The Dividend Distribution Policy of the Company, drafted in accordance with the provisions of Regulation 43A of the Listing Regulations lays down various parameters to be considered by the Board before declaration/recommendation of dividend to the members of the Company. The Policy is available at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Dividend\\_Distribution\\_Policy.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Dividend_Distribution_Policy.pdf)

The Directors are pleased to recommend a final dividend of 300% i.e ₹ 3/- (Rupees Three only) per equity share of ₹ 1/- (Rupees One only) each for the financial year ended March 31, 2023. The final dividend on the equity shares, if approved by the members as above, would involve an outflow of ₹ 2,385.74 lakhs towards dividend.

### TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AND EQUITY SHARES TO THE IEPF AUTHORITY

During the year ended March 31, 2023, the Company has transferred unclaimed and unpaid dividend w.r.t. Financial Year 2014-15, amounting to ₹ 2,29,023/- (Rupees Two Lakh Twenty Nine Thousand Twenty Three only), to the Investor Education and Protection Fund (IEPF) as set up by the Central Government. Further, 1,980 Equity Shares of ₹ 1/- each, held

## Report of the Board of Directors

for the Financial Year ended March 31, 2023

by two shareholders, whose dividends have remained unpaid or unclaimed for a period of seven consecutive years or more, has been transferred to the demat account of the IEPF Authority.

Shareholders are requested to kindly check the status of their unpaid or unclaimed dividend, available at the website of the Company at <https://rupa.co.in/unclaimed-dividend-iepf/>.

### TRANSFER TO RESERVES

No amount is proposed to be transferred to General Reserve during the financial year 2022-23.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Composition

As on March 31, 2023, the Board of Directors of the Company comprised of 14 (fourteen) Directors, viz. 7 (seven) Non Executive Independent Directors including a Woman Director and 7 (seven) Executive Directors. The position of the Chairman of the Board and the Managing Director are held by separate individuals, wherein the Chairman of the Board is an Executive Director. The profile of all the Directors can be accessed on the Company's website at <https://rupa.co.in/board-members/>.

None of the Directors of the Company have incurred any disqualification under Section 164(1) & 164(2) of the Companies Act, 2013 (Act). Further, all the Directors have confirmed that they are not debarred from accessing the capital market as well as from holding the office of Director pursuant to any order of Securities and Exchange Board of India or Ministry of Corporate Affairs or any other such regulatory authority.

In the view of the Board, all the directors possess the requisite skills, expertise, integrity, competence, as well as experience considered to be vital for business growth. The detailed analysis of various skills, qualifications and attributes as required and available with the Board has been presented in the Corporate Governance Report.

#### Changes in Board and KMP Composition

Mr. Vikash Agarwal (DIN: 00230728) was appointed as the Additional Director (Whole-time) and Mr. Sunil Rewachand Chandiramani (DIN: 00524035) was appointed as the Additional Director (Independent) of the Company, by the Board of Directors at their meeting held on May 23, 2022, for a period of five (5) years and the said appointments were approved by the Members at the Annual General Meeting held on August 17, 2022.

Further, Mr. Niraj Kabra (DIN: 08067989) was re-appointed as the Executive Director of the Company, by the Board of Directors at their meeting held on May 23, 2022, for a period of five (5) years, effective from February 12, 2023 and the said re-appointment was approved by the Members at the Annual General Meeting held on August 17, 2022.

With effect from the end of business hours of May 31, 2022, Mr. Ramesh Agarwal (DIN: 00230702), relinquished his position as the Chief Financial Officer of the Company and continued to be the Whole-time Director of the Company. Mr. Sumit Khowala was appointed as the Chief Financial Officer of the Company w.e.f June 1, 2022.

Mr. Dinesh Kumar Lodha, ceased to be the Chief Executive Officer of the Company w.e.f the end of business hours of May 31, 2022, upon his resignation.

#### Director liable to retire by rotation

As per the provisions of Section 152(6)(d) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Prahlad Rai Agarwala (DIN: 00847452), Whole-time Director (Chairman) and Mr. Niraj Kabra (DIN: 08067989), Whole-time Director will retire by rotation at the ensuing Annual General Meeting and being eligible has offered themselves for re-appointment.

#### Reappointment of Independent Director

Mr. Ashok Bhandari (DIN: 00012210) was appointed as an Independent Director of the Company w.e.f. August 10, 2018 for a term of five years. His office of directorship is due for retirement on August 09, 2023. Based on the recommendation of the Nomination and Remuneration Committee and after taking into account the performance evaluation, his knowledge,



## Report of the Board of Directors

for the Financial Year ended March 31, 2023

expertise, experience and the substantial contribution made by him, the Board at its meeting held on May 24, 2023, has approved the re-appointment of Mr. Bhandari as an Independent Director of the Company for a second term of five years with effect from August 10, 2023, subject to the approval of the members at the ensuing Annual General meeting of the Company. The Board recommends the re-appointment to the shareholders.

Information regarding the directors seeking appointment/re-appointment as required by Regulation 36 of the Listing Regulations and Secretarial Standard-2 has been given in the notice convening the ensuing Annual General Meeting.

### Declaration Given by the Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 of the Act as well as Regulation 16 and 25 of Listing Regulations. The Independent Directors have also submitted a declaration confirming that they have registered their names in the databank of Independent Directors as being maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the Independent Directors are aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the same and in their opinion the Independent Directors are persons of integrity, expertise and experience and fulfill the conditions specified in the Act and Listing Regulations and are independent of the management.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act along with the Code of Conduct for Directors and Senior Management Personnel formulated by the Company as per Listing Regulations.

### Board Diversity

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives, appropriate to the requirements of the businesses of the Company. The Board has adopted the Board Diversity Policy which sets out the approach to diversity. The policy is available at the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy\\_on\\_Board\\_Diversity-1.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy_on_Board_Diversity-1.pdf)

### PERFORMANCE EVALUATION OF THE BOARD, THE COMMITTEES AND THE INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 178 of the Act and the Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation on the basis of which the Board has carried out evaluation of its own performance, the performance of Board Committees and of the Directors individually.

The Independent Directors of the Company, at their separate meeting held on March 13, 2023, have reviewed the performance of Non-Independent Directors, the Board as a whole and also the performance of the Chairperson of the Company. The review of performance of Non-Independent Directors was done, on various parameters, such as skill, competence, experience, degree of engagement, ideas & planning, leadership qualities, attendance at meetings etc. The Board's performance was reviewed on various parameters, such as adequacy of the composition of the Board, Board culture, appropriateness of qualification & expertise of Board members, inter-personal skills, ability to act proactively, managing conflicts and crisis situations, roles and responsibilities of Board members, appropriate utilization of talents etc. The evaluation of performance of the Chairperson of the Company was conducted on various parameters, such as leadership quality, capability, availability, clarity of understanding, ability to encourage deliberations, degree of contribution, etc.

The Nomination and Remuneration Committee of the Board, based on the report of the Independent Directors, evaluated the performance of the Non-Independent Directors. The said Committee members also evaluated the performance of the Independent Directors of the Company, based on the reports of the Executive Directors, considering their requisite skills, competence, experience, knowledge of the regulatory requirements etc.

## Report of the Board of Directors

for the Financial Year ended March 31, 2023

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

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

### COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

On the recommendation of Nomination and Remuneration Committee, the Company has formulated and adopted a Nomination and Remuneration Policy which is in accordance with the Act and the Listing Regulations.

The Nomination and Remuneration Policy of the Company has been designed with the following basic objectives:

- to set out a policy relating to appointment and remuneration of Directors, Key Managerial Personnel's and other employees of the Company;
- to ensure that the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- to ensure that the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;
- to ensure that the remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals;
- setting up the Board Diversity Criteria.

The remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

The Policy is available on the website of the Company at <https://rupa.co.in/livesite/wp-content/uploads/2022/08/Remuneration-Policy.pdf>

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts for the financial year ended March 31, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- such accounting policies as mentioned in Notes to the Annual Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken;
- the Annual Accounts has been prepared on a going concern basis;
- internal financial control to be followed by the Company are in place and that such internal financial controls are adequate and are operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems were adequate and operating effectively.



## Report of the Board of Directors

for the Financial Year ended March 31, 2023

### MEETINGS OF BOARD OF DIRECTORS

The Board met 4 (four) times during the Financial Year 2022-23, viz., on May 23, 2022, August 12, 2022, November 11, 2022 and February 10, 2023. The details relating to attendance of Directors in each board meeting held during the financial year 2022-23 has been separately provided in the Corporate Governance Report.

### COMMITTEES OF THE BOARD

The Board of Directors have constituted 6 (six) Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Operations Committee to deal with specific areas/activities that need a closer review and to have an appropriate structure for discharging its responsibilities.

The composition, terms of reference, attendance of directors at the meetings of all the above Committees has been disclosed in the Corporate Governance Report.

There has been no instance where the Board has not accepted any of the recommendations of the Audit Committee.

### CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes the value of being a socially responsible corporate and strongly believes in giving back to the society. The objective of the Company's Corporate Social Responsibility (CSR) is to improve the quality of life of communities through long-term value creation. In this regard the Company has formulated a Corporate Social Responsibility Policy which can be accessed at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate\\_Social\\_Responsibility-1.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate_Social_Responsibility-1.pdf).

The Company has constituted a CSR Committee, in terms of provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, inter alia to give directions and assistance to the Board for leading the CSR initiatives of the Company. The Committee formulates and reviews the Annual Action Plan and also monitors the progress of the CSR activities. The details of the Committee including term of reference have been disclosed in the Corporate Governance Report.

During the year, the Company has undertaken several CSR activities in accordance with the Annual Action Plan laid down by the Board and has spent ₹ 390.89 lakhs towards CSR activities.

Since there was no unspent amount, the Company was not required to transfer any amount to the fund or separate bank account during the year, in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company during the financial year ended March 31, 2023, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in "Annexure-1" to this report.

### RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty and is embedded in the Company's operating framework. The Company has a Risk Management Policy which lays down the framework for identification and mitigation of various risks. The specific objectives of this Policy is to have a well-defined approach towards risk and to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified and appropriately managed and mitigated.

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

The Risk Management Framework is reviewed periodically by the Audit Committee and Risk Management Committee of the Board of Directors. In the opinion of the Board of Directors, there are no existing factors which may threaten the existence of the Company.

## Report of the Board of Directors

for the Financial Year ended March 31, 2023

### INTERNAL FINANCIAL CONTROL

The Company has an adequate system of internal financial controls commensurate with its size and scale of operations to ensure a smooth functioning of its business. Further the Company adheres to the procedures and policies and ensures orderly and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

It is also ensured that all the assets of the Company are safeguarded and protected against loss and all transactions are authorized, recorded and reported correctly. The Internal Financial Control systems of the Company are monitored, evaluated and reviewed by the Audit Committee.

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

- i) Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization;
- ii) Systems and procedures exist to ensure that all transactions are recorded, as necessary to permit preparation of Financial Statements and to maintain accountability and the timely preparation of reliable financial information;
- iii) Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted;
- iv) The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any; and
- v) Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

Further, the certificate from Managing Director and Chief Financial Officer, in terms of Regulation 17(8) of the Listing Regulations, provided in this Annual Report, also certifies the adequacy of the Company's Internal Control systems and procedures. Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3)(i) of the Act forms part of the Audit Report.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and a Whistle-blower policy in accordance with the provisions of Section 177 of the Act and Regulation 22 of the Listing Regulations with an objective to provide an avenue for the Directors and employees to report actual or suspected violations of applicable laws, regulations and the Code of Conduct.

The mechanism also provides for adequate safeguards against victimization of Director(s) or employee(s) or any other person for availing the mechanism and in exceptional cases, direct access to the Chairman of the Audit Committee to report instances of fraud/ misconduct is provided. The Audit Committee looks into the complaints raised, if any, and their redressal. During the year under review, the Company did not receive any complaint under the policy. The Whistle Blower Policy of the Company, is available on the website of the Company, at the link [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Whistle\\_Blower\\_Policy.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Whistle_Blower_Policy.pdf).

### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on dealing with Related Party Transactions ('RPT') and the same is available on the website of the Company at: [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy_on_Related_Party_Transactions.pdf).

The Policy intends to ensure that proper approval, reporting and disclosure processes are in place for all the transactions taking place between the Company and Related Parties.



## Report of the Board of Directors

for the Financial Year ended March 31, 2023

All contracts/ arrangements/ transactions entered by the Company during the Financial Year 2022-23, with its related parties, were on an arm's length basis and had prior approval of the Audit Committee, as required under the Listing Regulations. All related party transactions are reviewed on a quarterly basis by the Audit Committee.

There were no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company. Further, during the Financial Year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Company's policy except those provided in Form AOC-2, annexed hereto, marked as **'Annexure – 2'**. Further, suitable disclosure as required by the Accounting Standards has been made in the Notes to the Financial Statements.

In terms of Regulation 34(3) read with Part A of Schedule V to the Listing Regulations, the details of the transactions entered into by the Company with promoter/ promoter group, which hold(s) 10% or more shareholding in the Company, are as hereunder:

Name of the Person	% of shares held in the Company	Nature of relationship	Nature of transaction	Amount (₹)
Ullas Sales Promotion LLP (formerly known as Ullas Sales Promotion Limited)	27.20%	Enterprises owned or significantly influenced by key management personnel or their relatives	Dividend	6,48,92,580
Mr. Prahlad Rai Agarwala, jointly with Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal, on behalf of a partnership firm, M/s Binod Hosierey	21.08%		Dividend	5,02,90,968

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

### PARTICULARS OF EMPLOYEES

The disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **"Annexure- 3"** to this report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in **"Annexure – 4"** to this Report.

### AUDITORS & AUDIT REPORTS

#### Statutory Auditors and Auditor's Report

In compliance with Section 139 of the Companies Act, 2013 read with Rules made thereunder, M/s. Singhi & Co. (Firm Registration Number: 302049E), Chartered Accountants, were re-appointed as the Statutory Auditor of the Company, for a second term of 5 (five) consecutive years at the 37<sup>th</sup> Annual General Meeting (AGM) held on August 17, 2022, to hold office from the conclusion of the said meeting till the conclusion of the 42<sup>nd</sup> AGM to be held in the year 2027.

## Report of the Board of Directors

for the Financial Year ended March 31, 2023

The Auditor's Report on the Standalone and Consolidated financial statements of the Company for the year ended March 31, 2023 forms part of this Annual Report and there are no qualifications, reservation, adverse remark or disclaimer made by the Statutory Auditors in their report.

### Internal Auditors

In accordance with the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, M/s. Das & Prasad, Chartered Accountants, conducted the Internal Audit of the Company for the Financial Year 2022-23. The Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor on a quarterly basis.

The Board of Directors on recommendation of the Audit Committee at its meeting held on February 10, 2023, have appointed M/s SS Kothari Mehta & Company, Chartered Accountants as the Internal Auditors of the Company for the financial year 2023-24.

### Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Nidhi Bagri & Company (COP: 9590), Practising Company Secretary, was re-appointed as the Secretarial Auditor of the Company for the Financial Year 2022-23.

The Secretarial Audit Report in Form MR-3, for the Financial Year 2022-23, is annexed hereto and marked as **'Annexure – 5'**.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Cost Audit and Cost Records

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

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, none of the auditors have reported any instances of fraud committed against the Company as required to be reported under Section 143 (12) of the Act.

### ANNUAL RETURN

The Annual Return of the Company, for the Financial Year ended March 31, 2023, pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://rupa.co.in/annual-returnmgt-7/>.

### CREDIT RATING

CRISIL Limited (CRISIL) has reaffirmed the credit rating of your Company for long term facilities as CRISIL AA-/Stable and for short term facilities and Commercial Paper as CRISIL A1+. Details of the same are provided in the Corporate Governance Report.

### DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. As on March 31, 2023, there were no deposits lying unpaid or unclaimed.



## Report of the Board of Directors

for the Financial Year ended March 31, 2023

### CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, in terms of Regulation 34(3), read with Schedule V, of the Listing Regulations, forms part of this Annual Report. The Company has obtained a certificate from the Statutory Auditors of the Company, M/s. Singhi & Co., Chartered Accountants, confirming compliance with the same.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34, read with Schedule V of the Listing Regulations, forms part of this Annual Report.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to amended Regulation 34 (2) (f) of Listing Regulations, the top 1000 listed companies are required to prepare a Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an Environmental, Social and Governance (ESG) perspective. The Company has accordingly prepared a Business Responsibility and Sustainability Report as set out in “Annexure-6” to this Report. The same is also uploaded on the website of the Company at <https://rupa.co.in/business-responsibility-report/>.

### COMPLIANCE WITH SECRETARIAL STANDARDS

During the Financial Year 2022-23, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2, as issued by the Institute of Company Secretaries of India (ICSI).

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employees are the most valuable and indispensable asset for a Company. A Company’s success depends on the ability to attract, develop and retain best talent at every level. The Company has always been proactive in providing growth, learning platforms, safe workplace and personal development opportunities to its workforce. Company strive’s to maintain a skilled and dedicated workforce, representing diverse experiences and viewpoints. The Human Resource department of the Company are rooted in ensuring a fair and reasonable process for all-round development and upliftment of talent through its persistent effort.

### PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

During the year under review, no cases were filed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### GENERAL DISCLOSURES

Your Directors state that:

- i) The Company does not have any Employee Stock Option Plan.
- ii) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- iii) No proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- iv) The Company serviced all the debts & financial commitments as and when they became due and no settlements were entered into with the bankers.

## Report of the Board of Directors

for the Financial Year ended March 31, 2023

### ACKNOWLEDGEMENT

The Board of Directors place on record its deep sense of appreciation for the significant contribution made by all the employees through their dedication, hard work and commitment at all levels throughout the year.

The Board conveys its appreciation towards its customers, stakeholders, suppliers, vendors, bankers, financial institutions, business associates, regulatory and government authorities both at the Central and State level for their continued support and co-operation.

**For and on behalf of the Board of Directors**

**Prahlad Rai Agarwala**

*Chairman*

*DIN: 00847452*

Place: Kolkata

Date: May 24, 2023

### Annexures forming part of this Report of the Directors

Annexure	Particulars
1	Annual Report on CSR Activities
2	Particulars of Contracts or Arrangements with Related Parties in Form AOC-2
3	Particulars of Employees
4	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
5	Secretarial Audit Report
6	Business Responsibility & Sustainability Report



## Annexure to the Board's Report

### Annexure – 1

#### Annual Report on Corporate Social Responsibility (CSR) Activities

For the Financial Year 2022-23

(Pursuant to Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

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

The Company has formed a CSR Committee to oversee all its CSR activities. The Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee chooses priority projects from time to time. The objective is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes.

Pursuant to the provisions of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company undertakes the CSR Activities either (i) directly and/ or (ii) through Implementing Agencies registered with the Ministry of Corporate Affairs.

During the Financial Year 2022-23, the Company has contributed towards making available safe drinking water at public places, promoting healthcare, promoting education, promoting animal welfare, eradicating hunger, poverty and malnutrition, promoting environmental sustainability, etc.

#### 2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Prahlad Rai Agarwala	Chairman/ Whole-time Director	2	2
2	Mr. Kunj Bihari Agarwal	Member/ Managing Director	2	2
3	Mr. Dipak Kumar Banerjee	Member/ Independent Director	2	2

#### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

- Web-link where Composition of CSR committee and its Terms of Reference are disclosed:  
[https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate\\_Social\\_Responsibility\\_TOR.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate_Social_Responsibility_TOR.pdf)
- Web-link where CSR Policy is disclosed:  
[https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate\\_Social\\_Responsibility-1.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate_Social_Responsibility-1.pdf)
- Web-link where CSR Projects are disclosed:  
[https://rupa.co.in/livesite/wp-content/uploads/2023/02/CSR-Annual-Action-Plan\\_2022-23.pdf](https://rupa.co.in/livesite/wp-content/uploads/2023/02/CSR-Annual-Action-Plan_2022-23.pdf)

## Annexure to the Board's Report

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of rule 8 (3), if applicable

Not applicable, as the average CSR obligation of the Company did not exceed Rs. 10 Crore or more, in the three immediately preceding financial years.

#### 5. (₹ in Lakhs)

(a)	Average net profit of the Company as per Section 135(5) of the Act	:	19,541.78
(b)	Two percent of average net profit of the Company as per Section 135(5) of the Act	:	390.84
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	Nil
(d)	Amount required to be set off for the financial year, if any	:	Nil
(e)	Total CSR obligation for the financial year (b+c-d)	:	390.84

#### 6. (a) Amount spent on CSR Projects (Ongoing Project and other than Ongoing Project)- ₹390.89 Lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 390.89 Lakhs

(e) CSR amount spent or unspent for the financial year: (₹ in Lakhs)

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 390.89 lakhs	Nil	N.A	N.A	Nil	N.A

#### (f) Excess amount for set off, if any:

(1) Sl No.	(2) Particular	(3) Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5) of the Act	390.84
(ii)	Total amount spent for the Financial Year	390.89
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00*

\*Since the excess amount spent was negligible, the Board of Directors decided not to avail it for set-off in succeeding years.



## Annexure to the Board's Report

### 7. Details of Unspent CSR amount for the preceding three financial years: (₹ in Lakhs)

(1) Sl. No.	(2) Preceding Financial Year(s)	(3) Amount transferred to Unspent CSR Account under Section 135(6)	(4) Balance Amount in Unspent CSR Account under section 135(6)	(5) Amount spent in the reporting Financial Year	(6) Amount transferred to any fund as specified under Schedule VII as per Section 135(5), if any		(7) Amount remaining to be spent in succeeding financial years.	(8) Deficiency, if any
					Amount	Date of transfer		
NIL								

### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/No): No

If Yes, enter the number of Capital assets created/ acquired: NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
N.A							

### 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

**For Rupa & Company Limited**

**Kunj Bihari Agarwal** (Managing Director)  
DIN: 00224857

**Prahlad Rai Agarwala** (Chairman of CSR Committee)  
DIN: 00847452

Place: Kolkata  
Date: May 24, 2023

## Annexure to the Board's Report

### Annexure – 2

#### FORM AOC-2

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

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

1. Details of Contracts or Arrangements or Transactions not at Arm's Length basis: None

2. Details of material Contracts or Arrangement or Transactions at Arm's Length basis, are as hereunder:

a	Name(s) of the related party and nature of relationship	Mr. Suresh Agarwal, President in the Company and relative of Director	Mr. Manish Agarwal, President in the Company and relative of Director	Mr. Ravi Agarwal, President in the Company and relative of Director	Mr. Rajnish Agarwal, President in the Company and relative of Director	Mr. Vikash Agarwal, relative of Director (Acting as President of the Company upto May 22, 2022)	Mr. Siddhant Agarwal, Vice-President in the Company and relative of Director
b	Nature of contracts/ arrangement/ transactions	The aforesaid related parties have been appointed as President/Vice-President in the Company, being office or place of profit within the meaning of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014.					
c	Duration of the contracts/ arrangements/ transactions	Ongoing					
d	Salient terms of the contracts or arrangements or transactions including the value, if any.	Value of transactions: Financial Year 2022-23- ₹ 69.12 lakhs	Value of transactions: Financial Year 2022-23- ₹ 103.68 lakhs, each.	Value of transactions: Financial Year 2022-23- ₹ 14.77 lakhs.	Value of transactions: Financial Year 2022-23- ₹ 55.44 lakhs		
e	Date(s) of approval by the Board, if any.	For Presidents- the terms of remuneration has been approved by the Board on May 31, 2021 as well as by the Members at the 36 <sup>th</sup> Annual General Meeting (AGM) held on August 31, 2021 and for Vice-President- the terms of remuneration has been approved by the Board on June 26, 2020 and by the Members at the 35 <sup>th</sup> AGM on September 18, 2020.					
f	Amount paid as advances, if any.	Nil					

**For and on behalf of the Board of Directors**

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Place: Kolkata  
Date: May 24, 2023



## Annexure to the Board's Report

### Annexure – 3

DETAILS PERTAINING TO THE REMUNERATION, AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED FROM TIME TO TIME, FOR THE FINANCIAL YEAR 2022-23

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary, during the Financial Year 2022-23, are as under:

Sl. No.	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase/ decrease in remuneration received by Director/ KMP in the Financial Year 2022-23
1.	Mr. Prahlad Rai Agarwala	Chairman	127:1	-35.09
2.	Mr. Ghanshyam Prasad Agarwala	Vice-Chairman	114:1	10.00
3.	Mr. Kunj Bihari Agarwal	Managing Director	120:1	15.00
4.	Mr. Ramesh Agarwal	Whole-time Director	84:1	-18.82
5.	Mr. Mukesh Agarwal	Whole-time Director	84:1	-18.82
6.	Mr. Vikash Agarwal	Whole-time Director	NA	NA
7.	Mr. Niraj Kabra	Executive Director	20:1	8.04
8.	Mr. Dipak Kumar Banerjee	Independent Director	12:1	2.56
9.	Mr. Dharam Chand Jain	Independent Director	6:1	0.00
10.	Mr. Sushil Patwari	Independent Director	11:1	2.88
11.	Mrs. Alka Devi Bangur	Independent Director	6:1	-12.00
12.	Mr. Vinod Kumar Kothari	Independent Director	10:1	-9.09
13.	Mr. Ashok Bhandari	Independent Director	12:1	4.48
14.	Mr. Sunil Rewachand Chandiramani	Independent Director	NA	NA
15.	Mr. Dinesh Kumar Lodha	Chief Executive Officer	NA	NA
16.	Mr. Sumit Khowala	Chief Financial Officer	NA	NA
17.	Mr. Manish Agarwal	Company Secretary and Compliance Officer	18:1	NA

**Note:**

- Remuneration to Independent Directors consists of Commission and Sitting fees. Numbers are rounded off to nearest number.
- Mr. Vikash Agarwal was appointed as the Director of the Company w.e.f. May 23, 2022.
- Mr. Sunil Rewachand Chandiramani was appointed as the Independent Director of the Company w.e.f. May 23, 2022.
- Mr. Ramesh Agarwal and Mr. Dinesh Kumar Lodha relinquished their position as the CFO and CEO respectively w.e.f. May 31, 2022.
- Mr. Sumit Khowala was appointed as the Chief Financial Officer w.e.f. June 01, 2022.

(ii) The percentage increase in the median remuneration of employees in the financial year 2022-23: 1.04 %

(iii) Number of permanent employees on the rolls of Company as on March 31, 2023: 778.

(iv) Average percentile increase in total remuneration paid to employees other than the managerial personnel in the Financial Year 2022-23 was -15.66% whereas the increase in the total managerial remuneration for the same Financial Year was 0.68%. The managerial remuneration is linked to market trend and industry segment composition.

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

## Annexure to the Board's Report

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED, FROM TIME TO TIME

Sl. No.	Name	Designation	Remuneration (₹ in Lakhs)	Qualification and Experience(years)	Age (years)	Date of Commencement of Employment	Last Employment
1.	Mr. Prahlad Rai Agarwala	Chairman (Whole-time Director)	149.04	Bachelor's degree in Law, B.Com, having an experience of more than 55 years	85	February 06, 1985	None
2.	Mr. Kunj Bihari Agarwal	Managing Director	140.06	B. Com, having an experience of more than 48 years	73	July 17, 1987	None
3.	Mr. Ghanshyam Prasad Agarwal	Vice-Chairman (Whole-time Director)	134.64	B. Com, having an experience of more than 50 years	77	July 13, 1987	None
4.	Mr. Manish Agarwal <sup>a</sup>	President	103.68	Bachelor's degree in Mechanical Engineering, having an experience of more than 19 years	48	September 11, 2004	None
5.	Mr. Ravi Agarwal <sup>b</sup>	President	103.68	MBA in Marketing from Geneva, Switzerland, having an experience of more than 19 years	49	September 11, 2004	None
6.	Mr. Rajnish Agarwal <sup>c</sup>	President	103.68	Master's in Business Administration in Marketing from University of Cardiff, having an experience of more than 19 years	45	September 11, 2004	None
7.	Mr. Ramesh Agarwal	Whole-time Director	99.36	B. Com, having an experience of more than 28 years in the textile industries	54	April 01, 2004	None
8.	Mr. Mukesh Agarwal	Whole-time Director	99.36	B. Com, having an experience of more than 23 years in the textile industries	52	April 01, 2004	None
9.	Mr. Vikash Agarwal	Whole-time Director	99.36	Diploma in Marketing Management from University of California, USA, having an experience of more than 19 years	46	September 11, 2004	None
10.	Mr. Sarvesh Agarwal <sup>d</sup>	President Exports	82.22	Executive Post Graduate Diploma in International Business from IIFT, New Delhi and Masters in Fashion Technology Management from NIFT, Hyderabad having experience of more than 16 years in export, marketing, sales and business development.	43	December 16, 2021	Sr. VP - Himatsingka Siede Limited, Bangalore
11.	Mr. Dinesh Kumar Lodha <sup>e</sup>	Chief Executive Officer	40.47	CA, CS, Black Belt (Quality Certification) – Lean Six Sigma, GE USA, Graduated from GE Crotonville, USA in Executive & Strategic Leadership (GE MDC), Global Director Course in Samsung leadership center in Korea for 2 weeks, Graduated from ISB Hyderabad on marketing strategies in competitive environment, having an experience of more than 26 years	51	February 25, 2019	Group CEO – (India and Global Business) Healthium Medtech (Apax portfolio company) Formerly known as Sutures India



## Annexure to the Board's Report

### Notes:

- 1) Remuneration includes salary, commission, bonus, allowances and monetary value of perquisites but excludes gratuity provision.
- 2) All appointments are contractual.
- 3) The inter-se relation between the Directors of the Company has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.
- 4) Mr. Manish Agarwal and Mr. Rajnish Agarwal are sons of Mr. Ghanshyam Prasad Agarwala, Vice-Chairman, and brothers of Mr. Mukesh Agarwal, Whole-time Director.
- 5) Mr. Ravi Agarwal employed throughout the Financial Year, was in receipt of remuneration for the year, at a rate, which was in excess of that drawn by a Whole-time Director of the Company and he holds 2.19% of the equity shares of the Company. Mr. Ravi Agarwal is the son of Mr. Kunj Bihari Agarwal, Managing Director and brother of Mr. Vikash Agarwal, Whole-time Director of the Company.
- 6) All the employees were employed throughout the financial year except Mr. Dinesh Kumar Lodha who resigned w.e.f. May 31, 2022 and Mr. Sarvesh Agarwal who resigned w.e.f. December 20, 2022. Mr. Dinesh Kumar Lodha and Mr. Sarvesh Agarwal were not related to any Director of the Company
- 7) The above details include details of top ten employees of the Company, in terms of remuneration drawn during the Financial Year 2022-23.

For and on behalf of the Board of Directors

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Place: Kolkata  
Date: May 24, 2023

## Annexure to the Board's Report

### Annexure – 4

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

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

#### (A) Conservation of Energy -

##### (i) Steps taken or impact on conservation of energy:

All units of the Company continued their efforts in reducing energy consumption, improving energy efficiencies and exploring alternate sources of energy to align with the Company's overall sustainable approach. The Company achieves this by adopting an approach of continuous improvement which includes mechanisms like regular monitoring systems, periodic maintenance of machineries, installation of automation technology in machines and vigilant supervision. The holistic approach enables the company to reduce its energy consumption and enhance its energy efficiency in its business operations.

##### Some of the steps undertaken:

- (a) Installation of a Heat Recovery System, which enables the heat from the discharged system to be captured and reuse the same for heating of incoming water by raising its temperature from 30 to 65 degrees Celsius without using any additional energy.
- (b) The waste heat recovered is also used for the compaction of the fabric before packaging, thereby enabling full utilization of the heat recovered.
- (c) Replacement of traditional lighting systems with LED lights

##### (ii) Steps taken by the Company for utilizing alternate sources of energy:

Instead of furnace oil, diesel or wood, the Company strives to uses paddy husk and other agricultural waste as fuel for the boiler for generating power as and when possible. The Company has also installed a wind Turbine to generate green energy.

##### (iii) Capital investment on energy conservation equipments:

No direct identifiable investment pertaining to conservation of energy was done during the year. Hence the amount of investment cannot be directly measured.

#### (B) Technology Absorption -

##### (i) Efforts made towards technology absorption:

The Company has always been aware of the latest technological developments and adapted them to make products more cost effective and to attain high levels of quality.

##### (ii) Benefits derived:

By using new technology, the Company is being able to get more accuracy in cutting fabrics, resulting in huge savings of fabrics, thus, leading to reduced consumption. At the same time, it also helps the Company to reduce the number of days of work in progress and improvement in the quality.

##### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

- (a) **Details of technology imported:** The Company has imported machines with the latest and updated technology. Several cutting machines, knitting machines, sewing machines, spreader machine, PLC



## Annexure to the Board's Report

controlled multi chamber stenter and compactor and slitting machine including accessories have been imported during the last three years. The said machines were purchased from Morgan Tecnica SPA, Italy, Bierrebi Italia SRL, Italy, Bruckner Textile technologies GmbH & Co. KG, Germany, Ferraro SPA, Italy, Unitex Texmac Pte Limited, China and United Texmac Pte Limited, Singapore, Supreme Intelligent Technology Company Limited, China.

(b) **Year of import:** 2020-21, 2021-22, 2022-23

(c) **Whether the technology has been fully absorbed:** Yes.

(iv) **Expenditure incurred on Research and Development:** Nil.

### (C) Foreign Exchange Earnings and Outgo

Foreign Exchange earned in terms of actual inflows during the year	:	₹ 3,151.32 lakhs
Foreign Exchange outgo during the year in terms of actual outflows	:	₹ 355.41 lakhs

**For and on behalf of the Board of Directors**

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Place: Kolkata  
Date: May 24, 2023

## Annexure to the Board's Report

### Annexure – 5

#### MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rupa & Company Limited** (hereinafter referred to as "Company") having CIN L17299WB1985PLC038517 and having its registered office at 1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata-700071. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2022 to March 31, 2023 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent applicable, for the financial year ended on March 31, 2023, according to the provisions of:

1. The Companies Act, 2013 (the "Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if any;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;



## Annexure to the Board's Report

- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021 and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
6. We have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
  - b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
7. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
- a. Environment Protection Act, 1986;
  - b. The Air (Prevention & Control of Pollution) Act, 1981;
  - c. The Water (Prevention & Control of Pollution) Act, 1974
  - d. The Legal Metrology Act, 2009;
  - e. Intellectual Property Acts;
  - f. Consumer Protection Act, 2019

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

### Procedure for monitoring and ensuring compliance with General Laws

We have been informed that a proper procedure has been laid down to monitor and ensure compliance with general laws. On perusal of the documents provided by the Company, we observed that the Company has a system of ensuring compliance with applicable laws. The Company Secretary of the Company also provides an internal compliance certificate which is placed in the Board Meetings.

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

### We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent directors. The changes in the composition of the Board of Directors that took place during the Audit period were carried out in compliance with the provisions of the Act.
2. Adequate notice were given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where meetings were held at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

## Annexure to the Board's Report

3. None of the Directors in any meeting dissented on any resolution and hence there was no instances of recording any dissenting member's view in the minutes.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.
5. No material event(s) took place during the Audit Period which may have major bearing on the Company's affairs in pursuance of any of the laws, Rules, Regulations or Guidelines covered by this audit.

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with the annexure to this letter.

Thanking you,

For **Nidhi Bagri & Company**  
(Practising Company Secretaries)

**(Nidhi Bagri)**  
ACS No. 24765  
C.P.No. 9590  
UDIN A024765E000356173  
Peer Review Cert no. 2103/2022

Date: May 24, 2023  
Place: Kolkata



## Annexure to the Board's Report

### ANNEXURE TO SECRETARIAL AUDIT REPORT

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

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we have followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the management representation about the compliance of laws, Rules and Regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking you,

For **Nidhi Bagri & Company**  
(Practising Company Secretaries)

**(Nidhi Bagri)**  
ACS No. 24765  
C.P.No. 9590  
UDIN A024765E000356173  
Peer Review Cert no. 2103/2022

Date: May 24, 2023  
Place: Kolkata

## Annexure to the Board's Report

### Annexure – 6

#### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

##### Section A: GENERAL DISCLOSURES

##### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L17299WB1985PLC038517
2.	Name of the Listed Entity	Rupa & Company Limited
3.	Year of Incorporation	1985
4.	Registered office address	1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata -700071
5.	Corporate address	1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata -700071
6.	E-mail	investors@rupa.co.in
7.	Telephone	033-4057 3100
8.	Website	<a href="https://rupa.co.in/">https://rupa.co.in/</a>
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 795.25 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Manish Agrawal Designation: Company Secretary & Compliance Officer E-Mail: investors@rupa.co.in Telephone: 033-4057 3100
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis

##### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Manufacturing and sale of hosiery goods and related services	Manufacturing and sale of hosiery product and providing related services.	100%

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Hosiery products	14309	97.58%



## Annexure to the Board's Report

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	7	11
International	0	0	0

The Company has a subsidiary based out of Bangladesh. However, it is yet to be operational.

#### 17. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	27 States and 3 Union Territories
International (No. of Countries)	14

##### b. What is the contribution of exports as a percentage of total turnover of the entity?

Exports contributed to around 3.71% of our total revenue.

##### c. A brief on types of customers

Rupa caters to the requirement of individual customers through various channels including general trade and modern trade (including large format stores, multi-brand outlets, exclusive brand outlets and e-commerce). The Company also provides contract manufacturing services and processing services to few clients.

### IV. Employees

#### 18. Details as at the end of Financial Year

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	778	698	89.72%	80	10.28%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total employees (D + E)</b>	<b>778</b>	<b>698</b>	<b>89.72%</b>	<b>80</b>	<b>10.28%</b>
<b>Workers</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	1505	1338	89%	167	11%
6.	<b>Total workers (F + G)</b>	<b>1505</b>	<b>1338</b>	<b>89%</b>	<b>167</b>	<b>11%</b>

## Annexure to the Board's Report

#### b. Differently abled employees & workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)					
2.	Other than Permanent (E)			NIL		
3.	<b>Total differently abled employees (D + E)</b>					
<b>Differently Abled Workers</b>						
4.	Permanent (F)					
5.	Other than Permanent (G)			NIL		
6.	<b>Total differently abled workers (F + G)</b>					

#### 19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	14	1	7.14%
Key Management Personnel (excludes Directors already covered above)	2	0	0%

#### 20. Turnover rate for permanent employees

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	37%	51%	38%*	17%	20%	17%	11%	20%	12%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

\* Due to operational changes in the organization

#### V. Holding, subsidiary and associate companies (including joint venture)

##### 21. (a) Name of the holding / subsidiary / associate companies / joint ventures (A) –

Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Euro Fashion Inners International Private Limited	Wholly-owned Subsidiary	100%	No
Imoogi Fashions Private Limited	Wholly-owned Subsidiary	100%	No
Oban Fashions Private Limited	Wholly-owned Subsidiary	100%	No
Rupa Fashions Private Limited	Wholly-owned Subsidiary	100%	No
Rupa Bangladesh Private Limited	Wholly-owned Subsidiary	100%	No



## Annexure to the Board's Report

## Annexure to the Board's Report

### VI. CSR details

#### 22.

- i. Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes
- ii. Turnover: ₹ 1,11,744.01 Lakhs
- iii. Net worth: ₹ 90,695.23 Lakhs

### VII. Transparency and Disclosures Compliances

#### 23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholder)	Yes	0	0	-	0	0	-
Shareholder	Yes	1	0	-	1	0	-
Employees & Workers	Yes	0	0	-	0	0	-
Customers	Yes	18	0	-	25	0	-
Value Chain Partner	Yes	0	0	-	0	0	-

#### 24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial Implications of the risk or opportunity (Positive/ Negative)
1.	Energy and Climate Change Management	Risk and Opportunity	<ul style="list-style-type: none"> <li>Rupa understands the environmental risks posed by climate change. The Company also sees this as an opportunity to work towards the mitigation of the adverse impacts of climate change through the reduction of greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Improve energy efficiency</li> <li>Enhance waste heat recovery</li> <li>Optimize fuel composition, along with the use of waste as alternative fuel</li> <li>Integration of renewable energy into the energy portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Energy and Climate Change Management, when managed effectively can reduce operational cost, enhance reputation of the company, thereby reducing cost of capital.</li> </ul>

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial Implications of the risk or opportunity (Positive/ Negative)
2.	Water and Effluent Management	Risk	<ul style="list-style-type: none"> <li>Rupa recognizes water quality degradation and water scarcity as one of the pressing environmental issue. Thus, the Company strives towards addressing this issue through judicious use of water as a resource.</li> </ul>	<ul style="list-style-type: none"> <li>Transforming dyeing plant into a Zero Liquid Discharge facility by leveraging technology.</li> <li>Stringent periodic maintenance of all water pipes is undertaken to prevent water leakages.</li> </ul>	<ul style="list-style-type: none"> <li>Increases operating cost in water scarce regions</li> <li>Increases operating costs for water treatment</li> <li>Non-compliance resulting in fines / penalties</li> </ul>
3.	Waste management and Circular economy	Risk and Opportunity	<ul style="list-style-type: none"> <li>Rupa recognizes inefficient waste management as the primary contributor of environmental pollution. The Company identifies this as a risk and takes opportunity towards ensuring safe and responsible disposal of waste to prevent environmental degradation.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing the 4R (Reduce, Reuse, Recycle and Recover) principles for effective utilization of waste resources.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces costs for addressing land pollution</li> <li>Reduces operating costs</li> <li>Punitive measures from regulatory bodies for non-compliance</li> </ul>
4.	Sustainability Packaging	Risk and Opportunity	<ul style="list-style-type: none"> <li>Rupa recognizes negative environmental impacts associated with traditional packaging. The Company understands this risk and utilizes it as an opportunity to commit towards using ecofriendly packaging materials.</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of traditional plastic packaging materials with use of recycled input materials.</li> <li>Ensuring all packaging is recyclable in nature.</li> </ul>	<ul style="list-style-type: none"> <li>Reputation/brand image</li> <li>Penalties/fines by the regulatory bodies</li> </ul>
5.	Chemical Management	Risk	<ul style="list-style-type: none"> <li>Rupa identifies harmful risks related to chemical effluents from dyeing unit. The Company recognizes the issue and ensures safe processing and disposal of effluents to prevent water contamination and land degradation.</li> </ul>	<ul style="list-style-type: none"> <li>Use of technology to eliminate presence of dye in the processed water.</li> <li>Achieving Zero Liquid Discharge for the plant facilities.</li> <li>Ensuring materials procured are GOTS certified.</li> </ul>	<ul style="list-style-type: none"> <li>Punitive measures from regulatory bodies for non-compliance</li> </ul>

## Annexure to the Board's Report

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial Implications of the risk or opportunity (Positive/ Negative)
6.	Human Rights	Risk	Rupa is cognizant towards the importance of human rights and its associated social risks. Therefore, the Company works towards respecting and protecting it throughout the Company and its value chain.	<ul style="list-style-type: none"> <li>Compliance to Human Rights Policy and the new labour codes as applicable</li> <li>Internal audit of documents pertaining to labour laws</li> </ul>	<ul style="list-style-type: none"> <li>Punitive actions by regulators</li> <li>Reputational / Brand Image</li> </ul>
7.	Occupational Health and Safety	Risk	The Company recognizes detrimental risk associated with work-related injuries and ill health. Rupa prevents this through provision of safe work environment for its entire workforce.	<ul style="list-style-type: none"> <li>Establishing and implementing safety and occupational health standards</li> <li>Developing competencies through training and skill upgradation</li> <li>Engaging all stakeholders on safety practices on a continuous basis and ensuring operational safety discipline among all employees.</li> </ul>	<ul style="list-style-type: none"> <li>High employee turnover and reduced ability to attract talent resulting in higher hiring expenditure</li> <li>Reputation/brand image</li> <li>Punitive actions by regulators</li> </ul>
8.	Diversity and inclusion	Opportunity	Rupa being an equal opportunity provider prioritizes diversity and inclusion within its workforce.	<ul style="list-style-type: none"> <li>Providing an inclusive work environment that is unbiased</li> <li>Providing equal compensations, facilities, and benefits to all employees and workers</li> </ul>	<ul style="list-style-type: none"> <li>Better talent attraction and retention results in reduction of operational costs</li> <li>Higher work efficiency from the employees' aids in generating better revenue</li> </ul>
9.	Responsible Sourcing	Risk	<ul style="list-style-type: none"> <li>The Company understands the risks associated around its value chain and therefore ensures all suppliers are compliant with the applicable laws and regulations which are essential for business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Integrating relevant ESG considerations and criteria for onboarding and evaluation</li> <li>Sourcing from Oeko-Tex certified dye manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Disruption of supply chain resulting in decrease in revenue</li> </ul>

## Annexure to the Board's Report

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial Implications of the risk or opportunity (Positive/ Negative)
10.	Corporate Citizenship	Opportunity	Rupa believes in building trust and cordial relations with local communities. Acknowledging this belief, the Company helps in promoting economic empowerment and social wellbeing among the local communities, which in turn is essential for business continuity	<ul style="list-style-type: none"> <li>Identification of vulnerable communities</li> <li>Undertaking community need assessment</li> <li>Selection of implementing partner</li> <li>Baseline survey</li> <li>Project implementation</li> <li>Project monitoring and evaluation</li> <li>Social impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>Community wellbeing, livelihood generation through skill development and mitigating environmental impacts resulting in indirect economic growth</li> </ul>
11.	Customer Relationship Management	Opportunity	The Company believes in upholding customer trust, maintaining transparency and ensuring their satisfaction to pave way for business growth	<ul style="list-style-type: none"> <li>Enhancing engagement channels with customers to understand the satisfaction levels of customers and meet their expectations</li> </ul>	<ul style="list-style-type: none"> <li>Increase profitability and revenue through increase in sales and enhancing the penetration of value-added products in the market</li> </ul>

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner



## Annexure to the Board's Report

Disclosure Questions	P 1	P 2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web link of the policies, if available	<a href="https://rupa.co.in/livesite/wp-content/uploads/08/2022/Business_Responsibility_policy.pdf">https://rupa.co.in/livesite/wp-content/uploads/08/2022/Business_Responsibility_policy.pdf</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001:2015	The Company has applied for ISO 45001: 2018 for its Domjur Plant	-	-	-	-	-	-

## Annexure to the Board's Report

### 5&6. Specific commitments, goals and targets set by the entity with defined timelines, if any.

Principles	Targets	Mandatory/ Voluntary	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met
Principle 6	Achieve Zero Liquid Discharge (ZLD) status in the Company's dyeing unit at Domjur	Voluntary	On track
Principle 6	Achieve plastic neutrality	Mandatory	On track

### GOVERNANCE, LEADERSHIP AND OVERSIGHT

#### 7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements

It gives us immense pleasure to unveil our inaugural BRSR in compliance with SEBI's guidelines adhering to NGRBC principles. We have been a socially and environmentally responsible organization since our inception and have maintained high standard of ethics towards creating long term stakeholder value. We conduct our operations in a transparent and fair manner with all stakeholders and ensure that our workplace is safe for all our employees and workers.

The past year has been one of the most challenging year, the impacts of geopolitical tension and climate change felt across all economies and all sections of the society. However, on embarking the sustainability journey our robustness and continued determination towards long term stakeholder value creation has helped us emerge stronger. Our commitments towards sustainable and equitable growth has created an ecosystem which helps us to continuously innovate and improve our operational efficiency and business competitiveness. The outcome of this approach manifests itself most prominently in the relationships that we created with our customers, employees, communities, suppliers, and sales channel partners, who stood firmly by our side even amidst the most challenging market conditions.

Through this journey the foundations of our ESG framework were created. Integrating our ESG framework into our business strategy, not only enabled us to identify various risks and opportunities but also strategize an action plan that emphasizes on improving our performance.

Our aim is to earn the admiration of stakeholders for our sustainable practices, ethical behavior, and corporate culture; and believe we have a crucial role to play in fulfilling our nation's commitment to achieving net zero emissions by 2070.

#### 8. Details of the highest authority responsible for oversight of the Business Responsibility policy(ies).

Sl. No.	Particulars	Details
1	DIN Number	00224857
2	Name	Mr. Kunj Bihari Agarwal
3	Designation	Managing Director
4	Telephone number	+91-33-40573100
5	E-mail ID	investors@rupa.co.in

#### 9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.

Yes, CSR Committee of the Board is responsible for decision making on sustainability related issues. Composition of Committee is as follows:

DIN	Name	Designation
00847452	Mr. Prahlad Rai Agarwala	Chairman/ Whole-time Director
00224857	Mr. Kunj Bihari Agarwal	Member/ Managing Director
00028123	Mr. Dipak Kumar Banerjee	Member/ Independent Director

## Annexure to the Board's Report

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	CSR Committee of the Board and senior management of the Company									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	CSR Committee of the Board and senior management of the Company									Annually								

### 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has not carried out any independent assessment/evaluation of the working of its policies by an external agency.								

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## Annexure to the Board's Report

### SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

#### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

##### Essential Indicator

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of person's in respective category covered by the awareness programmes
Board of Directors	1	Familiarization and awareness was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to business and other stakeholders, to provide effective oversight on the implementation of policies, procedures, and targets with respect to ESG.	100%
Key Managerial Personnel	4	Familiarization was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to business and other stakeholders to develop effective risk management strategies for mitigation. Further, the Company periodically updates and familiarizes its KMP's on the following: 1. Code of Conduct 2. Corporate Governance 3. Whistle-blower Policy 4. Policy on Prevention of Sexual Harassment 5. Sensitisation of compliances under SEBI (PIT) Regulations, 2015 6. Anti-Bribery and Anti-Corruption Policies 7. Business Responsibility and Sustainable Reporting Policy	100%
Employees other than BOD and KMPs	3	Familiarization was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to business and other stakeholders.	70%
Workers	1	Further, the Company periodically updates and familiarizes its employees on the following: 1. Code of Conduct 2. Corporate Governance 3. Whistle-blower Policy 4. Policy on Prevention of Sexual Harassment 5. Sensitisation of compliances under SEBI (PIT) Regulations, 2015 6. Anti-Bribery and Anti-Corruption Policies 7. Business Responsibility and Sustainable Reporting Policy. Further, the Company periodically conducts several trainings and programmes for the safety, wellbeing & skill upgradation of the employees & workers.	



## Annexure to the Board's Report

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	Name of the regulatory / enforcement agencies / judicial institutions	NGRB Principle	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			Nil		
Compounding Fee					
Non-Monetary					
	Name of the regulatory / enforcement agencies / judicial institutions	NGRBC Principle	Brief of the case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment			Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

There have been no cases registered by the entity or by directors/KMPs which resulted in fines/penalties/ punishment/ award/compounding fees/settlement amount paid in proceedings with regulators/law enforcement agencies/ judicial institutions, in the reporting year.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The policy is available at <https://rupa.co.in/livesite/wp-content/uploads/2023/05/Anti-Corruption-and-Anti-Bribery-Policy.pdf>

The Company has implemented an Anti-corruption and Anti-Bribery Policy to ensure that the Company conduct its operations and business activities in consonance with applicable laws and with the highest ethical standards and ensure the prevention and detection of fraud, bribery and corruption. The Policy enables stakeholders including employees, agents, representatives, vendors, and business partners to detect and report any possible breaches.

Additionally, the Company has in place a Whistle Blower Policy which provides the stakeholders with a platform to report susceptible unethical behaviour, malpractices, wrongful conduct, fraud, violation of Company's Policy with direct access to Audit Committee in exceptional cases.

## Annexure to the Board's Report

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	Nil	-	Nil	-
Number of complaints received in relation to issues of conflict of interest of KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or under way on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

There has been no fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

#### Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	0	0	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Rupa strives to ensure safe and efficient utilization of resources throughout the product's life cycle. In this endeavor the Company has formulated a Business Responsibility and Sustainability Reporting Policy. Guided by the policy the Company is in the process of implementing procedures to assess suppliers based on environmental and social criteria.

b. If yes, what percentage of inputs were sourced sustainably?

The Company endeavors to put in mechanism to monitor sustainable sourcing in the future.

c. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for: (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.

Plastics (including packaging)	The Company has developed an EPR plan to manage downstream operations of plastic packaging waste ensuring compliance with the Plastic Waste Management Rules, 2016
E-waste	The Company is not in the business of electronic consumer goods, therefore the obligation under these rules will not apply to the Company. However, the E-waste produced during the office operations is sold to the registered recyclers as and when required.

## Annexure to the Board's Report

<b>Hazardous waste</b>	The hazardous waste generated is sold to the registered recyclers or disposers who are registered with the State Pollution Control Boards
<b>Other waste</b>	The non-hazardous waste generated is disposed off via local vendors.

- d. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the Company. The Company has developed an EPR plan in line with the Plastic Waste Management Rules, 2016.

### PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

#### Essential Indicator

##### 1. a. Details of measures for the well-being of employees

% of employees covered by											
Category	Total A	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. B	% (B/A)	No. C	% (C/A)	No. D	% (D/A)	No. E	% (E/A)	No. F	% (F/A)
<b>Permanent employees</b>											
Male	698	621	89%	383	55%	NA	NA	-	-	-	-
Female	80	60	75%	8	10%	80	100%	-	-	-	-
<b>Total</b>	<b>778</b>	<b>681</b>	<b>88%</b>	<b>391</b>	<b>50%</b>	<b>80</b>	<b>10%</b>	-	-	-	-
<b>Other than permanent employees</b>											
Male											
Female											
<b>Total</b>											

##### b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total A	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. B	% (B/A)	No. C	% (C/A)	No. D	% (D/A)	No. E	% (E/A)	No. F	% (F/A)
<b>Permanent workers</b>											
Male											
Female											
<b>Total</b>											
<b>Other than permanent workers</b>											
Male	1,338										
Female	167										
<b>Total</b>	<b>1,505</b>										

\*Well-being programmes for other than permanent workers are the perusal of the human resource contractors appointed by Rupa

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### 2. Details of retirement benefits for the current and previous financial year

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	40%	94%	Y	42%	92%	Y
Gratuity	99%	79%	Y	53%	74%	Y
ESI	31%	92%	Y	35%	92%	Y
Others – please specify	-	-	-	-	-	-

\*PF/Gratuity/ESI are provided to eligible employees/workers as per law. However, the percentage above is calculated on the basis of total employees.

3. **Accessibility of workplaces Are the premises/offices accessible to differently abled employees & workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Most of the company's key establishments including offices and locations are accessible to the differently abled person.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company has developed a Business Responsibility and Sustainability Reporting Policy which commits towards creating and maintaining a fair, safe, healthy, nurturing, and vibrant work environment, across all its operations. The Policy ensures that all facilities are accessible to differently abled employees and workers. However, the Company is in process of formulating a separate documented policy on Equal Employment Opportunity in accordance with the provisions of the Rights of Persons with Disability Act, 2016 read with the Rights of Persons with Disabilities Rules, 2017.

5. **Return to work and retention rates of permanent employees that took parental leave.**

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female				
<b>Total</b>				

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has mechanisms available to receive and redress grievances for the Permanent and Non-permanent employees' & workers.
Other than Permanent Workers	
Permanent Employees	The Company has implemented an Open-Door policy for all employee levels which facilitates the employees to engage with the HR Head/HOD of their respective departments. The Company also has put up complaint boxes at its offices, wherein the employees can freely drop their grievances. In addition, our Whistle Blower Policy allows all our employees to report any kind of suspected or actual misconduct in the organization in an anonymous manner.
Other than Permanent Employees	



## Annexure to the Board's Report

The Company has also formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and an Internal Complaints Committee has also been set up to redress any such complaints received.

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

None of the Company's employees and workers are part of any Association(s) or Trade Unions.

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)
<b>Total Permanent Employees</b>	0	0	0%	0	0	0%
Male						
Female						
<b>Total Permanent Workers</b>						
Male						
Female						

### 8. Details of training given to employees

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	698	698	100%	569	82%	1,016	946	93%	708	69%
Female	80	80	100%	52	65%	136	130	95%	84	62%
<b>Total</b>	<b>778</b>	<b>778</b>	<b>100%</b>	<b>621</b>	<b>80%</b>	<b>1,152</b>	<b>1,076</b>	<b>93%</b>	<b>792</b>	<b>69%</b>
<b>Workers</b>										
Male	1,338	1,210	90%	836	62%	1,515	1,189	78%	810	53%
Female	167	142	85%	92	55%	235	170	72%	85	36%
<b>Total</b>	<b>1,505</b>	<b>1,352</b>	<b>90%</b>	<b>928</b>	<b>62%</b>	<b>1,750</b>	<b>1,359</b>	<b>78%</b>	<b>895</b>	<b>51%</b>

### 9. Details of performance and career development reviews of employees & workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	698	670	96%	1,016	934	92%
Female	80	72	90%	136	120	88%
<b>Total</b>	<b>778</b>	<b>742</b>	<b>95%</b>	<b>1,152</b>	<b>1,054</b>	<b>92%</b>

## Annexure to the Board's Report

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Workers</b>						
Male	1,338	742	55%	1,515	735	48%
Female	167	75	45%	235	95	40%
<b>Total</b>	<b>1,505</b>	<b>817</b>	<b>54%</b>	<b>1,750</b>	<b>830</b>	<b>47%</b>

### 10. Health and safety management system:

#### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

The Company believes occupational health and safety as a pre-requisite for our employees and workers for their safety and well-being. The Company has stringent guidelines to ensure safety of employees and workers. Rupa's Domjur plant has applied for receiving the ISO 45001:2018 occupational health and safety management system certification.

#### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Rupa undertakes regular job safety evaluations for individual activities on a routine basis to identify work related hazards. All associated near miss incidents are also recorded along with control measures designed to mitigate the identified work-related hazards.

#### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. The Company has processes for workers to report work-related hazards and remove themselves from such risks. The Company encourages its workers to keep themselves safe and create awareness amongst other workers.

#### d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company provides its employees and workers with ESI cards/ mediclaim, whose benefits can be availed at the registered hospitals. The dyeing unit at Domjur and the Head Office has a designated medical room with a doctor on visit every week. Free of cost health consultation and primary medications can be availed through it. Additionally, all the other plants also have first-aid facilities/ paramedical facilities available for the employees and workers.

### 11. Details of safety-related incidents

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Rupa incorporates and implements systems in place aimed towards creating a safe and healthy work environment. The different measures taken by the Company for the same has been listed below:

- Periodic mock drills and fire drills.
- Mitigation of safety risks identified through job safety evaluations.
- Periodic review of safety performance by the top management.
- Health and safety awareness sessions for the employees and workers.
- Periodic medical surveys and annual health checkups for employees.
- Inducing a culture of safety by motivating and encouraging employee and workers to freely provide suggestions on enhancing safety performance.
- Use of proper machine guarding, handrails and precautionary mechanisms against all potentially dangerous equipment and work areas.

### 13. Number of complaints on the following made by employees & workers:

	FY 2022-23			FY 22-2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health and safety	0	0	-	0	0	-

### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

Not applicable

### PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

#### Essential Indicator

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The Company's engagement approach considers the dependency, immediacy, responsibility, vulnerability, and influence while identifying each key stakeholder groups. The key stakeholder groups include the Company's investors, suppliers, lenders, regulatory bodies, customers, employees and local community.

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### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers/ Vendors	No	<ul style="list-style-type: none"> <li>• E-mails and meetings</li> <li>• Vendor evaluation</li> <li>• Review meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communication and updates on business plans</li> <li>• Timely payment</li> <li>• Continuity of supplies</li> <li>• Ethics and transparency</li> <li>• Resolving supply chain issues</li> <li>• Quality products</li> </ul>
Investors/ Shareholders	No	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual Report</li> <li>• Investor presentations</li> <li>• Periodic press release</li> <li>• Newspaper</li> <li>• Con-call for quarterly results</li> <li>• Regular interaction with institutional investors</li> <li>• Investor section of the Corporate website</li> <li>• Designated Email ID and system for registering and redressal of investor complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and timely disclosures</li> <li>• Improvements in ESG disclosures</li> <li>• Effective corporate governance</li> <li>• Redressal of grievances</li> <li>• Providing insights into the Company's corporate strategy and business environment</li> </ul>
Lenders	No	<ul style="list-style-type: none"> <li>• Periodic meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Need basis</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining healthy banking relations</li> <li>• Establish robust banking networks to effectively meet the financial needs of the Company</li> </ul>
Industry Bodies and Regulators	No	<ul style="list-style-type: none"> <li>• Compliance reports</li> <li>• Policy advocacy</li> <li>• Obtaining license to operate by liaising with regulatory bodies</li> <li>• Inspections on requirement basis</li> </ul>	<ul style="list-style-type: none"> <li>• Need basis</li> </ul>	<ul style="list-style-type: none"> <li>• Adhere to relevant regulations</li> <li>• Environment, health and safety</li> <li>• Transparency in disclosure</li> <li>• Sound corporate governance mechanism</li> </ul>



## Annexure to the Board's Report

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>Annual performance review and feedback</li> <li>Regular training and development</li> <li>Employee grievance monitoring and redressals</li> <li>Safety meetings</li> <li>Frequent interactions for celebrating days of individual, organizational, national and international significance</li> <li>Notice board</li> </ul>	<ul style="list-style-type: none"> <li>Regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Work life balance</li> <li>Fair remuneration</li> <li>Respecting human rights</li> <li>Occupational health and safety</li> <li>Career growth</li> <li>Training and development</li> <li>Rewards and recognition</li> <li>Grievance redressal</li> </ul>
Local Communities	Yes	<ul style="list-style-type: none"> <li>Regular community need assessment</li> <li>Regular community visits</li> <li>Supporting local economy</li> </ul>	<ul style="list-style-type: none"> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Providing access to quality healthcare, education, water &amp; sanitation facilities to the local and vulnerable communities.</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>Regular customer feedback</li> <li>Consistent advertising of brands and products through various channels</li> <li>Periodic engagement events</li> <li>Distributors meet</li> </ul>	<ul style="list-style-type: none"> <li>Regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Improved quality products</li> <li>Product/service quality and safety</li> <li>Timely delivery</li> <li>Efficient customer complaint system</li> <li>Updates on product launch/ scheme</li> </ul>

### PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

#### Essential Indicators

#### 1. Employees & workers who have been provided training on human rights issues and policy(ies)

Rupa acknowledges the essential duties in safeguarding human rights, and is dedicated towards creating a varied, inclusive, and fair workplace. To maintain a respectful work environment and uphold the human rights of all individuals, the Company will enhance its monitoring mechanisms continuously by consistently enforcing policies and procedures. The objective of the Company is to have no human rights violations by educating the workforce on human rights principles and encouraging them to report any violations they witness through training sessions.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>Employees</b>						
Permanent	778	778	100%	1,152	1,152	100%
Other than permanent	-	-	-	-	-	-
<b>Total employees</b>	<b>778</b>	<b>778</b>	<b>100%</b>	<b>1,152</b>	<b>1,152</b>	<b>100%</b>

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Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	1,505	1,505	100%	1,750	1,750	100%
<b>Total employees</b>	<b>1,505</b>	<b>1,505</b>	<b>100%</b>	<b>1,750</b>	<b>1,750</b>	<b>100%</b>

#### 2. Details of minimum wages paid to employees & workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	778	0	0%	778	100%	1,152	0	0%	1,152	100%
Male	698	0	0%	698	100%	1,016	0	0%	1,016	100%
Female	80	0	0%	80	100%	136	0	0%	136	100%
<b>Other than Permanent</b>	NA									
Male	NA									
Female	NA									
<b>Workers</b>										
<b>Permanent</b>	NA									
Male	NA									
Female	NA									
<b>Other than Permanent</b>	1,505	0	0%	1,505	100%	1,750	0	0%	1,750	100%
Male	1,338	0	0%	1,338	100%	1,515	0	0%	1,515	100%
Female	167	0	0%	167	100%	235	0	0%	235	100%

#### 3. Details of remuneration/salary/wages

	Number	Male	Number	Female
		Median remuneration/ salary/wages of respective category in ₹		Median remuneration/ salary/wages of respective category in ₹
Board of Directors (BoD)	13	INR 26,55,120	1	INR 6,60,000
Key Managerial Personnel (other than BoD)	2	INR 39,00,000	-	-
Employees other than BoD and KMP	689	INR 3,35,542	80	INR 2,94,750
Workers	-	-	-	-

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impact or issues caused or contributed to by the business?

Yes.

The Head of Human Resources of the Company provides the highest level of executive oversight on managing human right concerns of the employees and workers of the Company.

## Annexure to the Board's Report

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to provide a safe and conducive work environment to all its employees and workers. Transparency and openness are organizational values and are practiced across all levels. Employees are encouraged to share their concerns with their reporting heads or the members of the Senior Management.

Further the Company has deployed a formal employee grievance mechanism by putting in place a designated email-id. The employees also have an option of putting forward grievances around human rights to the management through the Dropdown Box placed at the offices.

Additionally, the Whistle Blower mechanism also empowers the complainant to bring to the attention of management, any concerns pertaining to violation of human rights without any fear of unfair or biased treatment.

### 6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour / Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company believes in the principle of natural justice and ensures that full confidentiality of complainant is maintained during and after resolution of complaint. The complainant is protected against any adverse action not limited to harassment, unfair termination of employment, demotion, suspension and biased behavior.

Further, the Company's Whistle Blower mechanism empowers the complainant to bring to the attention of the management, any concerns related to discrimination and harassment without fear of punishment or unfair treatment by reporting at designated e-mail or contact details.

### 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Rupa recognizes its fundamental responsibilities in respecting and protecting human rights. The Company's commitment towards human rights is covered in the Code of Conduct.

### 9. Assessments for the year:

	% of plants & offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

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### 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Rupa undertakes appropriate measures and corrective actions as per prescribed law. The Company also continuously monitor on these aspects and keep checks and balances in place.

### PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

	FY 2022-23 GJ	FY 2021-22 GJ
Total electricity consumption (A)	35,195.03	43,974.03
Total fuel consumption (B)	1,98,443.90	2,68,874.47
Energy consumption through other sources (C)	0	0
<b>Total energy consumption (A+B+C)</b>	<b>2,33,636.93</b>	<b>3,12,848.50</b>
Energy intensity per rupee of turnover (Total energy consumption/ (per rupee of turnover)	210.17 GJ/INR Cr.	219.77GJ/INR Cr.
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

#### If any independent assessment/ evaluation/assurance has been carried out by an external agency?

The Company has not undertaken an independence assessment on this parameter during the reporting period.

#### If yes, name of the external agency.

Not Applicable

### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company has not been identified as a designed consumer under the ongoing PAT cycles. Nevertheless, it has taken necessary measures to promote energy conservation by utilizing modern, energy-efficient computers and equipment.

### 3. Provide details of the following disclosures related to water.

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	5,580	6,000
(ii) Groundwater	54,290	85,710
(iii) Third party water	405	430
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>60,275</b>	<b>92,140</b>
Total volume of water consumption (in kilolitres)	60,275	92,140
Water intensity per rupee of turnover (Water consumed / turnover)	54.22 KL/INR Cr.	64.72 KL/INR Cr.
Water intensity (optional) – the relevant metric may be selected by the entity	-	-



## Annexure to the Board's Report

### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company's dyeing unit at Domjur is in the process of developing a solution to eliminate the use of salts in the dyeing process by using its own R&D. The Company has successfully run the pilot and will be implementing the process for the entire plant in near future.

### 5. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NO <sub>x</sub>	Mg/Nm <sup>3</sup>	26.5*	26.5*
SO <sub>x</sub>	Mg/Nm <sup>3</sup>	5.5*	5.5*
Particulate matter (PM)	Mg/Nm <sup>3</sup>	44.75*	44.75*
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

\*Applicable only for Domjur plant

### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> -Metric tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	18,780.90	25,549.42
<b>Total Scope 2 emissions</b> -Metric tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	7,967.76	9,955.23
<b>Total Scope 1 and Scope 2 emissions</b> (per rupee of turnover) tCO2e	24.06 tCO2e/INR Cr	24.94 tCO2e/INR Cr
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	-	-

### 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Not available

### 8. Provide details related to waste management by the entity, in the following format.

Parameter	FY 2022-23 (In MT)	FY 2021-22 (In MT)
Plastic waste (A)	19	24.85
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Textile Waste- 576.09 MT	Textile Waste- 824.92
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>595.09</b>	<b>849.77</b>

## Annexure to the Board's Report

Parameter	FY 2022-23 (In MT)	FY 2021-22 (In MT)
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycle		
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>		

The Company disposes off all its waste generated from its operations through third party vendors. More than 90% of the textile waste is recycled.

The Company disposes off all its waste generated from its operations through third party vendors. More than 90% of the textile waste is recycled.

### If any independent assessment/ evaluation/assurance has been carried out by an external agency?

The Company has not undertaken an independence assessment on this parameter during the reporting period.

### If yes, name of the external agency.

Not Applicable

### 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are committed to reducing waste generation and conducting systematic waste management procedures across all our manufacturing units and offices. Our attention towards optimized production fosters our initiative towards minimizing waste. Some of our initiatives are-

- ❖ Segregation of waste at source
- ❖ Systematic accounting of waste generated
- ❖ Disposal of waste through authorized waste handling vendors
- ❖ Materials suppliers are GOTS approved and have received the Oeko-Tex certification- Implying that our materials are free of banned substances like azo dyes.

### 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

### 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

Not Applicable

## Annexure to the Board's Report

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

### PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

Rupa is part of the following 5 associations listed below.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chamber of Commerce	National
2	Federation of Hosiery Manufacturers Association of India	National
3	Merchant's Chamber of Commerce & Industry	National
4	Bharat Chamber of Commerce	National
5	West Bengal Hosiery Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	The Company has not engaged in any anti-competitive conduct.	

### PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
SIA was not undertaken during the reporting period.					

## Annexure to the Board's Report

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
No Rehabilitation and Resettlement is being undertaken by the Company						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company operates with a strong belief that giving back to the society and contributing towards its sustainable development is every organization's responsibility. Building upon its Values, Rupa's CSR Policy has been designed to systematically assess community requirements and implement programmes in alignment with our CSR Vision and Mission. The Company has identified not for profit organizations, who engage in regular discussions with community members to identify their concerns and address them through its CSR activities.

Rupa's CSR committee closely oversees the implementation process and ensures that any issues raised by community members are quickly resolved.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	2.92	2.76
Sourced directly from within the district and neighboring districts	64.18	63.74

### PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Yes, the Company has a dedicated toll-free number and a customer relations Email-Id in place for customer complaints and feedback. Additionally, Rupa has also incorporated a robot messaging tool available on the website. The Company actively monitors these platforms for ensuing prompt and effective resolution of grievances and complaints

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	0	0	None	0	0	None



## Annexure to the Board's Report

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None
Others	18	0	Customer complaints pertaining to product related issues	25	0	Customer complaints pertaining to product related issues

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	None
Forced recalls	0	None

There were no instances of product recalls on account of safety issues during the reporting period.

#### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has a SOP which covers all probable risks around data and privacy. The Company understands the loss and misuse of sensitive information including customer-oriented data, and its adverse impact on the business operations.

Considering all the potential impacts, Rupa has put in place stringent information technology procedures which are reviewed periodically.

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No cases or incidents around issues pertaining to advertising, delivery of essential services, cybersecurity and data privacy of customers has been reported in the financial year.

For and on behalf of the Board of Directors

**Prahlad Rai Agarwala**

Chairman

DIN: 00847452

Place: Kolkata

Date: May 24, 2023

## Corporate Governance Report

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a manner which ensures accountability, integrity and transparency in all transactions in the widest sense. Corporate governance underpins the way business is conducted.

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company believes that strong governance standards are vital not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. Commitment to adoption of good and effective corporate governance practices in all spheres of working, has always been an imperative factor in driving the Company's decisions and activities. The Company has adopted various codes and policies that provides a structure within which directors and the management can effectively pursue the Company's objectives. Company's corporate governance strategy operates on the pillars of transparency, accountability, leadership, and strong standards of corporate management.

### 2. BOARD OF DIRECTORS

The Company firmly believes that an active, well informed and diversified Board with strong independent representation is necessary to ensure the highest level of corporate governance. The Board of Directors of the Company provides effective governance, exercises independent judgement and plays a vital role in the oversight of the Company's affairs. They provide leadership, strategic guidance and supervision to the Company's management.

#### I. COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Board represents an optimum combination of Executive and Non-Executive Directors and is in compliance with the applicable provisions of Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

As on March 31, 2023, the Board comprised of 14 (fourteen) Directors, consisting of 7 (seven) Non-Executive Independent Directors including one Women Independent Director and 7 (seven) Executive Directors. The members of the Board are from diverse background having expertise in the fields of management, economics, sustainability, finance & taxation, etc.

The Company has separated the role of Chairman and Managing Director to create a balanced governance structure. The Chairman is an Executive Director.

Pursuant to Regulation 17(1A) of the Listing Regulations, the requisite approval by way of special resolution has been taken in relation to Non-Executive Director who has attained the age of 75 years.

The detailed profile of the Directors of the Company is available on the Company's website at <https://rupa.co.in/board-members/>.

#### II. DIRECTORSHIP(S), COMMITTEE MEMBERSHIP(S)/CHAIRMANSHIP(S) AND SHAREHOLDING OF DIRECTORS

Every Director on the Board, notifies the Company on an annual basis about the Board and the Committee positions which he/she occupies in other Companies and regularly updates any changes therein.

The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all the Directors is within respective limits prescribed under the Act and the Listing Regulations.

## Corporate Governance Report

The details of each member of the Board as on March 31, 2023 are given below:

Sl. No.	Name of Directors including Designation and Category	DIN	Number of equity shares held in the Company *	Number of Directorship in other Companies #		Number of Committee membership held in other public companies **		Directorship in other listed entities including the category
				Unlisted Companies	Listed Companies	As Chairman	As Member (includes chairmanship)	
1	Mr. Prahlad Rai Agarwala (Chairman, Executive, Promoter)	00847452	21,52,506	10	-	-	-	-
2	Mr. Ghanshyam Prasad Agarwala (Vice-chairman, Executive, Promoter)	00224805	13,17,148	2	-	-	-	-
3	Mr. Kunj Bihari Agarwal (Managing Director, Promoter)	00224857	12,77,965	6	-	-	-	-
4	Mr. Ramesh Agarwal (Executive, Promoter)	00230702	10,59,230	16	-	-	2	-
5	Mr. Mukesh Agarwal (Executive, Promoter)	02415004	7,29,550	19	-	-	-	-
6	Mr. Vikash Agarwal (Executive, Promoter)	00230728	18,83,600	17	-	-	-	-
7	Mr. Niraj Kabra (Executive, Non-Promoter)	08067989	123	1	-	-	-	-
8	Mr. Dipak Kumar Banerjee (Non-executive, Independent)	00028123	-	1	1	-	2	i) Shristi Infrastructure Development Corporation Limited (Non-executive, Independent)
9	Mr. Vinod Kumar Kothari (Non-executive, Independent)	00050850	-	4	1	-	1	i) Greenply Industries Limited (Non-executive, Independent)

## Corporate Governance Report

Sl. No.	Name of Directors including Designation and Category	DIN	Number of equity shares held in the Company *	Number of Directorship in other Companies #		Number of Committee membership held in other public companies **		Directorship in other listed entities including the category
				Unlisted Companies	Listed Companies	As Chairman	As Member (includes chairmanship)	
10	Mr. Ashok Bhandari (Non-executive, Independent)	00012210	-	7	5	1	8	i) Maithan Alloys Limited ii) Skipper Limited iii) IFB Industries Limited iv) Maharashtra Seamless Limited v) N.B.I. Industrial Finance Company Limited (Non-executive, Independent in all the above Companies)
11	Mr. Dharam Chand Jain (Non-executive, Independent)	00453341	40,000	5	-	-	-	-
12	Mr. Sushil Patwari (Non-executive, Independent)	00023980	-	11	2	1	2	i) Nagreeka Exports Limited (Promoter, Executive) ii) Nagreeka Capital & Infrastructure Limited (Promoter, Non-Executive)
13	Mrs. Alka Devi Bangur (Non-executive, Independent)	00012894	-	4	1	1	2	i) The Peria Karamalai Tea and Produce Company Limited (Managing Director, Executive)
14	Mr. Sunil Rewachand Chandiramani (Non-executive, Independent)	00524035	-	6	1	3	4	i) Sapphire Foods India Limited (Non-executive, Independent Director)

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

\* Apart from as stated above the directors do not hold any other shares/convertible instruments.

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



## Corporate Governance Report

### III. CORE SKILLS, EXPERTISE, COMPETENCIES AND ATTRIBUTES OF THE BOARD OF DIRECTORS

The Board comprises of qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions towards the growth of the Company. The Board has identified the core skills/expertise/competencies that are desirable for the Company to function effectively in the context of the business of the Company and the sector to which the Company belongs. These core skills/expertise/competencies are available with the Board in the following manner:

SI	Broad parameters and summary	Skills/ Expertise/ Competencies	Status of availability with the Board	Name of Directors, who have such skills/ expertise/ competence														
				Prahlad Rai Agarwala	Ghanshyam Prasad Agarwala	Kunj Bihari Agarwal	Ramesh Agarwal	Mukesh Agarwal	Vikash Agarwal	Niraj Kabra	Dipak Kumar Banerjee	Vinod Kumar Kothari	Ashok Bhandari	Dharam Chand Jain	Sushil Patwari	Alka Devi Bangur	Sunil Rewachand Chandiramani	
1	Understanding of business/ industry	Experience and knowledge of textile and hosiery business and sector and associated businesses;	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.	Yes	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓
3	Critical and innovative thoughts	The ability to critically analyze the information and develop innovative approaches and solutions to the problems.	Yes	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	x	✓	✓	✓	✓
4	Financial understanding	Ability to analyze and understand the key financial statements, assess financial viability of the business and efficient use of resources.	Yes	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Market understanding	Understanding of market, consumer behavior and sales.	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Corporate Governance Report

SI	Broad parameters and summary	Skills/ Expertise/ Competencies	Status of availability with the Board	Name of Directors, who have such skills/ expertise/ competence														
				Prahlad Rai Agarwala	Ghanshyam Prasad Agarwala	Kunj Bihari Agarwal	Ramesh Agarwal	Mukesh Agarwal	Vikash Agarwal	Niraj Kabra	Dipak Kumar Banerjee	Vinod Kumar Kothari	Ashok Bhandari	Dharam Chand Jain	Sushil Patwari	Alka Devi Bangur	Sunil Rewachand Chandiramani	
6	Corporate governance	Understanding of the corporate governance norms and practices for sustainable growth and for generation of long term value to all its stakeholders.	Yes	✓	x	✓	✓	x	✓	x	✓	✓	✓	x	✓	✓	✓	✓
7	Risk and compliance oversight	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, monitor risk and compliance management frameworks.	Yes	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	x	✓	x	✓	✓

### IV. INTER-SE RELATIONSHIP AMONGST DIRECTORS

The relationship amongst the Directors inter-se are as follows:

SI.	Name	Designation	Relationship
1	Mr. Prahlad Rai Agarwala	Chairman (Whole-time Director)	Father of Mr. Ramesh Agarwal and brother of Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal
2	Mr. Ghanshyam Prasad Agarwala	Vice-Chairman (Whole-time Director)	Father of Mr. Mukesh Agarwal and brother of Mr. Prahlad Rai Agarwala and Mr. Kunj Bihari Agarwal
3	Mr. Kunj Bihari Agarwal	Managing Director	Father of Mr. Vikash Agarwal and brother of Mr. Prahlad Rai Agarwala and Mr. Ghanshyam Prasad Agarwala
4	Mr. Ramesh Agarwal	Whole-time Director	Son of Mr. Prahlad Rai Agarwala
5	Mr. Mukesh Agarwal	Whole-time Director	Son of Mr. Ghanshyam Prasad Agarwala
6	Mr. Vikash Agarwal	Whole-time Director	Son of Mr. Kunj Bihari Agarwal

Apart from the relations mentioned hereinabove, none of the Directors of the Company are related inter-se.

## Corporate Governance Report

### V. BOARD PROCEDURE AND FLOW OF INFORMATION

The Board of Directors is the apex decision making body of the Company and hence it is responsible to align its decisions and actions with the Company's interest. The Board is involved in all the important decisions relating to the Company including policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/ regulatory requirements, major accounting provisions, etc.

The Company adheres to the provisions of the Act, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees. The Board meets at least once in a quarter to review the quarterly business and the financial performance of the Company, apart from other Board businesses. The meetings are pre-scheduled based on the availability of the Director(s). In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The Committees of the Board usually meet prior on the same day of the Board meeting, to ensure an immediate update to the Board. There was no situation or matter where the Board has not accepted recommendation of the Committees.

The agenda for the Board and Committee meetings includes all material information, detailed notes and supporting documents on the items to be discussed at the meeting. Matters in the nature of unpublished price sensitive information are circulated to the Board and committee members, at a shorter notice or are placed at the Meeting, as per the general consent taken from the Board/ Committee members in advance. The Board is free to take up any matter, apart from those included in the Agenda, for consideration with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

Draft minutes of the proceedings of the meetings are circulated in time and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The copy of the signed Minutes, certified by the Company Secretary are made available to all the Directors. The Minutes of the Meetings of the Committees of the Board are placed before the Board for its review. Also, the Minutes of the Board Meetings of the Subsidiary Companies are placed at the Board Meetings of the Company for its review.

Action taken reports on decisions of the previous meetings are placed at the next meeting(s) for information and further recommended actions, if any.

### VI. ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND ANNUAL GENERAL MEETING (AGM) HELD DURING THE FINANCIAL YEAR 2022-23

Four Board Meetings were held in compliance with the various provisions of the Act/ Listing Regulations during the Financial Year 2022-23. The Company provided the facility of video conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 to those Directors who could not make it convenient to attend the meeting physically.

The 37<sup>th</sup> Annual General Meeting (AGM) of the Company was held on August 17, 2022 at 11:00 a.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM) in compliance with the circulars issued by MCA/SEBI.

The attendance of the Directors at the Board Meetings and AGM during FY 2022-23 are as follows:

Sl. No.	Name of the Directors	Attendance at Board Meetings held during the year				Attendance at Board Meetings (%)	Attendance at the AGM held on August 17, 2022
		May 23, 2022	August 12, 2022	November 11, 2022	February 10, 2023		
1	Mr. Prahlad Rai Agarwala	✓	✓	✓	✓	100 %	✓
2	Mr. Ghanshyam Prasad Agarwala	✓	✓	✓	✓	100 %	✓
3	Mr. Kunj Bihari Agarwal	✓	✓	✓	✓	100 %	✓
4	Mr. Ramesh Agarwal	✓	LOA	✓	✓	75 %	LOA
5	Mr. Mukesh Agarwal	✓	✓	✓	✓	100 %	✓
6	Mr. Vikash Agarwal*	NA	✓	✓	✓	100 %	✓
7	Mr. Niraj Kabra	✓	✓	✓	✓	100 %	✓
8	Mr. Dipak Kumar Banerjee	✓	✓	✓	✓	100 %	✓
9	Mr. Vinod Kumar Kothari	✓	✓	✓	LOA	75%	✓

## Corporate Governance Report

Sl. No.	Name of the Directors	Attendance at Board Meetings held during the year				Attendance at Board Meetings (%)	Attendance at the AGM held on August 17, 2022
		May 23, 2022	August 12, 2022	November 11, 2022	February 10, 2023		
10	Mr. Ashok Bhandari	✓	✓	✓	✓	100 %	✓
11	Mr. Dharam Chand Jain	✓	✓	✓	✓	100 %	✓
12	Mrs. Alka Devi Bangur	✓	✓	LOA	✓	75%	✓
13	Mr. Sushil Patwari	✓	✓	✓	✓	100 %	✓
14	Mr. Sunil Rewachand Chandiramani*	NA	✓	✓	✓	100 %	✓
<b>Board Strength</b>		<b>12</b>	<b>14</b>	<b>14</b>	<b>14</b>	-	<b>14</b>
<b>Number of Directors Present</b>		<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	-	<b>13</b>

Necessary quorum was present in all the meetings.

LOA stands for Leave of Absence

\*Appointed as Director w.e.f. May 23, 2022

### VII. INDEPENDENT DIRECTORS

On the basis of declaration as submitted by the Independent Directors and due assessment of the veracity undertaken by the Board, in terms of Regulation 25(9) of the Listing Regulations, the Board is of the opinion that all the Independent Directors of the Company meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management. None of the Independent Directors are aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. The number of Directorship of all the Independent Directors is within the respective limits prescribed under the Act and Listing Regulations. All the Independent Directors of the Company have duly registered their names in the databank of Independent Directors as being maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the Independent Director(s) of the Company have resigned during the year.

### VIII. MEETING OF THE INDEPENDENT DIRECTORS

Independent Directors of the Company met separately, without the presence of Non- Independent Directors and members of management on March 13, 2023, inter alia to review and discuss the following matters:

- Review performance of non-independent directors and the Board of Directors as a whole;
- Review performance of the Chairperson of the Company;
- Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the meeting. They were assisted by an independent external facilitator to carry out the evaluation process. The outcome of the meeting was apprised to the Chairman of the Company.

### IX. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company, from time to time, familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, its products etc. and updates them through various programme on changes / developments in the corporate and industry scenario including those pertaining to statutes / legislation and on matters affecting the Company, to enable them to take well informed decision and discharge their duties and responsibilities in an efficient manner and to contribute significantly towards the growth of the Company.



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Further, all Independent Directors are taken through a detailed induction and familiarization programme at the time of their appointment on the Board of the Company. The induction programme is an exhaustive one that covers the history, culture, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

The detail of familiarization programme is disclosed on the website of the Company and is available at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Familiarization\\_program\\_for\\_Independent\\_Director.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Familiarization_program_for_Independent_Director.pdf)

### X. REMUNERATION TO DIRECTORS

The Company's Remuneration Policy for Executive and Non-Executive Directors including the criteria of making payment to the Non-Executive Directors of the Company is available on the website of the Company at <https://rupa.co.in/livesite/wp-content/uploads/2022/08/Remuneration-Policy.pdf>. Remuneration to the Directors are determined by the Board, on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the shareholders, where ever required.

#### Remuneration paid to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending Meetings of the Board and of the Committees of which they are member. The details of sitting fee for attending each meeting of Board or Committees are as follows:

Type of Meeting	Sitting fees per meeting
Board Meeting/ Independent Directors Meeting	₹ 90,000/-
Audit Committee Meeting	₹ 60,000/-
Nomination and Remuneration Committee / Stakeholders' Relationship Committee/ Corporate Social Responsibility Committee/ Risk Management Committee Meeting's	₹ 25,000/-

Further, the Non-Executive Directors of the Company are annually paid a profit related commission up to 1% of the net profits of the Company, subject to a maximum ceiling as mentioned below, as approved by the shareholders of the Company at the AGM held on August 17, 2022.

i.	To the members (Non-executive Independent) of the Board of Directors	₹ 3 lakhs (Rupees three lakhs only) each, per annum
ii.	To the members (Non-executive Independent) of the Audit Committee	₹ 2 lakhs (Rupees two lakhs only) each, per annum in addition to (i) above

#### Details of sitting fees and commission paid to the Non-Executive Directors (Independent) during the Financial Year 2022-23:

Name of Directors	Sitting fees (₹ in Lakhs)	Commission (₹ in Lakhs)	Total (₹ in Lakhs)	Period of appointment /re-appointment
Mr. Dipak Kumar Banerjee	9.00	5.00	14.00	Re-appointed for the second term at the AGM held on September 06, 2019, for a consecutive period of 5 (five) years, w.e.f. September 06, 2019.
Mr. Vinod Kumar Kothari	6.50	5.00	11.50	
Mr. Sushil Patwari	7.50	5.00	12.50	
Mr. Dharam Chand Jain	4.50	3.00	7.50	
Mrs. Alka Devi Bangur	3.60	3.00	6.60	Re-appointed for the second term at the AGM held on September 06, 2019, for a consecutive period of 5 (five) years, w.e.f. November 14, 2019.

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Name of Directors	Sitting fees (₹ in Lakhs)	Commission (₹ in Lakhs)	Total (₹ in Lakhs)	Period of appointment /re-appointment
Mr. Ashok Bhandari	9.00	5.00	14.00	Appointed w.e.f. August 10, 2018 for a consecutive period of 5 (five) years.
Mr. Sunil Rewachand Chandiramani	3.60	3.00	6.60	Appointed w.e.f. May 23, 2023 for a consecutive period of 5 (five) years.
<b>Total</b>	<b>43.70</b>	<b>29.00</b>	<b>72.70</b>	

During the year, there were no other pecuniary relationships or transactions with the Non-Executive Directors vis-à-vis the Company except for payment of remuneration. Further, the Company does not have any stock option plan.

#### Remuneration paid to Executive Directors

The Executive Directors are paid as per the remuneration scale approved by the Board and Shareholders at the time of their appointment or reappointment which are in line with the statutory requirements and Company's policies. The revision in remuneration, if any is recommended by the Nomination and Remuneration Committee to the Board for its consideration by taking into account their individual performance and as well performance of the Company in a given year.

The remuneration package of Executive Directors comprises of salary, commission, perquisites & allowances, performance bonus, etc. in accordance with the Company's policy.

#### Details of remuneration paid to the Executive Directors during the Financial Year 2022-23:

Name of Directors	Salary & Allowances (₹ in lakhs)	Details of Service Contracts/ Notice Period/ Severance Fees*
Mr. Prahlad Rai Agarwala, Chairman (Whole-time Director)	149.04	Re-appointed for a period of 5 years from April 01, 2020 till March 31, 2025.
Mr. Ghanshyam Prasad Agarwala, Vice-Chairman (Whole-time Director)	134.64	Re-appointed for a period of 5 years from April 01, 2021 till March 31, 2026.
Mr. Kunj Bihari Agarwal, (Managing Director)	140.76	Re-appointed for a period of 5 years from April 01, 2021 till March 31, 2026.
Mr. Ramesh Agarwal, (Whole-time Director)	99.36	Re-appointed for a period of 5 years from April 01, 2020 till March 31, 2025.
Mr. Mukesh Agarwal, (Whole-time Director)	99.36	Re-appointed for a period of 5 years from April 01, 2020 till March 31, 2025.
Mr. Vikash Agarwal, (Whole-time Director)	99.36	Appointed for a period of 5 years from May 23, 2022 till May 22, 2027.
Mr. Niraj Kabra, (Executive Director)	23.41	Re-appointed for a period of 5 years from February 12, 2023 till February 11, 2028.
<b>Total</b>	<b>745.93</b>	

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

No commission/ performance bonus was paid during the FY 2022-23

There is no separate provision for payment of severance fees and the Company does not have any stock option plan.

## Corporate Governance Report

### Directors' & Officers' Liability Insurance

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

### 3. COMMITTEES OF THE BOARD

To effectively discharge the obligations and to comply with the statutory requirements, the Board has constituted six Committees, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Operations Committee. The Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concerns the Company and needs a closer review.

The composition and terms of reference of all the Committees are in compliance with the Act, Listing Regulations and any other laws, as applicable. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and also placed before the Board for its noting. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings and the recommendations of the Committees are submitted to the Board for consideration.

Mr. Manish Agarwal, Company Secretary and Compliance Officer of the Company acts as the Secretary to all the Committees constituted by the Board.

#### A. AUDIT COMMITTEE

The composition of the Audit Committee is in accordance with the provisions of the Regulation 18 of the Listing Regulations and Section 177 of the Act. It comprises of 6 (six) members, of which majority are Independent Directors including the Chairman of the Committee. All the members of the Audit Committee are financially literate and possess requisite qualifications.

During the financial year 2022-23, the Audit Committee met 5 (five) times in compliance with the various provisions of the Act/ Listing Regulations. All the recommendations made by the Audit Committee during the year under review were duly accepted by the Board. The Chairman of the Audit Committee attended the last Annual General Meeting of the Company.

**The composition of the Audit Committee as on March 31, 2023 and the details of meetings attended by the members are hereunder:**

Name	Category	Position	Attendance at Committee Meetings held during the year					Attendance at Meetings (%)
			May 23, 2022	July 15, 2022	August 12, 2022	November 11, 2022	February 10, 2023	
Mr. Dipak Kumar Banerjee	Independent, Non-Executive	Chairman	✓	✓	✓	✓	✓	100%
Mr. Vinod Kumar Kothari	Independent, Non-Executive	Member	✓	✓	✓	✓	LOA	80%
Mr. Ashok Bhandari	Independent, Non-Executive	Member	✓	✓	✓	✓	✓	100%
Mr. Sushil Patwari	Independent, Non-Executive	Member	✓	✓	✓	✓	✓	100%
Mr. Ramesh Agarwal	Promoter, Executive	Member	✓	✓	LOA	✓	✓	80%

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Name	Category	Position	Attendance at Committee Meetings held during the year					Attendance at Meetings (%)
			May 23, 2022	July 15, 2022	August 12, 2022	November 11, 2022	February 10, 2023	
Mr. Mukesh Agarwal	Promoter, Executive	Member	✓	✓	✓	✓	LOA	80%
<b>Committee Strength</b>	-	-	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	-
<b>Number of Directors Present</b>	-	-	<b>6</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>4</b>	-

Necessary quorum was present in all the meetings.

LOA stands for Leave of Absence

#### Terms of Reference of Audit Committee:

The terms of reference of Audit Committee, as approved by the Board, inter alia includes the following:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;



## Corporate Governance Report

- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the Whistle Blower mechanism, including direct access to the complaints, if any;
- xix. approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. reviewing the following information:
  - a. management discussion and analysis of financial condition and results of operations;
  - b. management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - c. internal audit reports relating to internal control weaknesses;
  - d. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
  - e. statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
- xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- xxiii. reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively to investigate into any matters specified above or referred to it by Board;
- xxiv. to perform such other function as may be delegated by the Board of Directors from time to time within its delegatory authority.

The updated terms of reference of the Audit Committee is available on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Audit\\_Committee\\_TOR.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Audit_Committee_TOR.pdf)

## Corporate Governance Report

### B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Committee comprises of 3 (three) members, all being Non-Executive Independent Directors.

During the financial year 2022-23, the Nomination & Remuneration Committee met 2 (two) times in compliance with the various provisions of the Act/ Listing Regulations. The Chairman of the Committee was present at the last Annual General Meeting.

**The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the details of meetings attended by the members are hereunder:**

Name	Category	Position	Attendance at Committee Meetings held during the year		
			May 23, 2022	November 11, 2022	Attendance at Meetings (%)
Mr. Vinod Kumar Kothari	Independent, Non-Executive	Chairman	✓	✓	100%
Mr. Dipak Kumar Banerjee	Independent, Non-Executive	Member	✓	✓	100%
Mr. Ashok Bhandari	Independent, Non-Executive	Member	✓	✓	100%
<b>Committee Strength</b>	-	-	<b>3</b>	<b>3</b>	-
<b>Number of Directors Present</b>	-	-	<b>3</b>	<b>3</b>	-

*Necessary quorum was present in all the meetings.*

### Terms of Reference of Nomination & Remuneration Committee

The terms of reference of Nomination and Remuneration Committee, as approved by the Board, inter alia includes the following:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iv. devising a policy on diversity of board of directors;
- v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

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- vii. recommend to the board, all remuneration, in whatever form, payable to senior management;
- viii. shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; and
- ix. To perform such other function as may be delegated by the Board of Directors from time to time.

The updated terms of reference of the Nomination and Remuneration Committee is available on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Nomination\\_Remuneration\\_Committee\\_TOR.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Nomination_Remuneration_Committee_TOR.pdf)

### Performance Evaluation Criteria for Independent Directors

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

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of Listing Regulations. The Committee comprises of 3 (three) members, one being Non-Executive Independent Director and the other two are Executive Directors.

During the financial year 2022-23, the Stakeholders Relationship Committee met 2 (two) times in compliance with the various provisions of the Act/ Listing Regulations. The Chairman of the Committee was present at the last Annual General Meeting.

**The composition of the Stakeholders Relationship Committee as on March 31, 2023 and the details of meetings attended by the members are hereunder:**

Name	Category	Position	Attendance at Committee Meetings held during the year		
			September 29, 2022	December 22, 2022	Attendance at Meetings (%)
Mr. Ashok Bhandari	Independent, Non-Executive	Chairman	✓	✓	100%
Mr. Ramesh Agarwal	Promoter, Executive	Member	✓	✓	100%
Mr. Mukesh Agarwal	Promoter, Executive	Member	✓	✓	100%
<b>Committee Strength</b>	-	-	<b>3</b>	<b>3</b>	-
<b>Number of Directors Present</b>	-	-	<b>3</b>	<b>3</b>	-

*Necessary quorum was present in all the meetings.*

### Terms of Reference of Stakeholders' Relationship Committee

The terms of reference of Stakeholders Relationship Committee, as approved by the Board, inter alia includes the following:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

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- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. All such complaints directly concerning the shareholders / investors as stakeholders of the Company;
- vi. Any such matters that may be considered necessary in relation to shareholders and investors of the Company;
- vii. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- viii. To review, approve or delegate transfer, transmission, transposition and mutation of shares/securities, including issue of duplicate certificates and new certificates on split/ sub-division/ consolidation/ renewal, and to deal with all related matters;
- ix. To review the dematerialization and rematerialisation of securities of the Company and such other related matters.

The updated terms of reference of the Stakeholders' Relationship Committee is available on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Stakeholder\\_Relationship\\_Committee\\_TOR.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Stakeholder_Relationship_Committee_TOR.pdf)

### D. RISK MANAGEMENT COMMITTEE

The composition of the Risk Management Committee is in compliance with the provision of Regulation 21 of the Listing Regulations. The Committee comprises of 8 (eight) member's, majority of which are members of the Board of Directors including two Independent Directors.

During the financial year 2022-23, the Risk Management Committee met two times in compliance with the various provisions of the Act/ Listing Regulations.

**The composition of the Risk Management Committee as on March 31, 2023 and the details of meetings attended by the members are hereunder:**

Name	Category	Position	Attendance at Committee Meetings held during the year		
			September 16, 2022	March 13, 2023	Attendance at Meetings (%)
Mr. Dipak Kumar Banerjee	Independent, Non-Executive	Chairman	✓	✓	100%
Mr. Ashok Bhandari	Independent, Non-Executive	Member	✓	✓	100%
Mr. Ramesh Agarwal	Promoter, Executive	Member	✓	✓	100%
Mr. Mukesh Agarwal	Promoter, Executive	Member	✓	✓	100%
Mr. Vikash Agarwal	Promoter, Executive	Member	✓	LOA	50%
Mr. Niraj Kabra	Non Promoter Executive	Member	✓	LOA	50%
Mr. Sumit Khowala*	Chief Financial Officer	Member	✓	✓	100%
Mr. Arihant Kumar Baid	VP - Finance	Member	✓	✓	100%
<b>Committee Strength</b>	-	-	<b>8</b>	<b>8</b>	-
<b>Number of Members Present</b>	-	-	<b>8</b>	<b>6</b>	-

*Necessary quorum was present in all the meetings.*

*\*Appointed as the member w.e.f August 12, 2022*



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### Terms of Reference of Risk Management Committee

The terms of reference of Risk Management Committee, as approved by the Board, inter alia includes the following:

- i. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, including identification of elements of risk which may threaten the existence of the Company;
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
  - c. Business continuity plan;
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- vii. To generally do all acts and things incidental to the powers hereinabove mentioned and to delegate all or any of the power(s) mentioned above in favour of any person(s) or director(s) of the Company;
- viii. Any other matter as the Risk Management Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
- ix. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The updated terms of reference of the Risk Management Committee is available on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Risk-management-Committee\\_TOR.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Risk-management-Committee_TOR.pdf)

### E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 of the Act. The Committee comprises of 3 (three) members, one being Independent Director and other two are Executive Directors of the Company.

The Corporate Social Responsibility Committee assists the Board in effectively discharging the Company's corporate social responsibilities. The CSR Policy is available on the Company's website at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate\\_Social\\_Responsibility-1.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate_Social_Responsibility-1.pdf)

## Corporate Governance Report

The composition of the Corporate Social Responsibility Committee as on March 31, 2023 and the details of meetings attended by the members are hereunder:

Name	Category	Position	Attendance at Committee Meetings held during the year		
			May 23, 2022	February 10, 2023	Attendance at Meetings (%)
Mr. Prahlad Rai Agarwala	Promoter, Executive	Chairman	✓	✓	100%
Mr. Kunj Bihari Agarwal	Promoter, Executive	Member	✓	✓	100%
Mr. Dipak Kumar Banerjee	Independent, Non-Executive	Member	✓	✓	100%
<b>Committee Strength</b>	-	-	<b>3</b>	<b>3</b>	-
<b>Number of Directors Present</b>	-	-	<b>3</b>	<b>3</b>	-

Necessary quorum was present in all the meetings.

### Terms of Reference Corporate Social Responsibility Committee

The terms of reference of Corporate Social Responsibility Committee, as approved by the Board, inter alia includes the following:

- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- ii. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- iii. To monitor the CSR policy of the Company from time to time;
- iv. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
  - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - b. the manner of execution of such projects or programmes;
  - c. the modalities of utilization of funds and implementation schedules for the projects or programmes;
  - d. monitoring and reporting mechanism for the projects or programmes; and
  - e. details of need and impact assessment, if any, for the projects undertaken by the Company;
- v. To oversee and make quarterly report to the Board about the utilization of the amounts earmarked for CSR activities in terms of the CSR policy;
- vi. To develop communication strategy to support the implementation of the Business Responsibility Policy and to ensure transparency of initiatives;
- vii. To develop an internal roadmap for implementation of the Business Responsibility Policy and review its effectiveness periodically;
- viii. To identify personnel(s) who shall be responsible for implementation of the Business Responsibility Policy;
- ix. To decide on any matter or doubt with regard to the applicability, interpretation, operation and implementation of the Business Responsibility Policy;

## Corporate Governance Report

- x. To research and thereby identify activities, strategies, initiatives for contribution towards each of the nine Principles of Business Responsibility enlisted by the Securities and Exchange Board of India and any additions thereto and recommend the implementation of the same based on their significance and viability;
- xi. To establish periodic priorities, targets, objectives, deliverables with respect to the nine Principles of Business Responsibility enlisted by the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business and any additions thereto;
- xii. To track progress, monitor, oversee and review the effective implementation of the aforesaid Business Responsibility Policy in its spirit;
- xiii. Examination and recommendation of the Business Responsibility Report (BRR)/ Business Responsibility and Sustainability Report (BRSR) for further approval of Board;
- xiv. To formulate a system for grievance redressal mechanism related to the aforesaid Business Responsibility Policy;
- xv. To decide other incidental and ancillary steps as may be required in this connection;
- xvi. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors, within their delegatory authority from time to time.

The updated terms of reference of the Corporate Social Responsibility Committee is available on the Company's website at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate\\_Social\\_Responsibility\\_TOR.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Corporate_Social_Responsibility_TOR.pdf)

### F. OPERATIONS COMMITTEE

Apart from the above statutory Committees, the Board of Directors has constituted an Operations Committee to meet the specific business needs of the Company. The Operations Committee has been set up to oversee routine operations that arise in the normal course of the business of the Company, such as decision on banking matters, delegation of operational powers etc. The Committee comprises of 3 members viz. Mr. Kunj Bihari Agarwal, Mr. Ramesh Agarwal, and Mr. Mukesh Agarwal, Directors of the Company. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

### 4. COMPLIANCE OFFICER

Mr. Manish Agarwal, Company Secretary acts as the Compliance Officer of the Company, as required under the Listing Regulations. He also acts as the Nodal Officer to ensure compliance with the IEPF Rules.

### 5. INVESTOR GRIEVANCES

During the Financial Year 2022-23, one Shareholders' complaint was received and the same was resolved within reasonable time. Further, there were no Shareholders' complaints pending either at the beginning of the Financial Year as well as at the end of the Financial Year.

### 6. SUBSIDIARY COMPANIES

The Company have 5 Wholly-owned Subsidiaries, details of which are mentioned in the Board's Report. All these above mentioned Subsidiaries are unlisted and non-material as per the relevant provisions of the Listing Regulations. During the year under review, no company became or ceased to be a subsidiary, joint venture or associate of the Company.

The Minutes of the Board Meetings of the Subsidiaries are placed at the Board Meetings of the Company on quarterly basis. All significant transactions and arrangements, if any, entered into by the subsidiaries are reported to the Board of the Company. Further, the Audit Committee and the Board also reviews the Financial Statement including the investments, if any, made by the Subsidiaries.

## Corporate Governance Report

### 7. CODE OF CONDUCT

The Code of Conduct is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Code reflects the Company's commitment to principles of integrity, transparency and fairness. The Company has adopted a comprehensive Code of Conduct as required under the Listing Regulations and the said code is available on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Code\\_of\\_Conduct.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Code_of_Conduct.pdf)

All members of the Board and Senior Management Personnel have affirmed their compliance with the provisions of the Code of Conduct as on March 31, 2023, as required under Regulation 26(3) of the Listing Regulations and a declaration to this effect signed by the Managing Director is annexed herewith as **Annexure- A**.

### 8. CODE FOR PREVENTION OF INSIDER TRADING

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted a 'Code of Conduct to Regulate, Monitor and Report Trading by its Designated Persons and their Immediate Relatives' with a view to regulate trading in securities of the Company by insiders. The Company Secretary of the Company has been appointed as the Compliance Officer for the purposes of the Code. The said Code is available on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Insider\\_Trading\\_policy.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Insider_Trading_policy.pdf).

The Company has also adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code aims to set forth a framework and policy for fair disclosure of events and occurrences that could resolutely impact price of the Company's securities. A copy of the aforesaid code is accessible on the Company's website at <https://rupa.co.in/livesite/wp-content/uploads/2022/08/Code-of-Fair-Disclosure-of-UPSI-Template-under-PIT-Regulations-2015.pdf>.

### 9. MD AND CFO CERTIFICATION

As required under Regulation 17 (8) of Listing Regulations, the Managing Director and Chief Financial Officer have certified to the Board that the Financial Statements for the year ended March 31, 2023 do not contain any untrue statement and represent a true and fair view of the Company's affairs and other matters as specified thereunder. Copy of the Certificate is attached as **Annexure - B** to this Report.

### 10. GENERAL BODY MEETINGS

The date, time and venue of the Annual General Meetings held during preceding three years and the special resolution(s) passed thereat, are as follows:

Financial Year	Date & Time	Location/Mode	Special Resolutions Passed
2021-22 (37 <sup>th</sup> AGM)	August 17, 2022 at 11.00 a.m.	Held through Video Conferencing/Other Audio Visual Means (VC/OAVM)  [Deemed Venue - Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata - 700 071]	a. Approval for revision in the terms of remuneration of Mr. Ramesh Agarwal (DIN: 00230702), Whole-time Director of the Company.  b. Approval for revision in the terms of remuneration of Mr. Mukesh Agarwal (DIN: 02415004), Whole-time Director of the Company.  c. Approval for the appointment of Mr. Vikash Agarwal (DIN: 00230728) as Whole-time Director of the Company.



## Corporate Governance Report

## Corporate Governance Report

Financial Year	Date & Time	Location/Mode	Special Resolutions Passed
2020-21 (36 <sup>th</sup> AGM)	August 31, 2021 at 11:00 a.m.	Held through Video Conferencing/Other Audio Visual Means (VC/OAVM) [Deemed Venue- Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata – 700 071]	d. Approval for the appointment of Mr. Sunil Rewachand Chandiramani (DIN: 00524035), as an Independent Director of the Company. a. Approval for revision in the terms of remuneration of Mr. Ghanshyam Prasad Agarwala (DIN: 00224805), Whole-time director of the Company. b. Approval for revision in terms of remuneration of Mr. Kunj Bihari Agarwal (DIN: 00224857), Managing Director of the Company.
2019-20 (35 <sup>th</sup> AGM)	September 18, 2020 at 11:00 a.m.	Held through Video Conferencing/Other Audio Visual Means (VC/OAVM) [Deemed Venue- Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata – 700 071]	a. Approval for re-appointment of Mr. Ghanshyam Prasad Agarwala (DIN: 00224805), as the Whole-time Director of the Company. b. Approval for re-appointment of Mr. Kunj Bihari Agarwal (DIN: 00224857), as the Managing Director of the Company.

During the year, no Extra Ordinary General Meeting was convened nor was any approval of the shareholders obtained through Postal Ballot. Further, there is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Act, the Listing Regulations or any other applicable laws.

### 11. MEANS OF COMMUNICATION

- The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchanges and published within the prescribed time period in Financial Express/Economic Times (English Newspaper-all Edition) and Aaj Kal/Ei-Samay (Regional Newspaper). They are also available on the website of the Company at <https://rupa.co.in/newspaper-publication/>
- The official news releases, meetings scheduled with institutional investors/analysts and detailed presentations made to them are disseminated to stock exchanges and is also displayed on the Company's website at <https://rupa.co.in/investor-meet-presentation/>. The management participates in the analyst/earnings call every quarter, after the announcement of results. The audio recording of the quarterly institutional investors/analysts meeting and transcripts are posted on the Company's website and submitted to the stock exchanges.
- In compliance with Regulation 46 of the Listing Regulations, the Company's website i.e. [www.rupa.co.in](http://www.rupa.co.in) contains a separate dedicated section 'Investor Relations' wherein all the shareholders' information are available and the same is updated regularly.
- The Annual Report containing, inter alia, Audited Financial Statement, Board's Report, Auditors' Report, Management Discussion and Analysis Report, Corporate Governance Report are circulated to the members and others entitled thereto and is also filed with the Stock Exchanges. The Annual Report is also available on the website of the Company at <https://rupa.co.in/annual-report-2/>.
- The Company addressed various investor-centric letters / e-mails / SMS to its shareholders during the year. This included reminders for claiming unclaimed / unpaid dividend from the Company; dematerialisation of shares, updating e-mail, PAN, nomination and bank account details. In accordance with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company has sent letters to the identified holders of physical securities of the Company intimating them, the requirement to furnish valid PAN, KYC details and Nomination details.

### 12. GENERAL SHAREHOLDER'S INFORMATION

Detailed information in this regard is provided herein below:

#### i. Annual General Meeting (AGM)

The 38<sup>th</sup> Annual General Meeting of the Company shall be held on Tuesday, August 08, 2023 at 11.00 AM (IST) through Video Conferencing / Other Audio Visual Means (VC/OAVM) as set out in the Notice convening the AGM.

#### ii. Financial Year

The Company follows 1<sup>st</sup> April to 31<sup>st</sup> March as its Financial Year.

#### iii. Dividend

The dividend, as recommended by the Board of Directors, if approved at the ensuing AGM, will be paid to those Members, whose name shall appear on the Register of Members as on close of business hours on Tuesday, August 01, 2023. If approved, dividend shall be paid within 30 days from the date of declaration as per the relevant provisions of the Act.

#### Dividend Distribution Policy

The Board of Directors of the Company has adopted a Dividend Distribution Policy which is aimed to strike a balance between pay-out and retained earnings, in order to address future needs of the Company and distribute profits of the company in a sustainable manner. Dividend Distribution policy can be accessed at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Dividend\\_Distribution\\_Policy.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Dividend_Distribution_Policy.pdf)

#### Unclaimed/ unpaid dividends and related shares

Pursuant to the provisions of Section 124(5) of the Act read with the rules framed thereunder, the dividend lying in the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years are required to be transferred by the Company to Investor Education and Protection Fund (IEPF).

The dates of declaration of dividend and corresponding dates when unpaid/ unclaimed Dividends are due for transfer to the IEPF are as hereunder:

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2016-17	August 31, 2017	October 07, 2024
2017-18	August 31, 2018	October 07, 2025
2018-19	September 06, 2019	October 13, 2026
2019-20	September 18, 2020	October 25, 2027
2020-21	August 31, 2021	October 07, 2028
2021-22	August 17, 2022	September 23, 2029

During the year ended March 31, 2023, the Company has transferred unclaimed and unpaid dividend w.r.t. Financial Year 2014-15, amounting to ₹ 2,29,023/- (Rupees Two Lakh Twenty-Nine Thousand Twenty Three only), to the IEPF. Further pursuant to the provisions of the Act, the Company has also transferred 1,980 Equity Shares of ₹ 1/- each, to IEPF Authority, in respect of which dividends have remained unpaid or unclaimed for a period of seven consecutive years.

In order to educate the shareholders and with an intent to protect their rights, the Company voluntarily sends reminder through emails/letters to shareholders requesting to claim their unclaimed dividends / shares before it is transferred to IEPF. The details of the unpaid/unclaimed dividend and the shares transferred to IEPF are available on the website of the Company at <https://rupa.co.in/unclaimed-dividend-iepf/>

## Corporate Governance Report

### iv. Stock Exchanges on which the shares are listed

The Equity Shares of the Company are listed on the following Stock Exchanges:

Sl. No.	Name of the Stock Exchange	Address	Stock Code/ Symbol	ISIN
1	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	RUPA	INE895B01021
2	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533552	

The annual listing fees have been paid to the above Stock Exchanges within the respective due date(s).

### v. Market Price Data (Face Value of ₹ 1/- each)

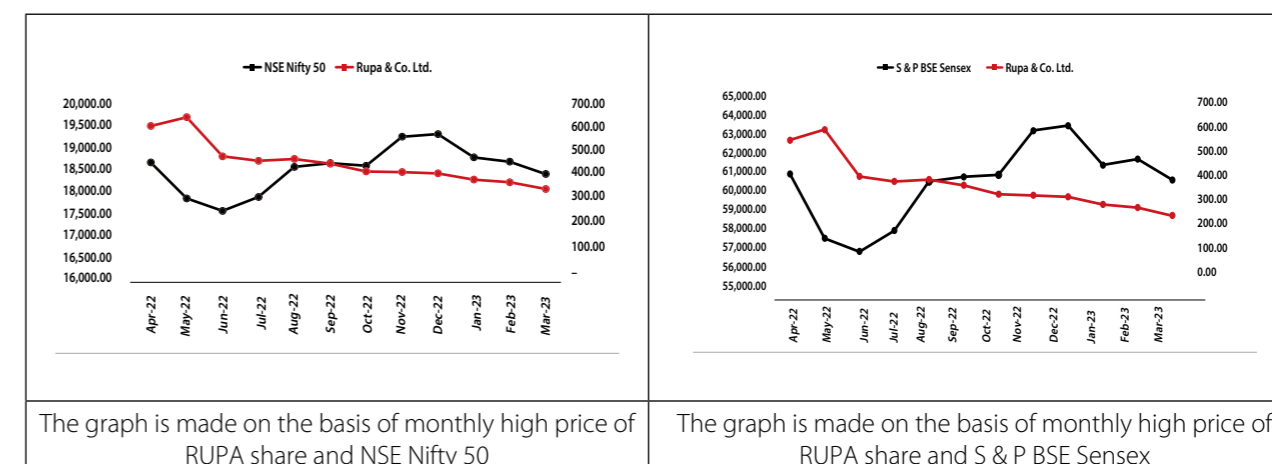
Monthly High and Low prices and volume of equity shares traded on NSE & BSE during the financial year ended March 31, 2023, is as follows:

Month & Year	BSE			NSE		
	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)
April, 2022	543.30	435.10	18,26,116	543.90	435.00	2,09,39,191
May, 2022	585.05	345.45	25,34,084	585.85	345.30	3,22,77,140
June, 2022	399.10	300.30	5,26,517	399.40	300.55	69,57,454
July, 2022	378.95	334.80	5,08,304	378.00	334.00	54,97,314
August, 2022	386.50	319.35	4,20,107	386.70	319.05	61,35,263
September, 2022	364.00	316.55	5,56,454	364.00	320.15	52,57,080
October, 2022	328.30	297.25	3,79,994	327.00	297.20	26,21,422
November, 2022	323.95	282.70	3,74,765	324.00	282.60	27,27,382
December, 2022	318.00	264.00	3,27,032	318.00	263.60	29,27,500
January, 2023	287.95	263.70	2,32,937	288.05	263.70	13,55,854
February, 2023	275.45	201.80	3,96,718	275.65	201.90	27,47,378
March, 2023	243.25	197.00	9,80,466	243.40	197.20	1,06,74,649

### vi. Share Price Performance in comparison to broad-based indices, namely, BSE Sensex and NSE Nifty 50, respectively.

Financial Year	BSE		NSE	
	% change in RUPA share price	% change in S & P BSE SENSEX	% change in RUPA share price	% change in NSE Nifty 50
2022-23	-53.44%	0.79%	-53.47%	-0.44%

## Corporate Governance Report



### vii. The securities of the Company were available for trading on NSE & BSE throughout the year and were not suspended for any period.

### viii. Share Transfer System

Pursuant to Regulation 40 (1) of the Listing Regulation, the securities of the Company can be transferred only in dematerialized form. Accordingly, the Company has stopped accepting any transfer requests for securities held in physical form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company yearly obtains an Annual Compliance Certificate, from a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company and the copy of the same is submitted to the Stock Exchanges.

The Company also obtains a Compliance Certificate under Regulation 7(3) of the Listing Regulations confirming that all activities in relation to both physical and electronic share transfer facilities are maintained by Registrar and Share Transfer Agent and files the same with the Stock Exchanges on a yearly basis.

Reconciliation of Share Capital Audit is conducted every quarter by a Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The report is submitted to the Stock Exchanges.

Further a summary of transmissions, dematerialization, re-materialization, etc. is placed before the Board at each meeting for its noting.

### ix. Shareholding Pattern as on March 31, 2023

Category	Number of Shares held	% of Share capital
<b>A. Promoter &amp; Promoter Group Shareholding</b>		
Promoter & Promoter Group (Indian)	5,82,75,545	73.28
<b>Sub-total (A)</b>	<b>5,82,75,545</b>	<b>73.28</b>
<b>B. Public Shareholding</b>		
Alternate Investment Funds	32,85,000	4.13
Foreign Portfolio Investors	5,07,987	0.64
Resident Individuals	1,42,39,659	17.91
Bodies Corporate	26,04,944	3.28



## Corporate Governance Report

Category	Number of Shares held	% of Share capital
Non Resident Individuals	4,80,059	0.60
IEPF Authority	43,604	0.05
Others	87,762	0.11
<b>Sub-total (B)</b>	<b>2,12,49,015</b>	<b>26.72</b>
<b>Total (A+B)</b>	<b>7,95,24,560</b>	<b>100.00</b>

### x. Distribution of shareholding by size as on March 31, 2023

Shareholding Range	Number of Holders	% of total number of Shareholders	Number of Shares	% of Shareholding
Upto 500	67,522	93.09	51,67,406	6.50
501 to 1,000	2,647	3.65	20,23,906	2.55
1,001 to 2,000	1,270	1.75	19,00,130	2.39
2,001 to 3,000	387	0.53	9,83,674	1.24
3,001 to 4,000	171	0.24	6,13,965	0.77
4,001 to 5,000	120	0.16	5,68,102	0.71
5,001 to 10,000	236	0.33	17,39,639	2.18
Above 10,000	182	0.25	6,65,27,738	83.66
<b>Grand Total</b>	<b>72,535</b>	<b>100.00</b>	<b>7,95,24,560</b>	<b>100.00</b>

### xi. Dematerialization of Shares and liquidity as on March 31, 2023

99.80% of the share capital of the Company were held in dematerialized form as on March 31, 2023. Entire Promoters' shareholding of 73.28% of the share capital, is held in dematerialized mode. The Company is into an agreement with NSDL and CDSL, whereby shareholders have the option to dematerialize their shares with either of the two depositories.

#### Status of Dematerialization as on March 31, 2023:

Particulars	Number of Shares	% to Total Paid-up Capital
NSDL	7,08,58,620	89.10
CDSL	85,09,588	10.70
<b>Total Dematerialized</b>	<b>7,93,68,208</b>	<b>99.80</b>
Physical	1,56,352	0.20
<b>Total</b>	<b>7,95,24,560</b>	<b>100.00</b>

### xii. Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any Convertible Instruments, conversion date and likely impact on Equity

As on March 31, 2023, the Company does not have any outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments.

### xiii. Commodity price risk or foreign exchange risk and hedging activities

The Company does not have derivative and commodity instruments. Risk to Company from foreign currency exposure on import/ export transactions is very minimal. Further, such risks are managed through Internal Finance Controls. The details of foreign currency transactions are disclosed in Note No. 3.9 and Note No. 49 in the Notes to the Standalone Financial Statements.

## Corporate Governance Report

### xiv. Credit Rating

The details of credit ratings obtained by the Company along with any revisions thereto during the financial year 2022-23, for all debt instruments are as hereunder:

Nature of instrument	Rating Agency	Date of Rating	Amount (₹)	Rating outstanding
Long Term Rating	CRISIL Limited	August 22, 2022	308 crores	CRISIL AA-/ Stable (Reaffirmed)
Short Term Rating				CRISIL A1+ (Reaffirmed)
Commercial Paper				CRISIL A1+ (Reaffirmed)
			180 crores	

### xv. Plant Locations

Jalan Industrial Complex, Bombay Road (National Highway 6) P.O. - Begri, Vill – Biprannapara, Howrah– 711 411, West Bengal	S.F. No.387/4, Angeripalayam Road, Angeripalayam Post, Dist. - Tirupur, Tamil Nadu – 640 602
Paridhan Garment Park, 19, Canal South Road, Kolkata – 700105	Premises No.2/104, Thekkalur Avinashi Road, Avinashi, Tirupur, Tamilnadu – 641 654
E-4, and E-6, Sector D-1 (P-3), Tronica City, Ghaziabad, U.P. – 201 102	Unit 4B, AMR Business Park, Kodihikanahalli Main Road, Bengaluru, Karnataka – 560 068

### xvi. Address for Correspondence

Shareholders can send their correspondence with respect to shares, dividend, request for annual reports and grievances, if any to the Company or RTA at:

#### (i) The Company Secretary

##### Rupa & Company Limited

Metro Tower, 8th Floor,  
1, Ho Chi Minh Sarani, Kolkata – 700 071  
Tel: (033) 4057 3100, Fax: (033) 2288 1362  
E-mail ID: [investors@rupa.co.in](mailto:investors@rupa.co.in)  
Website: [www.rupa.co.in](http://www.rupa.co.in)

#### (ii) Registrar and Share Transfer Agents (RTA)

##### Maheshwari Datamatics Private Limited (Unit: Rupa & Company Limited)

23 R. N. Mukherjee Road, 5th Floor,  
Kolkata - 700001  
Tel: (033) 2248 2248 / (033) 2243 5029  
Fax: (033) 2248 4787  
E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)  
Website: [www.mdpl.in](http://www.mdpl.in)

## Corporate Governance Report

### 13. DISCLOSURES

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

Prior approval of the Audit Committee is obtained for all Related Party Transactions undertaken by the Company. All related party transactions entered by the Company during the financial year 2022-23, were at an arm's length basis. Further, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Determining Material Subsidiary and which may have potential conflict with the interest of the Company at large. Further, disclosure of transactions with related parties is set out in Note no. 43 in Notes to the Standalone Financial Statements, forming part of this Annual Report.

The Company's policy on Related Party Transactions has been uploaded on the website of the Company at [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy_on_Related_Party_Transactions.pdf)

**b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 (three) years**

The Company has complied with all the regulations and guidelines of SEBI and the requirements of the Listing Agreements entered into with the Stock Exchanges. Consequently, there were no strictures or penalties imposed on the Company either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last 3 (three) years.

**c. Establishment of Vigil Mechanism/Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has established a vigil mechanism policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the Chairperson of the Audit Committee in exceptional cases. During the year, no person was denied access to the Audit Committee and there were no cases reported under the policy.

The Policy has been uploaded on the website of the Company at: [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Whistle\\_Blower\\_Policy.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Whistle_Blower_Policy.pdf)

**d. Policy on determining material subsidiaries**

The policy for determining material subsidiaries is disclosed on the website at: [https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy\\_for\\_determining\\_Material\\_Subsiary.pdf](https://rupa.co.in/livesite/wp-content/uploads/2022/08/Policy_for_determining_Material_Subsiary.pdf)

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

During the financial year ended March 31, 2023, there were no funds raised through preferential allotment or qualified institutions placement.

**f. Certificate from Company Secretary in Practice on Director's eligibility to hold office**

The Company has obtained a Certificate from M/s. Nidhi Bagri & Company, Practicing Company Secretary, stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority. The Certificate is attached as **Annexure- C**.

## Corporate Governance Report

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

During the Financial Year 2022-23, the Board of Directors of the Company had accepted recommendation of all the committees of the Board.

**h. Fee paid to Statutory Auditors'**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s Singhi & Co. Statutory Auditors, during the financial year 2022-23 are as mentioned below:

Name of Company	Amount (₹ in lakhs)
Rupa & Company Limited	34.10

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

The Company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and accorded equal treatment. There were no complaint pending at the beginning of the year, no complaint received/ resolved during the year and no complaint pending at the end of the year.

**j. Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount**

During the Financial year 2022-23, the Company or its subsidiaries has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

**k. Details of material subsidiaries of the Company; including the date and place of incorporation and name and date of appointment of statutory auditors of such subsidiaries**

The Company does not have any material subsidiaries.

**l. Compliance with corporate governance requirements**

The Company is in compliance with all the mandatory requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations as applicable with regards to Corporate Governance.

The Company has obtained a certificate from M/s. Singhi & Co., Statutory Auditor of the Company on compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations. Copy of the Certificate is attached as **Annexure-D**.

**m. Disclosures with respect to demat suspense account/ unclaimed suspense account**

The Company does not have any unclaimed shares and hence the disclosure pursuant to Listing Regulations are not applicable.

**14. STATUS OF COMPLIANCE WITH NON STATUTORY RECOMMENDATIONS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

- The Company has an Executive Chairman.
- The quarterly and half yearly financial performance are submitted to Stock Exchanges, published in newspapers and posted on the Company's website and are not sent to the shareholders separately.
- The Auditor's Report on the Company's Financial Statements is unmodified.
- The Company has appointed separate person as Chairman and Managing Director.
- The Report of the Internal Auditors is placed before the Audit Committee on a quarterly basis and the same is reviewed by the Audit Committee.



## Annexure to the Corporate Governance Report

### Annexure - A

#### DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT

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

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

I, hereby declare that all the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the aforesaid Code for the Financial Year ended March 31, 2023.

**For Rupa & Company Limited**

**Kunj Bihari Agarwal**  
*Managing Director*  
DIN: 00224857

Place: Kolkata  
Date: May 24, 2023

## Annexure to the Corporate Governance Report

### Annexure - B

#### CERTIFICATION BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

- A. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended March 31, 2023 and to the best of our knowledge and belief, we state that:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Rupa & Company Limited**

**Kunj Bihari Agarwal**  
*Managing Director*  
DIN: 00224857

**Sumit Khowala**  
*Chief Financial Officer*

Place: Kolkata  
Date: May 24, 2023

## Annexure to the Corporate Governance Report

### Annexure- C

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director and Designation	DIN	Date of appointment in Company
1.	Mr. Prahlad Rai Agarwala, Whole-time Chairman, Promoter	00847452	06.02.1985
2.	Mr. Ghanshyam Prasad Agarwala, Whole-time Vice Chairman, Promoter	00224805	13.07.1987
3.	Mr. Kunj Bihari Agarwal, Managing Director, Promoter	00224857	17.07.1987
4.	Mr. Ramesh Agarwal, Whole-time Director, Promoter	00230702	29.07.2009
5.	Mr. Mukesh Agarwal, Whole-time Director, Promoter	02415004	29.07.2009
6.	Mr. Vikash Agarwal, Whole-time Director, Promoter	00230728	23.05.2022
7.	Mr. Niraj Kabra, Executive Director, Non-Promoter	08067989	12.02.2018
8.	Mr. Vinod Kumar Kothari, Non-Executive and Independent Director	00050850	26.07.2004
9.	Mr. Ashok Bhandari, Non-Executive and Independent Director	00012210	10.08.2018
10.	Mr. Dharam Chand Jain, Non-Executive and Independent Director	00453341	31.01.2003
11.	Mr. Dipak Kumar Banerjee, Non-Executive and Independent Director	00028123	30.05.2013
12.	Mr. Sushil Patwari, Non-Executive and Independent Director	00023980	17.11.2003
13.	Mrs. Alka Devi Bangur, Non-Executive and Independent Director	00012894	14.11.2014
14.	Mr. Sunil Rewachand Chandiramani, Non-Executive and Independent Director	00524035	23.05.2022

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

Thanking you,

For **Nidhi Bagri & Company**  
(Practising Company Secretaries)

(Nidhi Bagri)

ACS No. 24765  
C.P. No. 9590  
UDIN A024765E000042464  
Peer Review Cert No. 2103/2022  
Date: April 10, 2023  
Place: Kolkata

## Annexure to the Corporate Governance Report

### Annexure - D

#### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**Rupa & Company Limited**

- We have examined the compliance of conditions of Corporate Governance by Rupa & Company Limited ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

#### Management's Responsibility

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

#### Auditor's Responsibility

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

#### Opinion

- Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2023.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restriction on use

- This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

(Gopal Jain)  
Partner

Membership No. 059147  
UDIN: 23059147BGYQAK1650

Place: Kolkata  
Dated: 24<sup>th</sup> day of May, 2023



## Independent Auditors' Report

### To the Members of Rupa & Company Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying Standalone Financial Statements of **Rupa & Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

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

##### Emphasis of Matter

We draw attention to the Note no. 11(iv) to the accompanying Standalone Financial Statements with respect to renewal of a license agreement for the usage of a Foreign Trademark, Logos & Symbols and the carry forward of such inventories of finished goods & work in progress pertaining to such brand at their carrying value as enumerated in the said note.

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

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>1. Valuation &amp; existence of inventories</b> (Refer Note 11 to the Standalone Financial Statements)</p> <p>The company holds inventories amounting to ₹ 48,354.09 lakhs as at the Balance Sheet date, which represent 35.07 % of total assets.</p> <p>As described in the accounting policies in note 3.1 to the Standalone Financial Statements, inventories are carried at the lower of cost and net realisable value. Inventories</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>▪ Obtained a detailed understanding and evaluated the design and implementation of controls that the company has established in relation to inventory valuation and existence.</li> <li>▪ Reviewing the document and other record related to physical verification of inventories done by the management by its own and/ or through involvement</li> </ul>

## Independent Auditors' Report

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p>valuation and existence is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgement in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p> <p>We have determined this to be a matter of significance to our audit due to the quantum of the amount and estimation involved.</p>	<p>of third parties during the year and subsequent to year end.</p> <ul style="list-style-type: none"> <li>▪ Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. We have also verified on sample basis confirmation from third parties for inventory lying with them as at year end.</li> <li>▪ Obtained assurance over the management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of products.</li> <li>▪ Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>▪ Checked the provisions recorded to verify that they are in line with the Company policy.</li> </ul>
<p><b>2. Revenue recognition including estimation of rebates &amp; discounts</b> (Refer Note 27 to the Standalone Financial Statements)</p> <p>As described in Accounting Policy for Revenue recognition vide Note 3.6 of the Standalone Financial Statements, the revenue is recognized upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts.</p> <p>The Company sells its products through various channels like dealers, modern trade, distributors, retailers, etc., and recognize liabilities related to rebates, discounts and incentives.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company and compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company.</p> <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>▪ Obtained a detailed understanding and evaluated the design and implementation of controls that the company has established in relation to revenue recognition and recording of rebates, discounts, etc. and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls;</li> <li>▪ Tested the inputs used in the estimation of revenue in context of rebates, discounts, etc. to source data;</li> <li>▪ Assessed the underlying assumptions used for determination of rebates, discounts etc;</li> <li>▪ Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes;</li> <li>▪ Performed look-back analysis for past trends by comparing recent actual with the estimates of earlier periods and assessed subsequent events;</li> <li>▪ Tested credit notes issued to customers and payments made to them during the year and subsequent to the year- end along with the terms of the related schemes.</li> </ul>

## Independent Auditors' Report

## Independent Auditors' Report

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>3. Recoverability of Trade Receivables</b> (Refer Note 12 to the Standalone Financial Statements)</p> <p>The company has trade receivables amounting to ₹42,596.37 lakhs as at the Balance Sheet date, which represent 30.90 % of total assets.</p> <p>Due to the inherent subjectivity that is involved in making judgements in relation to credit risk exposures to determine the recoverability of trade receivables and significant estimates and judgements made by the management for provision for loss allowance under Expected Credit Loss model. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>▪ We evaluated and tested the controls relating to credit control and approval process and assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts.</li> <li>▪ We assessed and validated the ageing profile of trade receivables.</li> <li>▪ We also checked on sample basis balance confirmations from customers to test whether trade receivables as per books are acknowledged by them.</li> <li>▪ We also reviewed receipts on sample basis subsequent to the financial year end for its effect in reducing overdue receivables as the financial year end.</li> <li>▪ We also reviewed at the adequacy of the management judgements and estimates on the sufficiency of provision for doubtful debts through detailed analysis of ageing of receivables and assessing the adequacy of the disclosures in respect of credit risk.</li> </ul>

Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the



## Independent Auditors' Report

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
  - (e) In our opinion the matters described in the Emphasis of Matter paragraph above, may not have any adverse effect on the functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - (g) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Financial Statements – Note 10 & 39(a) to the Standalone Financial Statements;

## Independent Auditors' Report

- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- III. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- IV. (a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 52(f)(i) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 52(f)(ii) to the Standalone Financial Statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(i) (iv)(a) &(b), contain any material mis-statement.
- V. (a) The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in Note 41 to the Standalone Financial Statements, the Board of Directors of the Company has proposed dividend for the year, which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**(Gopal Jain)**  
Partner  
Membership No. 059147  
UDIN:23059147BGYQAN7100

Place: Kolkata  
Dated: May 24, 2023

## Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect of Statutory Audit of Rupa & Company Limited for the year ended 31<sup>st</sup> March, 2023).

We report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory (excluding inventories in transit) at reasonable intervals during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of such inventories. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been substantially confirmed by them at the year end.
- (b) As disclosed in Note 23 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- iii. (a) During the year, the Company has not made investments, provided loans or advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. However, the company had granted loan to a company in the earlier years which is repayable on demand and receipt of interest thereon is regular. Accordingly, the requirement to report on clause 3(iii)(d) & 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties during the year. However, the Company had granted loan to a company in earlier years which is payable on demand and the details of which are as follows:

	All Parties (₹ in lakhs)	Promoters (₹ in lakhs)	Related Parties (₹ in lakhs)
Aggregate amount of loans or advances in nature of loans (Repayable on demand)	200.00	-	-
Percentage of loans or advances in nature of loans to the total loans	100.00%	-	-

## Annexure 'A' to the Independent Auditors' Report

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013. The company has not granted any loans, made any investments, provided any guarantee or security to any party falling under section 185 of the Companies Act, 2013.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Government has not specified maintenance of the cost records under section 148(1) of the Companies Act, 2013 with regards to the activities of the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employee's State Insurance, Income-Tax, Sales-Tax, Service Tax, duty of Customs, duty of Excise, Value added Tax, Cess and other statutory dues to the appropriate authority. Based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(b) Details of Statutory dues referred to clause (a) above that have not been deposited on account of any dispute are given below:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Tax on Entry of Goods into Local Area Act, 2012	Entry Tax (including interest)	1,190.22	F.Y. 2012-13 to F.Y. .2016-17	West Bengal Taxation Tribunal
West Bengal Value Added Tax, 2005	Value Added Tax	16.61*	F.Y. 2012-13	West Bengal Commercial Taxes Appellate and Revisional Board
Central Excise Act, 1944	Excise Duty	56.30	F.Y. 2012-13	The Commissioner of (Appeals) CGST & Central Excise, New Delhi

\*Net of amount deposited under dispute

- viii. According to the information and explanation given to us and on the basis of our examination of records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.  
(b) According to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
(c) The company has not raised any fund by way of term loan during the year. Accordingly, the requirement to report on Clause 3(ix)(c) of the Order is not applicable to the company.  
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.



## Annexure 'A' to the Independent Auditors' Report

- (e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate company or joint venture.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associate or joint venture.
- x. (a) According to the records of the Company examined by us and the information and explanation given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company which has been noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till the date of audit report, for the period under audit.
- xv. According to the information and explanations given to us and represented by the management and based on our examination of the records, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (c) According to the information and explanations provided to us by the management, the Group does not have any Core Investment Company, which are part of the Group. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

## Annexure 'A' to the Independent Auditors' Report

- xvii. The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 51 to the Standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

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

**(Gopal Jain)**  
Partner  
Membership No. 059147  
UDIN:23059147BGYQAN7100

Place: Kolkata  
Dated: May 24, 2023

## Annexure 'B' to the Independent Auditors' Report

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

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **Rupa & Company Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that

## Annexure 'B' to the Independent Auditors' Report

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial controls with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singhi & Co.**

*Chartered Accountants  
Firm Registration No.302049E*

**(Gopal Jain)**

*Partner  
Membership No. 059147  
UDIN:23059147BGYQAN7100*

Place: Kolkata  
Dated: May 24, 2023



## Standalone Balance Sheet

as at March 31, 2023

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4 (a)	20,532.49	18,608.15
(b) Right of Use Assets	4 (b)	2,028.71	1,625.31
(c) Capital work-in-progress	4 (c)	1,971.30	2,612.65
(d) Intangibles assets	5 (a)	439.46	497.27
(e) Intangibles assets under development	5 (b)	150.00	60.00
(f) Investments in Subsidiaries	6	577.97	577.97
(g) Financial assets			
(i) Investments	7	0.18	0.18
(ii) Other Financial Assets	8	1,808.75	401.93
(h) Non-Current tax Assets (net)	9	-	1,018.46
(i) Other non current assets	10	567.71	735.25
		<b>28,076.57</b>	<b>26,137.17</b>
<b>Current assets</b>			
(a) Inventories	11	48,354.09	57,955.71
(b) Financial assets			
(i) Trade receivable	12	42,596.37	54,169.58
(ii) Cash and cash equivalents	13	658.28	401.95
(iii) Other bank balances (other than (ii) above)	14	10,583.06	11,798.06
(iv) Loans	15	200.00	200.00
(v) Other Financial Assets	8	481.34	198.41
(c) Current tax Assets (net)	9	435.26	-
(d) Other current assets	10	6,485.63	5,992.21
		<b>1,09,794.03</b>	<b>1,30,715.92</b>
<b>TOTAL ASSETS</b>		<b>1,37,870.60</b>	<b>1,56,853.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	796.29	796.29
(b) Other equity	17	89,898.94	86,966.41
		<b>90,695.23</b>	<b>87,762.70</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	1,020.67	1,593.36
(ii) Lease Liability	19	1,206.05	1,354.87
(b) Provisions	20	190.32	215.03
(c) Deferred tax liabilities (net)	21	1,192.89	1,135.14
(d) Other non-current liabilities	22	119.93	147.51
		<b>3,729.86</b>	<b>4,445.91</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	23,442.91	33,904.64
(ii) Lease Liability	19	150.78	134.56
(iii) Trade payables	24		
-Total outstanding dues of micro and small enterprises, and		735.81	932.72
-Total outstanding dues of creditors other than micro and small enterprises		11,909.79	20,697.91
(iv) Other financial liabilities	25	6,583.17	7,149.25
(b) Other current liabilities	22	394.23	678.88
(c) Provisions	20	159.24	125.62
(d) Current tax liabilities (net)	26	69.58	1,020.90
		<b>43,445.51</b>	<b>64,644.48</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,37,870.60</b>	<b>1,56,853.09</b>
<b>Basis of Accounting</b>	<b>2</b>		
<b>Significant accounting policies</b>	<b>3</b>		
<b>Significant Judgements and key estimates</b>	<b>3.21</b>		

The accompanying notes are the integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**(Gopal Jain)**

Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

**Ramesh Agarwal**  
Whole-time Director  
DIN: 00230702

**Ghanshyam Prasad Agarwala**  
Vice-Chairman  
DIN: 00224805

**Manish Agarwal**  
Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

**Sumit Khawala**  
Chief Financial Officer

## Standalone Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Note No.	₹ in Lakhs	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I</b> Revenue from operations	27	1,11,744.01	1,42,978.63
<b>II</b> Other income	28	1,605.31	1,070.45
<b>III Total Income (I+II)</b>		<b>1,13,349.32</b>	<b>1,44,049.08</b>
<b>IV Expenses</b>			
Cost of materials consumed	29	50,367.51	76,988.55
Purchase of Stock-in-trade	30	45.82	419.66
Changes in inventories of finished goods and work in progress	31	7,833.95	(18,252.69)
Employee benefits expense	32	5,791.00	6,765.20
Finance costs	33	2,263.18	1,814.15
Depreciation and amortisation expense	34	1,320.29	1,383.69
Other expenses	35	38,887.94	50,404.61
<b>Total Expenses (IV)</b>		<b>1,06,509.69</b>	<b>1,19,523.17</b>
<b>V Profit from ordinary activities before Exceptional items &amp; Tax (III-IV)</b>		<b>6,839.63</b>	<b>24,525.91</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Tax (V-VI)</b>		<b>6,839.63</b>	<b>24,525.91</b>
<b>VIII Tax expense</b>	36		
a) Current tax		1,753.00	4,448.00
b) Deferred tax		54.50	1,270.87
c) Tax for earlier years		(276.48)	(268.96)
<b>IX Profit for the year (VII- VIII)</b>		<b>5,308.61</b>	<b>19,076.00</b>
<b>X Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss			
-Remeasurements of defined benefit plans		12.91	25.15
(ii) Income tax relating to items above		(3.25)	(6.33)
<b>XI Other Comprehensive Income for the year [(A(i-ii))]</b>		<b>9.66</b>	<b>18.82</b>
<b>XII Total Comprehensive Income for the year (IX+XI)</b>		<b>5,318.27</b>	<b>19,094.82</b>
<b>XIII Earnings per equity share</b>			
Basic earnings per share (₹)	37	6.68	23.99
Diluted earnings per share (₹)		6.68	23.99
<b>Basis of Accounting</b>	<b>2</b>		
<b>Significant accounting policies</b>	<b>3</b>		
<b>Significant Judgements and key estimates</b>	<b>3.21</b>		

The accompanying notes are the integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**(Gopal Jain)**

Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

**Ramesh Agarwal**  
Whole-time Director  
DIN: 00230702

**Ghanshyam Prasad Agarwala**  
Vice-Chairman  
DIN: 00224805

**Manish Agarwal**  
Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

**Sumit Khawala**  
Chief Financial Officer

## Standalone Statement of Cash Flows

for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>6,839.63</b>	<b>24,525.91</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
(a) Depreciation and Amortisation	1,320.29	1,383.69
(b) Finance Cost	2,263.18	1,870.46
(c) (Profit)/loss on disposal of Plant, Property & Equipment (Net)	(88.92)	(52.55)
(d) Bad debts written off	4.73	15.06
(e) Sundry balances written off	-	53.40
(f) Unspent liabilities written back	(349.13)	(97.32)
(g) Provision for Doubtful Trade Receivables/(written back)	274.71	(27.12)
(h) Gain on Disposal/Retirement of Right of Use Assets	-	(7.64)
(i) Deferred Revenue on Government Grant	(27.58)	(27.58)
(j) Unrealised Foreign Exchange (Gain)/Loss	(30.60)	(38.76)
(k) Interest income	(925.65)	(728.42)
<b>Operating Profit before Working Capital Changes</b>	<b>9,280.66</b>	<b>26,869.13</b>
<b>Changes in Working capital</b>		
(a) (Increase)/decrease in Inventories	9,601.62	(19,235.20)
(b) (Increase)/decrease in Trade Receivables	11,324.16	(17,977.54)
(c) (Increase)/decrease in Other Financial Assets	(64.38)	(13.95)
(d) (Increase)/decrease in Non-Financial Assets	(493.42)	(1,856.71)
(e) Increase/(decrease) in Trade Payables	(8,635.90)	5,564.72
(f) Increase/(decrease) in other Financial Liabilities	(642.85)	45.95
(g) Increase/(decrease) in Provisions	21.82	(13.72)
(h) Increase/(decrease) in Non-financial liabilities	(284.65)	105.42
<b>Cash Generated from/ (used in) Operating Activities</b>	<b>20,107.06</b>	<b>(6,511.90)</b>
Less: (a) Direct Tax Paid (net)	(1,647.94)	(5,212.54)
<b>Net Cash generated from/ (used in) Operating Activities</b>	<b>18,459.12</b>	<b>(11,724.44)</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES</b>		
(a) Purchase of Plant, Property & Equipment (including capital advances and CWIP)	(3,047.51)	(3,729.16)
(b) Disposal of Plant, Property & Equipment	363.10	83.95
(c) Redemption/(Investment) of Fixed Deposits (net)	(272.06)	(441.90)
(d) Loan Refunded	-	113.25
(e) Interest received	589.71	731.15
<b>Net Cash used in Investing Activities</b>	<b>(2,366.76)</b>	<b>(3,242.71)</b>
<b>C. CASH FLOW ARISING FORM FINANCING ACTIVITIES</b>		
(a) Repayment of Non-Current Borrowings	(683.78)	(566.01)
(b) Proceeds from Non-Current Borrowings	-	936.96
(c) Proceeds / (Repayment) of Current Borrowings (net)	(10,350.64)	20,582.93
(d) Payment of lease liabilities (including interest thereon)	(228.25)	(271.93)
(e) Dividend Paid	(2,385.74)	(3,976.23)
(f) Interest Paid	(2,187.83)	(1,621.62)
<b>Net Cash from/ (used in) Financing Activities</b>	<b>(15,836.24)</b>	<b>15,084.10</b>

## Standalone Statement of Cash Flows

for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Net increase/(decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>256.12</b>	<b>116.95</b>
Cash & Cash Equivalents at the beginning of the year	401.95	285.59
Add/(less) Effect of exchange rate changes on Cash & Cash Equivalent	0.21	(0.59)
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>658.28</b>	<b>401.95</b>

**Note:**

- The above statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows".
- Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 13 to the standalone financial statements
- Statement of Reconciliation of Financing activities :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
	Term Loan from Banks		Short Term Borrowings	
Balance as at April 01, 2022 (including interest accrued thereon)	2,292.43	1,919.63	33,256.88	12,648.06
Cash Flow (Net)	(683.78)	370.95	(10,350.64)	20,582.93
Non Cash Changes				
Fair Value Changes	-	-	-	-
Interest Expense*	163.47	162.21	1,797.97	1,203.22
Interest Paid	(166.72)	(160.36)	(1,815.01)	(1,177.33)
<b>Total</b>	<b>1,605.40</b>	<b>2,292.43</b>	<b>22,889.20</b>	<b>33,256.88</b>

\* Interest amount after capitalisation

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The previous year figures have been regrouped/reclassified wherever necessary, to conform the current period's classification.

The accompanying notes are the integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

**Ramesh Agarwal**  
Whole-time Director  
DIN: 00230702

**Ghanshyam Prasad Agarwala**  
Vice-Chairman  
DIN: 00224805

**Manish Agarwal**  
Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

**Sumit Khawala**  
Chief Financial Officer



## Standalone Statement of Change in Equity

for the Year ended March 31, 2023

Particulars	(₹ in Lakhs)
<b>a) Equity Share Capital</b>	
Balance as at April 01, 2021	796.29
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>796.29</b>
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>796.29</b>

### b) Other Equity (₹ in Lakhs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2021</b>	<b>148.60</b>	<b>6,880.31</b>	<b>4,231.17</b>	<b>60,587.76</b>	<b>71,847.84</b>
Profit for the Year	-	-	-	19,076.00	19,076.00
Remeasurement of defined benefit plans (Net of Taxes)	-	-	-	18.82	18.82
<b>Total Comprehensive Income</b>	-	-	-	<b>19,094.82</b>	<b>19,094.82</b>
Dividend Paid	-	-	-	(3,976.25)	(3,976.25)
<b>Balance as at March 31, 2022</b>	<b>148.60</b>	<b>6,880.31</b>	<b>4,231.17</b>	<b>75,706.33</b>	<b>86,966.41</b>
Profit for the Year	-	-	-	5,308.61	5,308.61
Remeasurement of defined benefit plans (Net of Taxes)	-	-	-	9.66	9.66
<b>Total Comprehensive Income</b>	-	-	-	<b>5,318.27</b>	<b>5,318.27</b>
Dividend Paid	-	-	-	(2,385.74)	(2,385.74)
<b>Balance as at March 31, 2023</b>	<b>148.60</b>	<b>6,880.31</b>	<b>4,231.17</b>	<b>78,638.86</b>	<b>89,898.94</b>

The accompanying notes are the integral part of the Standalone Financial Statements

As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### (Gopal Jain)

Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

#### For and on behalf of the Board of Directors

#### Prahlad Rai Agarwala

Chairman  
DIN: 00847452

#### Ramesh Agarwal

Whole-time Director  
DIN: 00230702

#### Ghanshyam Prasad Agarwala

Vice-Chairman  
DIN: 00224805

#### Manish Agarwal

Company Secretary  
Membership No. A29792

#### Kunj Bihari Agarwal

Managing Director  
DIN: 00224857

#### Sumit Khawala

Chief Financial Officer

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

### 1. CORPORATE AND GENERAL INFORMATION

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

The Company is a Public Limited Company domiciled in India & is incorporated under provision of Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Company is primarily engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. It also has a Power Generation Unit operated on Windmill process.

### 2. BASIS OF ACCOUNTING

#### 2.1 Statement of Compliance

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

The standalone financial statements are approved for issue by the Company's Board of Directors at their meeting held on May 24, 2023. The same shall be placed before the ensuing annual general meeting for the approval of the shareholders.

#### 2.2 Basis of Preparation of Financial Statements

The financial statements have been prepared on historical cost basis, except for following:

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

#### 2.3 Functional and Presentation Currency

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

#### 2.4 Use of Estimates and Judgements

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 2.5 Current Vs non-current classification

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

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

All the other assets are classified as non-current.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

A liability is current when:

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

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

### 2.6 Adoption of new accounting standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- a. **Ind AS 1** – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect the amendment to have any significant impact in its financial statements.
- b. **Ind AS 8** – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Company does not expect the amendment to have any significant impact in its financial statements.
- c. **Ind AS 12** – Income taxes - Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, if a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Inventories

**Raw materials and packing materials** are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials is determined on weighted average basis including packing materials, accessories and dyes and chemicals.

**Work-in-progress and finished goods** are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-progress (measured in kgs) is determined on weighted average basis and cost of work-in-progress (measured in pieces) and cost of finished goods is determined on Retail sales price method.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

**Traded Goods** are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

Adequate provision is made for obsolete and slow-moving stocks, wherever necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods.

### 3.2 Cash and Cash Equivalents

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

### 3.3 Income Tax

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

#### Current Tax

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

#### Deferred Tax

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

### 3.4 Property, Plant and Equipment

#### 3.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).



## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

### 3.4.2. Subsequent Expenditure

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

### 3.4.3. Depreciation and Amortization

- Depreciation on Property Plant & Equipment is provided under Straight Line basis using the rates arrived at based on the useful lives as per Schedule II of the Companies Act, 2013. The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery in the range of 10 - 30 years as against useful life of 15 years stipulated under Schedule II of the Act. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its Property Plant & Equipment.

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

- Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.4.4. Disposal of Assets

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

### 3.4.5. Reclassification to Investment Property

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

### 3.4.6. Capital Work in Progress

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

## 3.5 Leases

### 3.5.1. Company as a lessor

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

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

### 3.5.2. Company as a lessee

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

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

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

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.13 Impairment of non-financial assets.

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

### (ii) Lease Liabilities

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

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

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

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

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

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

## 3.6 Revenue Recognition

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

The specific recognition criteria for revenue recognition are as follows:

### 3.6.1. Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with customers.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company. The period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide the customers the contractual right to return goods within a specified period. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

### 3.6.2. Sale of Services

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

### 3.6.3. Sale Of Power

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

### 3.6.4. Interest Income

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

### 3.6.5. Dividend Income

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

### 3.6.6. Other Operating Revenue

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

## 3.7 Employee Benefits

### 3.7.1. Short Term Benefits

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

### 3.7.2. Post Employment Benefits

The Company operates the following post employment schemes:

#### ➤ Defined Benefit Plans

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

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains



## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

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

### ➤ **Defined Contribution Plan**

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the selected service.

### 3.8 Government Grants

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

### 3.9 Foreign Currency Transactions

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

### 3.10 Borrowing Cost

- Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

loss in the period in which they are incurred.

### 3.11 Interest in Subsidiaries

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

### 3.12 Financial Instruments

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

#### 3.12.1. Financial Assets

##### ➤ **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### ➤ **Classification and Subsequent Measurement:**

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

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

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

△ **Measured at Amortized Cost:** A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

△ **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

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

### ➤ **Derecognition**

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

### ➤ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.12.2. Financial Liabilities

#### ➤ **Recognition and Initial Measurement:**

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

#### ➤ **Subsequent Measurement:**

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

#### ➤ **Derecognition**

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

#### ➤ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### 3.13 Impairment of Non-Financial Assets

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

### 3.14 Provisions, Contingent Liabilities and Contingent Assets

#### 3.14.1. Provisions

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

#### ➤ **Onerous Contracts:**

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

#### 3.14.2. Contingent Liabilities

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

#### 3.14.3. Contingent Assets

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

### 3.15 Intangible Assets

#### **Recognition and Measurement**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful economic lives.

#### **Subsequent Expenditure**

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



## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

other expenditure is recognized in the Statement of Profit & Loss.

### Amortization

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

Assets	Useful Life (In Years)
Copyrights & Trade marks	10
Computer software	5
Business Rights	Over the tenure of the agreement (on straight line basis)

### Disposal

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss.

### Intangible Assets under Development

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

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

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

### 3.17 Operating Segment

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

### 3.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

### 3.19 Measurement of Fair Values

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

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

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

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

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

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

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

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

### 3.20 Business combination under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

### 3.21 Significant accounting judgements and key sources of estimation:

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

### 4 (a). Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Cost</b>							
<b>As at 1st April 2021</b>	2,547.22	10,062.60	8,224.41	818.72	790.36	555.89	22,999.20
Additions	2.81	437.93	2,471.41	29.79	59.60	52.39	3,053.93
Disposals/ Withdrawals	18.86	-	-	-	46.12	130.46	195.44
<b>As at March 31, 2022</b>	<b>2,531.17</b>	<b>10,500.53</b>	<b>10,695.82</b>	<b>848.51</b>	<b>803.84</b>	<b>477.82</b>	<b>25,857.69</b>
Additions	-	1,947.20	1,125.85	68.16	97.03	29.06	3,267.30
Disposals/ Withdrawals/ Transfer	241.87	-	1.45	2.16	123.62	3.78	372.88
<b>As at March 31, 2023</b>	<b>2,289.30</b>	<b>12,447.73</b>	<b>11,820.22</b>	<b>914.51</b>	<b>777.25</b>	<b>503.10</b>	<b>28,752.11</b>
<b>Depreciation</b>							
<b>As at 1st April 2021</b>	-	1,054.90	4,147.65	504.81	330.79	338.19	6,376.34
Charge for the year	-	251.06	519.77	103.21	91.84	71.34	1,037.22
On Disposals/Withdrawals/ Adjustments	-	-	-	-	39.53	124.49	164.02
<b>As at March 31, 2022</b>	-	<b>1,305.96</b>	<b>4,667.42</b>	<b>608.02</b>	<b>383.10</b>	<b>285.04</b>	<b>7,249.54</b>
Charge for the year	-	270.08	588.87	53.03	90.89	65.90	1,068.77
On Disposals/ Withdrawals / Adjustments	-	-	1.12	2.05	91.86	3.66	98.69
<b>As at March 31, 2023</b>	-	<b>1,576.04</b>	<b>5,255.17</b>	<b>659.00</b>	<b>382.13</b>	<b>347.28</b>	<b>8,219.62</b>
<b>Net Block</b>							
<b>As at March 31, 2022</b>	<b>2,531.17</b>	<b>9,194.57</b>	<b>6,028.40</b>	<b>240.49</b>	<b>420.74</b>	<b>192.78</b>	<b>18,608.15</b>
<b>As at March 31, 2023</b>	<b>2,289.30</b>	<b>10,871.69</b>	<b>6,565.05</b>	<b>255.51</b>	<b>395.12</b>	<b>155.82</b>	<b>20,532.49</b>

#### Note:

- i) Refer Note No. 18 and 23 for information on Property, Plant & Equipment mortgaged/ hypothecated as security by the Company.
- ii) Refer Note No. 38 for disclosure on Contractual commitment for acquisition of Property, Plant & Equipment.
- iii) The Company do not have any immovable property (other than the properties where the Company is the lessee and the lease agreement are duly executed in favour of the lessee) whose title deeds are not held in the name of company.
- iv) The Company has not revalued its Property, Plant & Equipment during the current and previous financial year.



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 4 (b). Right of Use Assets

Particulars	Buildings	Leasehold Land	Total
<b>As at 1st April, 2021</b>	1,638.61	271.67	1,910.28
Additions	172.43	-	172.43
Disposals/ Withdrawals	193.40	-	193.40
<b>As at March 31, 2022</b>	<b>1,617.64</b>	<b>271.67</b>	<b>1,889.31</b>
Additions	-	597.11	597.11
Disposals/ Withdrawals	-	-	-
<b>As at March 31, 2023</b>	<b>1,617.64</b>	<b>868.78</b>	<b>2,486.42</b>
<b>Depreciation/Amortisation</b>			
<b>As at 1st April, 2021</b>	82.69	16.09	98.78
Charge for the year	238.96	3.22	242.18
On Disposals/ Withdrawals / adjustments/Transfer	76.96	-	76.96
<b>As at March 31, 2022</b>	<b>244.69</b>	<b>19.31</b>	<b>264.00</b>
Charge for the year	188.88	4.83	193.71
On Disposals/ Withdrawals / adjustments/Transfer	-	-	-
<b>As at March 31, 2023</b>	<b>433.57</b>	<b>24.14</b>	<b>457.71</b>
<b>Net Right of Use Assets</b>			
<b>As at March 31, 2022</b>	<b>1,372.95</b>	<b>252.36</b>	<b>1,625.31</b>
<b>As at March 31, 2023</b>	<b>1,184.07</b>	<b>844.64</b>	<b>2,028.71</b>

**Note:**

(i) Refer Note No. 44 for detailed disclosure as per IndAS 116.

(ii) The Company has not revalued its Right to Use Asset during the current and previous financial year.

### 4 (c). Capital Work in Progress (CWIP)

Description	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the Year	2,612.65	1,935.26
Additions during the Year	1,991.74	2,883.26
Less: Capitalization during the Year	2,633.09	2,205.87
<b>Balance at the end of the Year</b>	<b>1,971.30</b>	<b>2,612.65</b>

**Notes:**

(i) Capital Work in Progress (CWIP) ageing schedule :

**As at March 31, 2023**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	1,576.49	394.81	-	-	1,971.30
Projects temporarily suspended	-	-	-	-	-

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

**As at March 31, 2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	2,612.65	-	-	-	2,612.65
Projects temporarily suspended	-	-	-	-	-

(ii) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting date which has exceeded the cost as compared to its original plan or where completion is overdue.

### 5 (a). Intangible Assets:

Particulars	Computer Software	Business Rights (Refer Note 5(a) (ii) below)	Total
<b>Cost</b>			
<b>As at 1st April 2021</b>	403.99	1,000.00	1,403.99
Additions	1.55	-	1.55
<b>As at March 31, 2022</b>	<b>405.54</b>	<b>1,000.00</b>	<b>1,405.54</b>
Additions	-	-	-
<b>As at March 31, 2023</b>	<b>405.54</b>	<b>1,000.00</b>	<b>1,405.54</b>
<b>Amortisation</b>			
<b>As at 1st April 2021</b>	349.43	454.55	803.98
Charge for the year	49.74	54.55	104.29
<b>As at March 31, 2022</b>	<b>399.17</b>	<b>509.10</b>	<b>908.27</b>
Charge for the year	3.26	54.55	57.81
<b>As at March 31, 2023</b>	<b>402.43</b>	<b>563.65</b>	<b>966.08</b>
<b>Net Block</b>			
<b>As at March 31, 2022</b>	<b>6.37</b>	<b>490.90</b>	<b>497.27</b>
<b>As at March 31, 2023</b>	<b>3.11</b>	<b>436.35</b>	<b>439.46</b>

**Note:**

(i) The Company has not revalued its Intangible Assets during the current and previous financial year.

(ii) The company has carried out impairment test in respect this Intangible Asset and based on the management's assessment of future projection and the independent valuation report, no impairment is required necessary at the balance sheet date.

### 5(b) Intangible Assets Under Development (IAUD)

Description	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the Year	60.00	2.74
Addition during the Year	90.00	60.00
Less: Written Off during the year	-	2.74
Less: Capitalization during the year	-	-
<b>Balance at the end of the Year</b>	<b>150.00</b>	<b>60.00</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Notes:

(i) Intangible assets under development ageing schedule -

As at March 31, 2023

Intangible Assets Under Development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	90.00	60.00	-	-	150.00
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Intangible Assets Under Development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	60.00	-	-	-	60.00
Projects temporarily suspended	-	-	-	-	-

(ii) There are no projects on March 31, 2023 where activity has been suspended. Also, there are no projects as on each reporting date which has exceeded the cost as compared to its original plan or where completion is overdue.

### 6. Investments In Subsidiaries

Particulars	Number of shares	
	As at March 31, 2023	As at March 31, 2022
<b>In Equity Shares</b>		
<b>(Unquoted), Fully paid up</b>		
Imoogi Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	10,000	10,000
Euro Fashion Inners International Pvt. Ltd. (Equity Shares of ₹ 10 each)	41,00,000	41,00,000
Oban Fashions Pvt. Ltd. (Equity Shares of ₹ 1 each)	99,10,000	99,10,000
Rupa Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	50,000	50,000
Rupa Bangladesh Pvt. Ltd. (Equity Shares of BDT 10 each)	1,59,004	1,59,004
<b>In Preference Shares</b>		
Oban Fashions Pvt. Ltd. (0.1% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 1 each)	49,50,000	49,50,000

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>In Equity Shares (at cost)</b>		
Imoogi Fashions Pvt. Ltd.	1.00	1.00
Euro Fashion Inners International Pvt. Ltd.	410.00	410.00
Oban Fashions Pvt. Ltd.	99.10	99.10
Rupa Fashions Pvt. Ltd.	5.00	5.00
Rupa Bangladesh Pvt. Ltd.	13.37	13.37
<b>In Preference Shares (at cost)</b>		
Oban Fashions Pvt. Ltd.	49.50	49.50
	<b>577.97</b>	<b>577.97</b>
Aggregate carrying value of Unquoted Investments	<b>577.97</b>	<b>577.97</b>
Aggregate amount in impairment in value of Investments	<b>Nil</b>	<b>Nil</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 7. Investments

Particulars	Number of shares/Units	
	As at March 31, 2023	As at March 31, 2022
<b>In Equity Instruments</b>		
<b>(Unquoted), Fully paid up</b>		
West Bengal Hosiery Park Infrastructure Limited (Equity Shares of ₹ 10 each)	1,800	1,800

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>In Equity Instruments (at cost)</b>		
<b>(Unquoted), Fully paid up</b>		
West Bengal Hosiery Park Infrastructure Limited	0.18	0.18
	0.18	0.18
<b>Total Investments (A+B)</b>	<b>0.18</b>	<b>0.18</b>
Aggregate Carrying value of Unquoted Investments	0.18	0.18
Aggregate amount in impairment in value of Investments	Nil	Nil

### 8. Other Financial Asset (Unsecured, considered good)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits*	133.27	218.97	265.23	115.15
Interest Accrued on Loan to a Subsidiary	-	-	-	2.12
Interest Accrued on Loan to Bodies Corporate	-	-	16.20	16.20
Interest Accrued on fixed deposit	6.39	-	199.91	64.94
Bank deposits with maturity of more than 12 months from Balance Sheet date**	1,669.09	182.96	-	-
	<b>1,808.75</b>	<b>401.93</b>	<b>481.34</b>	<b>198.41</b>

\* Dues from private companies in which any director is a director is ₹ 89.45 Lakhs (March 31, 2022 ₹ 67.40 Lakhs)

\*\* Held as lien by bank against bank guarantees to the extent ₹ 22.40 lakhs (March 31, 2022 : ₹ 22.40 lakhs)

### 9. Tax Assets (net)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance tax (net of Provision)	-	1,018.46	435.26	-
	-	<b>1,018.46</b>	<b>435.26</b>	-



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 10. Other Assets (Unsecured, Considered good)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances *	567.71	735.25	-	-
Prepaid Expenses	-	-	133.57	234.85
Advance against supply of goods & services ^	-	-	432.87	428.44
Advance to Employees	-	-	79.96	80.84
Balances with Government Authorities	-	-	5,326.96	4,567.68
Claims & Refund Receivable	-	-	505.18	673.30
Sales Tax paid under dispute	-	-	2.89	2.89
Other advances	-	-	4.20	4.21
	<b>567.71</b>	<b>735.25</b>	<b>6,485.63</b>	<b>5,992.21</b>
<b>(Unsecured, Considered Doubtful)</b>				
Advance against supply of goods & services	8.18	-	-	-
Balances with Government Authorities	-	-	83.24	-
Less: Provision	8.18	-	83.24	-
	-	-	-	-
<b>Total Other Assets</b>	<b>567.71</b>	<b>735.25</b>	<b>6,485.63</b>	<b>5,992.21</b>

#### 10.1 Movement of Provision:

<b>Balance as at April 01, 2021</b>	-
Expected Loss Allowances created/(utilized) during the year	-
<b>Balance as at March 31, 2022</b>	-
Expected Loss Allowances created/(utilized) during the year	91.42
<b>Balance as at March 31, 2023</b>	<b>91.42</b>

\* Includes advance amounting to ₹ 400.92 (31st March, 2022: ₹ 400.92 Lakhs) given to West Bengal Housing Infrastructure Development Corporation (WB HIDCO) towards offer for allotment of land on a freehold basis. WB HIDCO later decided to allot land on a leasehold basis which the Company has challenged the matter with the Hon'ble Calcutta High Court. The Hon'ble High Court at Calcutta has vide its order dated February 10, 2020 has decided the Writ petition in favour of the Company. WB HIDCO has filed Special Leave Petition filed in Hon'ble Supreme Court against the order of Hon'ble High Court at Calcutta. The Hon'ble Supreme Court vide its order dated July 19, 2021 has dismissed and disposed off the said petition. The Company has filed contempt proceedings before the Hon'ble Calcutta High Court against WB HIDCO for delay in registration process. Application for contempt proceedings is pending to be heard.

^ Includes advance amounting to ₹ 36.72 lakhs (March 31, 2022: Nil) given to Related Parties. (Refer Note No. 43)

### 11. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Valued at lower of cost and Net realisable value)</b>		
Raw Material including packing materials	5,696.36	7,464.03
Finished Goods	32,000.02	34,129.72
Work in Progress	10,657.71	16,361.96
	<b>48,354.09</b>	<b>57,955.71</b>

Mode of Valuation - Ref Note no. 3.1 of Accounting policy.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Note

Particulars	As at March 31, 2023	As at March 31, 2022
(i). The above includes Stock in transit		
Work in Progress	1.95	105.59
Finished Goods	-	162.49

(ii). Inventories are hypothecated against borrowings (Refer Note no. 23)

(iii). Write downs of value of Raw Materials, Work-in-Progress and Finished Goods at net realizable value amounted to ₹ 359.59 lakhs (PY : ₹ 272.47 lakhs.) These were recognized as expenses during the period and included in "cost of raw materials consumed" ₹ 11.49 lakhs (PY: ₹ 6.23 lakhs) and "change in value of inventories of finished goods" ₹ 348.10 lakhs (PY: ₹ 266.24 lakhs) in the Statement of Profit & Loss.

(iv). The License Agreement for the Brand with Fruit of the Loom ("FOTL") was due to expire on December 31, 2022, and has been extended up to June 30, 2023, awaiting final agreement on the period of extension with FOTL. The inventory held under such brand amounting to ₹ 1140.90 lakhs has been valued as per the accounting policy followed by the Company in this regard.

### 12. Trade receivable

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Trade Receivable considered good - Secured	3,573.74	3,613.97
Trade Receivable considered good - Unsecured	39,022.63	50,555.61
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	404.90	221.61
	<b>43,001.27</b>	<b>54,391.19</b>
<b>Less: Credit Loss Allowances</b>		
Trade Receivable -Credit Impaired	404.90	221.61
	<b>404.90</b>	<b>221.61</b>
<b>Total Trade Receivable</b>	<b>42,596.37</b>	<b>54,169.58</b>
<b>The above amount includes:</b>		
Receivables from related Parties	54.15	54.96
Others	42,542.22	54,114.62
	<b>42,596.37</b>	<b>54,169.58</b>

a) No Trade Receivables due by directors and its officers of the Company.

b) Allowances for credit losses of trade receivables has been estimated based on ageing of receivables and customer related specific information on specific case basis. Refer note 49(b)(a)(i) for details in movement of loss allowance.

c) Trade Receivables are hypothecated against borrowings (Refer Note no. 23)

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### d) Trade receivables Ageing Schedule:

Particulars	Outstanding for following period from due date of payment as on March 31, 2023						Total
	Not Due	Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	31,725.06	8,053.20	2,258.61	340.16	169.14	50.20	42,596.37
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	8.38	87.81	71.50	178.91	58.29	404.90
<b>Disputed Trade Receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	(8.38)	(87.81)	(71.50)	(178.91)	(58.29)	(404.90)
<b>Total</b>	<b>31,725.06</b>	<b>8,053.20</b>	<b>2,258.61</b>	<b>340.16</b>	<b>169.14</b>	<b>50.20</b>	<b>42,596.37</b>

Particulars	Outstanding for following period from due date of payment as on March 31, 2022						Total
	Not Due	Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	37,385.21	15,285.04	862.51	510.53	55.02	71.27	54,169.58
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	10.54	31.15	83.44	34.53	61.95	221.61
<b>Disputed Trade Receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	(10.54)	(31.15)	(83.44)	(34.53)	(61.95)	(221.61)
<b>Total</b>	<b>37,385.21</b>	<b>15,285.04</b>	<b>862.51</b>	<b>510.53</b>	<b>55.02</b>	<b>71.27</b>	<b>54,169.58</b>

e) There are no unbilled revenue as on each reporting date.

### 13. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	15.38	18.09
Balances with banks		
Current accounts	383.43	330.22
Cash Credit account	259.47	53.64
<b>Total</b>	<b>658.28</b>	<b>401.95</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 14. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend accounts	14.07	15.00
Bank deposits with maturity of more than 3 months but less than 12 months from Balance Sheet date*	10,568.99	11,783.06
<b>Total</b>	<b>10,583.06</b>	<b>11,798.06</b>

\* Held as lien by bank against bank guarantees to the extent ₹ 45.55 lakhs (March 31, 2022 : ₹ 45.55 lakhs)

### 15. Loans

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to Bodies Corporate	200.00	200.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>

### (i) Loans or advances to specified persons

Type of Borrower	Amount		%age	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties	-	-	-	-
Others	200.00	200.00	100.00	100.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>100.00</b>	<b>100.00</b>

(ii) As required under section 186(4) of the Companies Act 2013 loan granted is for general business purpose.

(iii) There are no outstanding loans from director or other officer of the company as on the each reporting date.

### 16. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
<b>Total</b>	<b>20,00,00,000</b>	<b>2,000.00</b>	<b>20,00,00,000</b>	<b>2,000.00</b>
<b>Issued share capital</b>				
Equity shares of ₹ 1/- each	7,97,33,560	797.34	7,97,33,560	797.34
<b>Total</b>	<b>7,97,33,560</b>	<b>797.34</b>	<b>7,97,33,560</b>	<b>797.34</b>
<b>Subscribed &amp; Paid-up share capital</b>				
Equity shares of ₹ 1/- each	7,95,24,560	795.24	7,95,24,560	795.24
Equity shares forfeited of ₹ 1/-each, Paid up ₹ 0.50 per Share	2,09,000	1.05	2,09,000	1.05
<b>Total</b>	<b>7,97,33,560</b>	<b>796.29</b>	<b>7,97,33,560</b>	<b>796.29</b>



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### a) Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

### b) Terms/ Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended March 31, 2023 the Company has proposed final dividend of ₹ 3/- per share (March 31, 2022: ₹ 3/- per share) subject to approval of members in the ensuing Annual General Meeting.

### c) Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>Equity Shares of ₹ 1/- each, fully paid up</b>				
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,67,63,656	21.08%
Ullas Sales Promotion LLP (Formerly known as Ullas Sales Promotion Limited)	2,16,30,860	27.20%	2,16,30,860	27.20%

\* holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm, namely, "Binod Hosiery"

### e) Details of promoter shareholding

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	% Change during the period	No. of shares	% of total shares	% Change during the year
Prahlad Rai Agarwala	21,52,506	2.71%	-	21,52,506	2.71%	-0.01%
Prahlad Rai Agarwala*	1,67,63,656	21.08%	-	1,67,63,656	21.08%	-
Ghanshyam Prasad Agarwala	13,17,148	1.66%	-	13,17,148	1.66%	-
Kunj Bihari Agarwal	12,77,965	1.61%	-	12,77,965	1.61%	-
Ullas Sales Promotion LLP	2,16,30,860	27.20%	-	2,16,30,860	27.20%	-

\* holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm

As per records of the Company, including its register of shareholders / members as on 31st March, 2023, the above shareholding represents legal ownership of shares.

- f) The company has neither issued bonus shares nor has bought back any shares during last 5 years.
- g) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- h) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 17. Other Equity

Particulars	Ref. Note	As at March 31, 2023	As at March 31, 2022
Capital reserve	17.1	148.60	148.60
Securities premium reserve	17.2	6,880.31	6,880.31
General reserve	17.3	4,231.17	4,231.17
Retained earnings	17.4	78,638.86	75,706.33
		<b>89,898.94</b>	<b>86,966.41</b>

### Changes in Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>17.1 Capital reserve</b>		
Opening balance	148.60	148.60
Changes during the year	-	-
	<b>148.60</b>	<b>148.60</b>
<b>17.2 Securities premium reserve</b>		
Opening balance	6,880.31	6,880.31
Changes during the year	-	-
	<b>6,880.31</b>	<b>6,880.31</b>
<b>17.3 General reserve</b>		
Opening balance	4,231.17	4,231.17
Changes during the year	-	-
	<b>4,231.17</b>	<b>4,231.17</b>
<b>17.4 Retained earnings</b>		
Opening balance	75,706.33	60,587.76
Add: Profit for the year	5,308.61	19,076.00
Less: Remeasurement of Defined benefit plans (net of tax)	9.66	18.82
Less: Dividend paid	(2,385.74)	(3,976.25)
	<b>78,638.86</b>	<b>75,706.33</b>

### Nature and purpose of other reserves

#### i) Capital reserve

This reserve has been created pursuant to scheme of arrangement between company and its wholly owned subsidiary and can be utilized in accordance with the provisions of the Companies Act, 2013.

#### ii) Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### iii) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### iv) Retained Earnings

This reserve represents the cumulative profit of company and effects of remeasurement of defined benefit plans. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

### v) Remeasurement of Defined benefit plans

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan asset (excluding interest income) which are recognised in other comprehensive income and then immediately transferred to retained earnings.

### 18. Non Current Borrowings

(₹ in Lakhs)

Particulars	Non Current	
	As at March 31, 2023	As at March 31, 2022
<b>Secured Term Loan</b>		
Rupee loan from a Banks	1,593.36	2,277.14
Less: Current portion of long term borrowings (Disclosed under Current Borrowings refer note no- 23 )	572.69	683.78
	<b>1,020.67</b>	<b>1,593.36</b>

#### Note:

- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
- Terms & conditions**
  - Term Loan with a balance of ₹ 62.51 lakhs (March 31, 2022: ₹ 312.56 Lakhs) is repayable in balance 1 quarterly installments of ₹ 62.51 Lakhs and carries interest @ 8.90% to 9.15% per annum (March 31, 2022: @ 8.90% to 9.15% per annum). The said Term Loan having sanction limit of ₹ 1150.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - Term Loan with a balance of ₹ 432.30 lakhs (March 31, 2022: ₹ 558.83 Lakhs) is repayable in balance 41 equal monthly installments of ₹ 10.54 Lakhs and carries interest @ 9 % per annum (March 31, 2022: 9%). The said Term Loan having sanction limit of ₹ 1445.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - Term Loan with a balance of ₹ 307.17 lakhs (March 31, 2021: 482.70 Lakhs) is repayable in balance 6 equal quarterly installments of ₹ 43.88 Lakhs and one quarterly installment of ₹ 41.88 Lakhs and last installment of ₹ 2.00 Lakhs and carries interest @ 8.85 % per annum (March 31, 2022: 8.85%). The said Term Loan having sanction limit of ₹ 800.00 lakhs is secured by exclusive charge by way of hypothecation of specific Plant & Machinery funded by bank.
  - Term Loan with a balance of ₹ 178.18 Lakhs (March 31, 2022: ₹ 233 Lakhs) is repayable in balance 13 equal quarterly installments of ₹ 13.71 Lakhs and carries interest @ 8.85 % per annum (March 31, 2022: 8.85%). The said Term Loan having sanction limit of ₹ 300.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - Term Loan with a balance of ₹ 613.20 Lakhs (March 31, 2022: ₹ 690.05 Lakhs) is repayable balance 16 equal quarterly installments of ₹ 38.33 Lakhs and carries interest @ 7.35 % per annum (March 31, 2022: 7.35%). The said Term Loan having sanction limit of ₹ 740.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - No loans have been guaranteed by the directors.

### 19. Lease Liabilities

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease Obligations (Refer Note No: 44)	1,206.05	1,354.87	150.78	134.56
	<b>1,206.05</b>	<b>1,354.87</b>	<b>150.78</b>	<b>134.56</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 20. Provisions

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (Refer Note No: 42)	190.32	215.03	88.69	55.07
Provision for Litigation, claims & contingencies (Refer note no. 39(a))	-	-	70.55	70.55
	<b>190.32</b>	<b>215.03</b>	<b>159.24</b>	<b>125.62</b>

The company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the company in due course.

#### 20.1 Movement of Provision:-

Particulars	
<b>Balance as at April 01, 2021</b>	70.55
Provision utilized during the year	-
<b>As at March 31, 2022</b>	<b>70.55</b>
Provision utilized during the period	-
<b>As at March 31, 2023</b>	<b>70.55</b>

### 21. Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liabilities</b>		
Arising on account of:		
Temporary difference with respect to Property, Plant & Equipments and Intangibles	1,499.00	1,350.05
	<b>1,499.00</b>	<b>1,350.05</b>
<b>Less: Deferred Tax Assets</b>		
Arising on account of:		
Provision for Doubtful debt & advances	124.92	55.78
Provision for Employee Benefit Expenses	70.23	67.98
Provision for Litigation, claims & contingencies	17.76	17.76
Deferred Revenue on Government Grant	37.13	44.07
Other	56.07	29.32
	<b>306.11</b>	<b>214.91</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>1,192.89</b>	<b>1,135.14</b>



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 21.1 Movement in deferred tax assets and liabilities during the year ended March 31, 2022

Particulars	As at April 01, 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2022
<b>Deferred Income Tax Liabilities</b>				
Temporary difference with respect to Property, Plant & Equipments and Intangibles	1,267.87	82.18	-	1,350.05
<b>A</b>	<b>1,267.87</b>	<b>82.18</b>	<b>-</b>	<b>1,350.05</b>
<b>Deferred Income Tax Assets</b>				
Unabsorbed Depreciation & Business Loss	1,209.61	(1,209.61)	-	-
Provision for Doubtful debt & advances	37.51	18.27	-	55.78
Provision for Employee Benefit Expenses	82.67	(8.36)	(6.33)	67.98
Provision for Litigation / claims & contingencies	17.76	-	-	17.76
Deferred Revenue on Government Grant	51.01	(6.94)	-	44.07
Others	11.37	17.95	-	29.32
<b>B</b>	<b>1,409.93</b>	<b>(1,188.69)</b>	<b>(6.33)</b>	<b>214.91</b>
<b>Deferred Tax Liabilities (Net) (A-B)</b>	<b>(142.06)</b>	<b>1,270.87</b>	<b>6.33</b>	<b>1,135.14</b>

### 21.2 Movement in deferred tax assets and liabilities during the year ended March 31, 2023

Particulars	As at April 01, 2022	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2023
<b>Deferred Income Tax Liabilities</b>				
Temporary difference with respect to Property, Plant & Equipments and Intangibles	1,350.05	148.95	-	1,499.00
<b>A</b>	<b>1,350.05</b>	<b>148.95</b>	<b>-</b>	<b>1,499.00</b>
<b>Deferred Income Tax Assets</b>				
Provision for Doubtful debt & advances	55.78	69.14	-	124.92
Provision for Employee Benefit Expenses	67.98	5.50	(3.25)	70.23
Provision for Litigation / claims & contingencies	17.76	-	-	17.76
Deferred Revenue on Government Grant	44.07	(6.94)	-	37.13
Others	29.32	26.75	-	56.07
<b>B</b>	<b>214.91</b>	<b>94.45</b>	<b>(3.25)</b>	<b>306.11</b>
<b>Deferred Tax Liabilities (Net) (A-B)</b>	<b>1,135.14</b>	<b>54.50</b>	<b>3.25</b>	<b>1,192.89</b>

### 22. Other Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deferred Revenue (Refer Note No: 50)	119.93	147.51	27.58	27.58
Advances from customers	-	-	24.85	12.13
Statutory dues payable	-	-	341.80	639.17
	<b>119.93</b>	<b>147.51</b>	<b>394.23</b>	<b>678.88</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 23. Current Borrowing (Secured)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
<b>Loan Repayable on demand</b>		
From banks:		
Cash Credit	470.22	920.86
Working Capital Demand Loans	20,900.00	32,300.00
Packing Credit loans	1,500.00	-
Current Maturities of Long Term Borrowings (Refer note no. 18)	572.69	683.78
	<b>23,442.91</b>	<b>33,904.64</b>

#### (i) Terms & conditions :

- Cash credit facilities, Working Capital Demand Loan and Packing Credit Loans are secured by hypothecation of inventories/ book debts and other current assets of the Company and further secured by second charge of movable and immovable fixed assets of Domjur Unit, West Bengal.
- Working Capital facilities carries interest @ 4.40% p.a. to 11.00% p.a. (31st March 2022: @2.50% p.a. to 11.00% p.a.)
- No loans have been guaranteed by the directors and others.
- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
- The quarterly returns/statements filed by the Company with the banks are in agreement with the books of accounts of the Company.

### 24. Trade payables

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (Refer Note no. 40)	735.81	932.72
Total outstanding dues of creditors other than micro and small enterprises	11,909.79	20,697.91
	<b>12,645.60</b>	<b>21,630.63</b>

#### Trade Payable ageing

##### a) Trade payables Ageing Schedule:

Particulars	Outstanding as on March 31, 2023 from due date of payment						
	Unbilled	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	735.81	-	-	-	735.81
(ii) Others	811.31	8,520.90	2,250.37	162.89	91.66	72.65	11,909.79
(iii) Disputed - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>811.31</b>	<b>8,520.90</b>	<b>2,986.18</b>	<b>162.89</b>	<b>91.66</b>	<b>72.65</b>	<b>12,645.60</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2022 from due date of payment						
	Unbilled	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	932.72	-	-	-	932.72
(ii) Others	1,969.68	14,181.48	4,145.73	154.74	66.27	180.01	20,697.91
(iii) Disputed - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>1,969.68</b>	<b>14,181.48</b>	<b>5,078.45</b>	<b>154.74</b>	<b>66.27</b>	<b>180.01</b>	<b>21,630.63</b>

### 25. Other Financial Liabilities

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due on borrowings	31.02	51.31
Book Overdraft in current Account	304.97	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	14.07	15.00
Trade Deposits	4,494.47	4,607.90
Capital Creditors	157.54	59.55
Dealers Incentive payable	653.64	919.07
Payable to employees	608.55	1,138.68
Others*	318.91	357.74
	<b>6,583.17</b>	<b>7,149.25</b>

\* including refundable to dealers, miscellaneous liabilities and other payables towards claim settlement

### 26. Current Tax Liabilities (Net)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Provisions for Taxation (Net of Payments)	69.58	1,020.90
	<b>69.58</b>	<b>1,020.90</b>

### 27. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	<b>Sale of products :</b>	
Finished Goods#	1,08,683.93	1,38,981.67
Semi-Finished Goods	350.92	566.50
	<b>1,09,034.85</b>	<b>1,39,548.17</b>
<b>Sale of services</b>		
Service Income	2,126.64	2,798.74
	<b>2,126.64</b>	<b>2,798.74</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Other operating revenues</b>		
Sale of Power	41.40	43.46
Wastage sales	246.94	300.62
Export Incentive	266.60	260.06
Deferred Revenue on Government Grant	27.58	27.58
	<b>582.52</b>	<b>631.72</b>
	<b>1,11,744.01</b>	<b>1,42,978.63</b>

#Net of incentives/discounts

### A. Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Company generates its revenue

- a) The Company is engaged in the manufacturing of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Company.

### B. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Primary Geographical Markets</b>		
a) Within India	1,07,016.44	1,39,062.14
b) Outside India	4,145.05	3,284.77
<b>Total</b>	<b>1,11,161.49</b>	<b>1,42,346.91</b>
<b>ii) (a) Major Products</b>		
Hosiery Products	1,09,034.85	1,39,548.17
<b>Total</b>	<b>1,09,034.85</b>	<b>1,39,548.17</b>
<b>ii) (b) Sale of Services</b>		
Service Income	2,126.64	2,798.74
<b>Total</b>	<b>2,126.64</b>	<b>2,798.74</b>
<b>iii) Timing of Revenue</b>		
At a point in time	1,11,161.49	1,42,346.91
<b>Total</b>	<b>1,11,161.49</b>	<b>1,42,346.91</b>
<b>iv) Contract Duration</b>		
Long Term	-	-
Short Term	1,11,161.49	1,42,346.91
<b>Total</b>	<b>1,11,161.49</b>	<b>1,42,346.91</b>

### C. Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Receivables, which are included in 'Trade receivables' (Refer Note no. 12)	42,596.37	54,169.58
Contract liabilities (Refer Note No. 22)	24.85	12.13



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### D. Other Information

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transaction price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current year that was included in the opening contract liability balance	12.13	21.38
The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil

Performance obligations- The Company satisfy the performance obligation on shipment/delivery.

### Reconciliation of amount of revenue recognised in the statement of Profit & Loss with Contracted Price

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contracted Price	1,20,665.88	1,55,080.45
<b>Adjustments</b>		
Dealer incentive & Discount	9,504.39	12,733.54
<b>Revenue from Contract with Customers</b>	<b>1,11,161.49</b>	<b>1,42,346.91</b>

### 28. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income :</b>		
On Bank deposits#	650.76	701.94
On receivable	60.19	6.12
On Income Tax refund	196.70	-
On Loan to a subsidiary company#	-	2.36
On Loan to Bodies Corporate#	18.00	18.00
	<b>925.65</b>	<b>728.42</b>
<b>Other Non-operating income</b>		
Profit on disposal of Property, Plant and Equipment (Net)	88.92	52.55
Gain on Disposal/Retirement of Right of Use Assets	-	7.64
Excess provision/Liabilities written back	349.13	97.32
Provision for Doubtful Trade Receivables written back	-	27.12
Foreign Exchange gain (net)	211.29	121.74
Insurance Claim Received	5.74	2.44
Gain on Disposal of Derivative Instruments	-	22.50
Miscellaneous Income	24.58	10.72
	<b>679.66</b>	<b>342.03</b>
	<b>1,605.31</b>	<b>1,070.45</b>

#represents interest income from financial assets measured at amortized cost

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 29. Cost of material consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory	7,464.03	6,481.52
Add : Purchases	48,599.84	77,971.06
Less : Inventory at the end of the year	5,696.36	7,464.03
	<b>50,367.51</b>	<b>76,988.55</b>
<b>Details of Material Consumed</b>		
Yarn/Than	36,913.83	56,844.08
Packing Materials, Accessories and other Material	13,453.68	20,033.32
	<b>50,367.51</b>	<b>76,877.40</b>

### 30. Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory	-	-
Add : Purchases	45.82	419.66
Less : Inventory at the end of the year	-	-
	<b>45.82</b>	<b>419.66</b>

### 31. Changes in Inventories of Finished Goods and Work in Progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening stock</b>		
Finished Goods	34,129.72	18,674.50
Work in Progress	16,361.96	13,564.48
	<b>50,491.68</b>	<b>32,238.98</b>
<b>Closing stock</b>		
Finished Goods	32,000.02	34,129.72
Work in Progress	10,657.71	16,361.96
	<b>42,657.73</b>	<b>50,491.68</b>
Increase/(Decrease)	<b>7,833.95</b>	<b>(18,252.69)</b>

### 32. Employee benefit expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	5,551.40	6,464.83
Contribution to Provident and Other Funds	110.70	137.27
Gratuity*	74.06	129.91
Staff Welfare Expenses	54.84	33.19
	<b>5,791.00</b>	<b>6,765.20</b>

\*For descriptive notes on disclosure of defined benefit obligation refer note no. 42

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 33. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest Expenses</b>		
-On Borrowings	1,998.92	1,365.42
-On Income Tax	-	108.50
-On Others	206.11	235.63
Amortization of Lease Liability	95.64	112.60
	<b>2,300.67</b>	<b>1,822.15</b>
Less: Borrowings cost capitalized*	(37.49)	(8.00)
	<b>2,263.18</b>	<b>1,814.15</b>

\*The capitalization rate of borrowing cost has been considered in the range of 4.40% p.a. to 11.00% p.a. (31st March 2022: @2.50% p.a. to 11.00% p.a.)

### 34. Depreciation & Amortisation Expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On Property, Plant & Equipment	1,068.77	1,037.22
On Intangible assets	57.81	104.29
On Right of Use Assets	193.71	242.18
	<b>1,320.29</b>	<b>1,383.69</b>

### 35. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	77.42	151.78
Sub-contracting /Job Worker expenses	21,017.17	32,710.94
Power & Fuel	2,008.69	2,263.14
Freight outwards and Forwarding expenses	1,809.41	2,610.04
Rent	94.01	90.53
Rates and taxes	98.97	165.65
Insurance	231.11	212.29
Repairs and Maintenance :		
- Plant and Machinery	282.63	412.56
- Buidling and others	305.92	442.05
Advertising	7,792.72	6,128.88
Sales Promotion	77.08	57.26
Business Convention	124.43	449.99
Brokerage & Commission	1,344.67	1,817.71
Travelling and Conveyance	1,185.24	881.88
Communication costs	107.08	103.72
Bank Charges	54.83	56.31
Legal and Professional fees	290.40	281.00
Directors' Sitting fees & Commision	72.70	66.85
Payment to auditors' (refer note below)	34.78	39.19

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bad Debts/ advance written off	4.73	68.46
Provision for Doubtful Trade Receivables/advances/ others	274.71	-
Royalty on Sales	57.56	9.70
Contribution for CSR activities (Refer Note no. 47)	390.89	328.51
Miscellaneous expenses	1,150.79	1,056.17
	<b>38,887.94</b>	<b>50,404.61</b>

### Note:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to auditor		
For Audit Fees	19.10	19.55
For Limited Review Fees	14.25	15.25
For Others	0.75	3.85
Out of Pocket Expenses	0.68	0.54
	<b>34.78</b>	<b>39.19</b>

### 36. Tax Expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax for the year	1,753.00	4,448.00
Deferred Tax for the year	54.50	1,270.87
<b>Tax Expense for current year</b>	<b>1,807.50</b>	<b>5,718.87</b>
Income Tax for earlier years	(276.48)	(268.96)
<b>Tax Expense in Statement of Profit &amp; Loss</b>	<b>1,531.02</b>	<b>5,449.91</b>

### Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income before Income taxes	6,839.63	24,525.91
Indian Statutory Income tax Rate u/s 115BAA of the Income Tax Act, 1961	25.17%	25.17%
<b>Estimated Income tax expenses</b>	<b>1,721.40</b>	<b>6,172.68</b>
<b>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense:</b>		
Expenses Disallowed for tax purpose	98.38	113.89
Set off with brought forward capital loss	(22.21)	(7.28)
Deferred Tax on brought forward losses of division merged acquired pursuant to scheme of arrangement	-	(545.26)
Others	9.93	(15.16)
	<b>86.10</b>	<b>(453.81)</b>
<b>Income Tax expense in the Statement of Profit and Loss</b>	<b>1,807.50</b>	<b>5,718.87</b>



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 37. Earning per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	5,308.61	19,076.00
Weighted average number of Equity Shares (in number) (b)	7,95,24,560	7,95,24,560
Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ₹ 1/- per share)	6.68	23.99

### 38. Capital and other commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	142.57	626.86

### 39. a) Contingent Liabilities & Contingent Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Demands / claims by various government authorities and others not acknowledged as debts and contested by the management or government	-	-
Excise Duty claim	56.30	-
Sales Tax claim [Amount deposited under Dispute ₹ 2.89 Lakhs (P.Y. ₹ 2.89 Lakhs)]	19.40	19.40
Entry Tax (including interest thereon)*	1,119.67	1,021.42
Bank Guarantees outstanding	220.00	920.00
Guarantees Given to Bank		
-West Bengal Hosiery Park Infrastructure Ltd.	200.00	200.00

\* During the year 2013-14, the Company had challenged, before the Hon'ble High Court of Calcutta, the imposition of entry tax by the State Government of West Bengal on receipt of materials from outside the state on the ground that such imposition of entry tax is ultra vires / unconstitutional. The Company has received a favourable interim order dated June 5, 2013 and the matter is presently sub judice. Accordingly, the liability (including interest) has not been provided in books of accounts since FY 2013-14.

**Note:** The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company does not expect any reimbursements against above

b) The Code on Social Security, 2020 (Code) related to various employee benefits received Presidential assent in September, 2020 and has been published in the Gazette of India. However, the date on which the Code will come in effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount remaining unpaid to any supplier at the end of accounting year	735.81	932.72
Interest due on above	-	-
<b>Total</b>	<b>735.81</b>	<b>932.72</b>
Amount of interest paid by the Company to the suppliers in terms of section 16 of the MSMED Act, 2006 alongwith amount paid to the suppliers beyond the respective due date	-	-
Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	3.46	3.46
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 41. Dividend

The Board of Directors at its meeting held on May 24, 2023 have recommended a payment of final dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2023. The same amounts to ₹ 2,385.74 lakhs. The same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

### 42. Employee Benefit (Defined Benefit Plan)

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

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the plan.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 42(a)

Particulars	Non-Funded		Funded	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Change in projected benefit obligations</b>				
Obligations at beginning of the year	66.35	27.87	562.67	521.34
Increase / (Decrease) due to effect of any business combination / divesture / transfer)*	-	-	-	-
Current Service cost	-	26.39	56.16	48.77
Past Service cost	-	39.96	-	-
Interest Cost	4.72	-	39.95	35.97
Benefits settled	-	-	(16.14)	(28.64)
Actuarial (gain) /loss (through OCI)	(71.07)	(27.87)	43.65	(14.77)
<b>Obligations at end of the year</b>	<b>0.00</b>	<b>66.35</b>	<b>686.29</b>	<b>562.67</b>

### 42(b)

Particulars	Non-Funded		Funded	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Change in plan assets</b>				
Plan assets at beginning of the year, at fair value			358.93	258.88
Interest income			26.76	21.18
Remeasurement - Return on Assets			(14.50)	(17.49)
Contributions			52.23	125.00
Benefits settled			(16.14)	(28.64)
<b>Plan assets at end of the year</b>			<b>407.28</b>	<b>358.93</b>

### 42(c)

Particulars	Non-Funded		Funded	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Net Defined Benefit liability / (asset)</b>				
Present value of defined benefit obligation at the end of the year	-	66.35	686.29	562.68
Fair value of plan assets at the end of the year	-	-	407.28	358.93
<b>Net liability/(asset) recognised in the Balance Sheet</b>	<b>-</b>	<b>66.35</b>	<b>279.01</b>	<b>203.75</b>

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 42(d)

Particulars	Non-Funded		Funded	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Expenses recognised in Statement of Profit and Loss</b>				
Service cost	-	66.35	56.16	48.77
Interest cost (net)	4.72	-	13.18	14.79
<b>Total expense recognised in Statement of Profit and Loss</b>	<b>4.72</b>	<b>66.35</b>	<b>69.34</b>	<b>63.56</b>

### 42(e)

Particulars	Non-Funded		Funded	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Re-measurement gains / (losses) in OCI</b>				
Actuarial (gain) / loss due to financial assumption changes	-	-	(10.69)	(8.59)
Actuarial (gain) / loss due to experience adjustments	(71.06)	(27.87)	54.34	(6.18)
Return on plan assets (greater)/less than discount rate	-	-	14.50	17.49
<b>Total amount routed through OCI</b>	<b>(71.06)</b>	<b>(27.87)</b>	<b>58.15</b>	<b>2.72</b>

42(f) The major categories of plan assets of the fair value of the total plan assets are as follows:

Actuarial (gain) / loss due to experience adjustments	Non-Funded		Funded	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Investments with insurer	N.A.	N.A.	100%	100%

42(g) The principal assumptions used in determining gratuity benefit obligations for the Company are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.40%	7.40%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	IALM (2012-14) table	IALM (2012-14) table
Withdrawal Rate	1% to 20%	1% to 20%

42(h) A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

### Funded

Particulars	Sensitivity	As at March 31, 2023		As at March 31, 2022	
		Increase	Decrease	Increase	Decrease
<b>Effects on Defined Benefit Obligation due to change in</b>					
Discount Rate	1%	642.28	739.72	522.53	608.46
Further salary increase	1%	729.31	649.92	599.15	530.03
Withdrawal Rates	1%	678.11	696.67	568.94	555.63



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Non-funded

Particulars	Sensitivity	As at March 31, 2023		As at March 31, 2022	
		Increase	Decrease	Increase	Decrease
<b>Effects on Defined Benefit Obligation due to change in</b>					
Discount Rate	1%	-	-	61.04	72.55
Further salary increase	1%	-	-	72.70	60.85
Withdrawal Rate	1%	-	-	65.65	67.01

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**42(i)** The average duration of the defined benefit plan obligation at the end of the reporting period is 5.64 years (March 31, 2022: 5.42 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

Particulars	Funded Amount - ₹ in Lakhs
<b>Expected benefits payment for the year ending on</b>	
March 31, 2024	88.69
March 31, 2025	28.43
March 31, 2026	22.68
March 31, 2027	25.97
March 31, 2028	43.11
March 31, 2029 to March 31, 2033	219.19

### 42(j) Defined Contribution Plan

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to Provident/pension funds (refer note no. 32)	110.70	137.27

### 43. Related Party Disclosure

#### Names of related parties and related party relationship

#### Related parties where control exists

Subsidiary Companies	
	Euro Fashion Inners International Pvt. Ltd.
	Imoogi Fashions Pvt. Ltd.
	Oban Fashions Pvt Ltd
	Rupa Fashions Private Limited
	Rupa Bangladesh Private Limited

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Related parties with whom transactions have taken place during the year

Key Management Personnel		
Mr. Prahlad Rai Agarwala	Chairman	
Mr. Ghanshyam Prasad Agarwala	Vice Chairman	
Mr. Kunj Bihari Agarwal	Managing Director	
Mr. Ramesh Agarwal	Whole-time Director (Ceased to be Chief Financial Officer w.e.f. 31-05-2022)	
Mr. Mukesh Agarwal	Whole-time Director	
Mr. Vikash Agarwal	Whole-time Director (w.e.f. 23-05-2022)	
Mr. Niraj Kabra	Executive Director	
Mr. Dinesh Kumar Lodha	Chief Executive Officer (ceased w.e.f. 31-05-2022)	
Mr. Ashok Bhandari	Independent Director	
Mr. Dipak Kumar Banerjee	Independent Director	
Mr. Dharam Chand Jain	Independent Director	
Mr. Vinod Kumar Kothari	Independent Director	
Mr. Sushil Patwari	Independent Director	
Mrs. Alka Devi Bangur	Independent Director	
Mr. Sunil R Chandiramani	Independent Director (appointed w.e.f. 23-05-2022)	
Mr. Sumit Khowala	Chief Financial Officer (appointed w.e.f. 01-06-2022)	
Mr. Manish Agarwal	Company Secretary	
Mr. Kundan Kumar Jha	Company Secretary (ceased w.e.f. 28-02-2022)	
Close family member of Key Managerial Personnel		
Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala	
Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala	
Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal	
Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala	
Mr. Siddhant Agarwal	Grand-Son of Mr. Prahlad Rai Agarwala	
Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala	
Ms. Anusha Agarwal	Daughter of Mr. Ravi Agarwal	
Mr. Aparesh Agarwal	Son of Mr. Ramesh Agarwal	
Mr. Avnish Agarwal	Son of Mr. Ravi Agarwal	
Ms. Devanshi Agarwal	Daughter of Mr. Mukesh Agarwal	
Mr. Keshav Agarwal	Son of Mr. Mukesh Agarwal	
Ms. Srishti Agarwal	Daughter of Mr. Suresh Agarwal	
Ms. Vaaridhi Agarwal	Daughter of Mr. Ramesh Agarwal	
Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala	
Mrs. Puspa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala	
Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal	
Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal	
Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal	
Mrs. Shalini Agarwal	Wife of Mr. Vikash Agarwal	
Mrs. Sudha Agarwal	Wife of Mr. Suresh Agarwal	
Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala	

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	
	Salasar Projects and Estates Pvt. Ltd.
	Sidhant Flats & Apartments Pvt Ltd.
	Salasar Infrastructure Ltd.
	Sobhasaria Properties Pvt Ltd
	Ullas Sales Promotion LLP
	Lambodar Hosiery Pvt Ltd.
	Arrow-Link Stitchers Pvt Ltd
	Rupa Spinners Ltd.
	Salasar Developers & Garments Pvt Ltd.
	Bajrangbali Projects Ltd.
	Sidhant Textiles Pvt Ltd.
	Ganesh Enclave Ltd.
	Gajkarna Projects Private Limited
	Ravi Global Pvt Ltd.
	Kadambari Impex & Agency Pvt Ltd.
	Shatabhisha Commercial LLP
	Prahlad Rai Suresh Kumar - HUF
	Suresh Kumar Agarwal - HUF
	Mukesh Kumar Agarwal - HUF
	Ghanshyam Prasad Manish Kumar - HUF
	K B & Sons - HUF
	Ravi Agarwal - HUF
	Binod Hosiery
	Siddhant Credit Capital Ltd.
	Yashoda Hosiery Pvt. Ltd
	Rupa Foundation
	Tushar Knitting LLP
	Bajrangbali Hosiery P Ltd
	Rupa Dyeing & Printing Pvt Ltd
	Salasar Processors Pvt. Ltd.
	Bajrangbali Textiles Pvt. Ltd.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Related party transactions

Particulars	Party	Nature of relationship	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Amount	Amount
Rent	Mr. Ghanshyam Prasad Agarwala	Key Management Personnel	1.37	1.37
	Mr. Kunj Bihari Agarwal		0.58	0.58
	Mrs. Puspa Devi Agarwal	Close family member of Key Managerial Personnel	0.22	0.22
	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	7.20	-
	Bajrangbali Hosiery P Ltd	Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel	1.74	1.74
	Salasar Infrastructure Ltd.		1.30	1.30
	Rupa Spinners Ltd.		1.30	1.30
	Salasar Developers & Garments Pvt Ltd.	or close family member of Key Managerial Personnel	1.30	1.30
	Bajrangbali Projects Ltd.		1.30	1.30
	Sidhant Textiles Pvt Ltd.		1.37	1.37
	Ganesh Enclave Ltd.		1.30	1.30
	Ravi Global Pvt Ltd.		1.37	1.37
	Kadambari Impex & Agency Pvt Ltd.		1.37	1.37
	Sobhasaria Properties Pvt Ltd		1.73	1.73
Others		1.15	1.15	
Payment of Lease Liability	Sobhasaria Properties Pvt Ltd		29.04	28.80
Salary & Perquisites	Mr. Prahlad Rai Agarwala #	Key Management Personnel	149.04	229.60
	Mr. Ghanshyam Prasad Agarwala		134.64	122.40
	Mr. Kunj Bihari Agarwal		140.76	122.40
	Mr. Ramesh Agarwal		99.36	122.40
	Mr. Mukesh Agarwal		99.36	122.40
	Mr. Vikash Agarwal		99.36	115.20
	Mr. Dinesh Kumar Lodha		78.24	434.85
	Mr. Niraj Kabra		23.41	21.37
	Mr. Manish Agarwal		20.86	3.21
	Mr. Sumit Khowala		52.00	-
	Mr. Kundan Kumar Jha		-	28.44
	Mr. Manish Agarwal	Close family member of Key Managerial Personnel	103.68	115.20
	Mr. Ravi Agarwal		103.68	115.20
	Mr. Rajnish Agarwal		103.68	115.20
Mr. Suresh Agarwal		69.12	76.80	
Mr. Siddhant Agarwal		55.44	50.40	



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Amount	Amount
	Mrs. Rekha Patodia		28.00	25.00
Sitting Fees & Commission	Mr. Dipak Kumar Banerjee	Key Managerial	14.00	13.65
	Mr. Dharam Chand Jain	Personnel: Independent	7.50	7.50
	Mr. Vinod Kumar Kothari	Director	11.50	12.65
	Mr. Sushil Patwari		12.50	12.15
	Mr. Ashok Bhandari		14.00	13.40
	Mr. Sunil Rewachand Chandiramani		6.60	-
	Mrs. Alka Devi Bangur		6.60	7.50
Sales of Goods	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	204.51	158.93
	Oban Fashions Pvt. Ltd.		-	15.49
	Gajkarna Projects Private Limited	Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	74.93	-
Sale of Services	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	38.90	45.07
Interest Income	Oban Fashions Pvt. Ltd.		-	2.36
Royalty Expense	Euro Fashion Inners International Pvt. Ltd.		7.56	9.70
Royalty Income	Shatabhisha Commercial LLP	Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	6.00	-
Purchases	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	142.78	70.71
	Bajarangbali Textiles Pvt. Ltd.	Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	19.60	33.66
Rental Income	Bajarangbali Textiles Pvt. Ltd.	Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	6.00	6.00
	Tushar Knitting LLP		6.00	3.60
Sub-contracting Expenses	Tushar Knitting LLP		35.16	53.10
	Arrow Link Stitchers Pvt Ltd		5,664.80	7,991.36
	Yashoda Hosiery Pvt. Ltd.		82.58	217.80
	Lambodar Hosiery Pvt Ltd.		138.34	139.93
	Salasar Processors Pvt. Ltd.		914.77	1,179.29
	Rupa Dyeing & Printing Pvt Ltd		637.93	1,467.69
	Bajarangbali Textiles Pvt. Ltd.		7.65	19.60

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Amount	Amount
Advertisement Expense	Gajkarna Projects Private Limited		3.53	3.56
Miscellaneous Expenses - Franchisee Expenses	Gajkarna Projects Private Limited		35.29	-
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	64.58	108.01
	Mr. Ghanshyam Prasad Agarwala		39.51	65.86
	Mr. Kunj Bihari Agarwal		38.34	63.90
	Mr. Mukesh Agarwal		21.89	36.48
	Mr. Ramesh Agarwal		31.78	52.96
	Mr. Vikash Agarwal		56.51	94.18
	Mr. Niraj Kabra^		0.00	0.01
	Mr. Sumit Khowala^		0.00	0.00
	Mr. Dharam Chand Jain		1.20	2.00
	Mr. Ravi Agarwal	Close family member of Key Managerial Personnel	52.28	87.13
	Mr. Rajnish Agarwal		39.82	66.36
	Mr. Manish Agarwal		38.48	64.13
	Mr. Suresh Agarwal		32.23	53.33
	Mrs. Shanti Devi Agarwal		23.29	38.82
	Mrs. Pushpa Devi Agarwal		17.82	29.70
	Others		49.86	83.10
	Ullas Sales Promotion LLP	Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	648.93	1,081.54
Binod Hosiery		502.91	838.18	
Sidhant Credit Capital Ltd.		50.76	84.60	
K B & Sons (HUF)		19.96	33.27	
Others		19.35	32.24	
CSR Expenditure	Rupa Foundation		77.00	5.85

# includes Commission of Nil (March 31, 2022: 100.00)

^ represents amount less than ₹ 10,000/-

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Year end balances

Particulars	Party	Nature of relationship	As at March 31, 2023	As at March 31, 2022
Trade Payables and Other Liabilities (payable to employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	54.95	125.00
	Mr. Ghanshyam Prasad Agarwala		23.21	25.68
	Mr. Kunj Bihari Agarwal		12.35	25.29
	Mr. Ramesh Agarwal		12.43	57.05
	Mr. Mukesh Agarwal		29.03	79.69
	Mr. Vikash Agarwal		13.81	45.41
	Mr. Niraj Kabra		1.43	1.69
	Mr. Dinesh Kumar Lodha		-	136.57
	Mr. Manish Agarwal		1.64	1.81
	Mr. Sumit Khowala		1.09	-
	Mr. Kundan Kumar Jha	-	0.55	
	Mr. Manish Agarwal	Close family member of Key Managerial Personnel	29.81	52.08
	Mr. Rajnish Agarwal		11.66	57.47
	Mr. Ravi Agarwal		13.85	38.80
	Mr. Suresh Agarwal		6.58	42.59
	Mr. Siddhant Agarwal		9.81	27.89
	Mrs. Rekha Patodia		1.28	1.08
	Mrs. Puspa Devi Agarwal		-	0.11
	Mr. Dipak Kumar Banerjee		Key Management Personnel: Independent Directors	5.00
	Mr. Dharam Chand Jain	3.00		3.00
Mr. Vinod Kumar Kothari	5.00	5.00		
Mr. Sushil Patwari	5.00	5.00		
Mr. Ashok Bhandari	5.00	5.00		
Mr. Sunil Rewachand Chandiramani	3.00	-		
Mrs. Alka Devi Bangur	3.00	3.00		
Trade Receivables	Imoogi Fashions Pvt. Ltd.	Subsidiary Company		6.67
	Oban Fashions Pvt Ltd		-	16.26
	Shatabhisha Commercial LLP	Entity jointly controlled by Key Managerial Personnel or close family member of Key Managerial Personnel	5.40	-
Gajkarna Projects Private Limited	42.08		-	
Advances Recoverable in Cash or Kind	Yashoda Hosiery Pvt. Ltd.	Key Managerial Personnel	5.19	-
	Salasar Processors Pvt. Ltd.		28.41	-
	Bajarangbali Textiles Pvt. Ltd.		3.12	-

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	As at March 31, 2023	As at March 31, 2022
Trade Payables	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	6.80	31.07
	Rupa Dyeing & Printing Pvt Ltd	Entity jointly controlled by Key Managerial Personnel or close family member of Key Managerial Personnel	22.95	139.02
	Tushar Knitting LLP		17.88	25.76
	Arrow Link Stitchers Pvt Ltd		108.11	471.66
	Lambodar Hosiery Pvt Ltd.		24.49	15.50
	M/s Binod Hosiery		-	0.07
	Gajkarna Projects Private Limited		-	0.93
	Yashoda Hosiery Pvt. Ltd.		-	1.87
	Salasar Processors Pvt. Ltd.		-	53.57
	Bajarangbali Textiles Pvt. Ltd.		-	6.22
Financial Assets - Interest Accrued	Oban Fashions Pvt Ltd		Subsidiary Company	-
Financial Assets - Security Deposit	Salasar Projects and Estates Pvt. Ltd.	Entity jointly controlled by Key Managerial Personnel or close family member of Key Managerial Personnel	26.00	26.00
	Sidhant Flats & Apartments Pvt Ltd.		26.40	26.40
	Bajrangbali Projects Ltd.		3.00	3.00
	Ganesh Enclave Ltd.		3.00	3.00
	Rupa Spinners Ltd.		3.00	3.00
	Salasar Infrastructure Ltd.		3.00	3.00
	Gajkarna Projects Private Limited		22.05	-
	Salasar Developers & Garments Pvt Ltd.		3.00	3.00
Lease Liability Payable	Sobhasaria Properties Pvt Ltd		0.26	4.12

### Note:

- Salary and perquisites paid/payable to Key Managerial Personnel are in the nature of Short term employee benefits. No other post employment/ long term benefits are payable to them except entitlement of gratuity.
- The remuneration to the Key Management Personnel and close family members of Key Management Personnel does not include provision made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

### 44. Leases

- The Company has entered into agreements for taking on lease certain offices/ manufacturing units / warehouses on lease and licence basis. The lease term is for a period ranging from 3 to 30 years, on fixed rental basis with escalation clauses in the lease agreements. In addition to the above, the Company has certain leasehold land under finance lease arrangements for terms ranging from 86 to 90 years which has been reclassified from property, plant and equipment to right of use assets.

The changes in the carrying value of right of use assets for the year ended 31st March, 2023 are disclosed in Note 4(b).



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### II. Income / Expenses recognised in the Statement of Profit and Loss:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other Income</b>		
Gain on retirement of Right of use assets	-	7.64
<b>Rent</b>		
Expense relating to short-term leases	94.01	90.53
<b>Finance cost</b>		
Interest expense on lease liabilities	95.64	112.60
<b>Depreciation and impairment losses</b>		
Depreciation on right-of-use assets	193.71	242.18

Total cash outflow for leases for the year ended March 31, 2023 is ₹ 228.25 lakhs (P.Y. ₹ 271.93 lakhs)

### III. Contractual maturities of lease liabilities

As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under Liquidity risk (Refer Note 49(b)(b)(i)). The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at March 31, 2023
Within one year	237.69
After one year but not more than five years	773.62
More than five years	1,130.17

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

### IV. Movement in Lease Liabilities

Particulars	Amount
<b>Balance as at 1st April, 2022</b>	<b>1,489.43</b>
Add: Additions during the year	-
Add: Finance Cost accrued during the year	95.64
Less: Payment of Lease Liabilities for the year	(228.25)
<b>Balance as at 31st March, 2023</b>	<b>1,356.83</b>

### 45. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

#### A. Description of segment

The Company is principally engaged in a single business segment viz., Hosiery Products.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### B. Geographical Information

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Segment Revenue from external Customer (Sale of Goods)</b>		
Within India	1,07,016.44	1,39,062.14
Outside India- Export Sales	4,145.05	3,284.77
<b>Total</b>	<b>1,11,161.49</b>	<b>1,42,346.91</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>ii) Carrying value of Non-Current assets (other than financial instruments)</b>		
Within India*	26,267.64	25,735.06
Outside India	-	-
<b>Total</b>	<b>26,267.64</b>	<b>25,735.06</b>

\*Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Intangibles assets under development, Non Current Tax Assets and Other Non-Current Assets.

### 46. Information pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Loan & Advances (in nature of loan both Current & Non Current) to subsidiary company are as under :

Particulars	Balance as on 31-Mar-23	Balance as on 31-Mar-22	Maximum Balance outstanding during FY 2022-2023	Maximum Balance outstanding during FY 2021-22
Oban Fashions Private Limited	-	-	-	113.25

### 47. (a) Disclosures of Corporate Social Responsibility expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Amount required to be spent by the company during the year	390.84	328.50
(ii) Amount spent during the year on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	390.89	328.51
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years Shortfall	-	-
(v) Reason for Shortfall	Not Applicable	Not Applicable

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(vi) The nature of CSR activities undertaken by the Company	Making available safe drinking water, Eradicating hunger / poverty, Promoting Healthcare/ Education/Sports/ Animal Welfare, Protection of National Heritage, Art & Culture, Environment Sustainability	Making available safe drinking water, Eradicating hunger / poverty, Promoting Healthcare, Animal Welfare, Environment Sustainability
(vii) Related Party transaction as per Ind AS 24 in relation to CSR expenditure	77.00	5.85
(viii) Provision made	-	-

### 48. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Refer Note No. 51 for ratios monitored for capital management.

### 49. Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note no. 3.12 to the financial statements.

#### (a) Fair Value of Financial Asset & Liabilities

The Company has measured its Financial Asset and Financial Liabilities at Amortised Cost. Hence no separate disclosure has been given for fair value hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, borrowings and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### (b) Financial Risk Management

The Company has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

#### (a) Credit risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

#### (i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in note no. 12.

#### Reconciliation of Loss Allowance provision :-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Loss Allowance at beginning of the year</b>	<b>221.61</b>	<b>248.73</b>
Change in loss Allowance	183.29	(27.12)
<b>Loss Allowance at end of the year</b>	<b>404.90</b>	<b>221.61</b>

#### (b) Liquidity risk

The Company determines its liquidity requirement in the short term and long term. The Company manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

#### (i) Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at March 31, 2023

Particulars	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
<b>Non-derivative</b>				
Trade payables	-	12,645.60	-	-
Borrowings	470.22	22,972.69	839.27	181.40
<b>Other financial liabilities</b>				
Interest Accrued but not due on borrowings	-	31.02	-	-
Book Overdraft in current Account	304.97	-	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	14.07	-	-	-
Security Deposits from customers	4,494.47	-	-	-
Capital Creditors	-	157.54	-	-
Dealers Incentive payable	-	653.64	-	-



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Payable to employees	-	608.55	-	-
Lease liability	-	150.78	219.94	986.11
Others	-	318.91	-	-
<b>Total</b>	<b>5,283.73</b>	<b>37,538.73</b>	<b>1,059.21</b>	<b>1,167.51</b>

The following are the remaining contractual maturities of financial liabilities as at March 31, 2022

Particulars	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
<b>Non-derivative</b>				
Trade payables	-	21,630.63	-	-
Borrowings	920.86	32,983.78	1,036.99	556.37
<b>Other financial liabilities</b>				
Interest Accrued but not due on borrowings	-	51.31	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	15.00	-	-	-
Security Deposits from customers	4,607.90	-	-	-
Capital Creditors	-	59.55	-	-
Dealers Incentive payable	-	919.07	-	-
Payable to employees	-	1,138.68	-	-
Lease Liability	-	134.56	251.66	1,103.21
Others	-	357.74	-	-
<b>Total</b>	<b>5,543.76</b>	<b>57,275.32</b>	<b>1,288.65</b>	<b>1,659.58</b>

### (c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

- (i) **Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

#### a) Exposure to interest rate risk

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Fixed Rate Instruments</b>		
Financial Assets	12,438.08	12,166.02
Financial Liabilities	7,351.30	6,097.33
<b>Variable Rate Instruments</b>		
Financial Liabilities	22,963.58	35,498.00

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

- (b) **Interest rate Sensitivity:** A change in 50 basis points in the interest rate would have following impact on profit before tax and other equity

Particulars	Sensitivity Analysis	As at March 31, 2023 Impact on		As at March 31, 2022 Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest rate increase by	0.50%	(114.82)	(85.92)	(177.49)	(132.82)
Interest rate decrease by	0.50%	114.82	85.92	177.49	132.82

### (c) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

#### i) Unhedged Foreign Currency Exposure

The Company's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
Trade Receivables	1,720.31	1,714.34
EEFC Bank Account	197.33	208.10

- ii) The Company's exposure to unhedged foreign currency being not significant, sensitivity analysis has not been done for the same.

### 50. Movement of Deferred Revenue (Refer note no. 22)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance (including Current portion)	175.09	202.66
Government Grant received during the year	-	-
<b>Less:</b>		
Deferred Revenue on Government Grant recognised in Statement of Profit and Loss	27.58	27.58
Current portion of Deferred Revenue Grant carried forward as at year end	27.58	27.58
Non-Current portion of Deferred Revenue Grant carried forward as at year end	119.93	147.51

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### 51. Ratio Analysis and its elements:

Sl. No.	Ratio	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance
1	Current ratio	Current Assets	Current Liabilities	2.52	2.02	24.5%
2	Debt-equity ratio *	<b>Net Debt</b> : Non-current borrowings + Current borrowings + Lease Liabilities - Cash & Cash Equivalent-Other Bank Balances	<b>Shareholder's Equity:</b> Equity Share Capital + Other Equity (excluding Capital Reserve)	0.16	0.28	- 43.1%
3	Debt service coverage ratio	<b>Earnings available for Debt Service:</b> Net Profit before taxes + Depreciation and Amortizations + Finance Cost	<b>Debt service :</b> Principal Repayments of Non current borrowings+ Lease Payments + Interest on borrowings & lease liability	4.63	14.82	- 68.7%
4	Return on equity ratio	Profit after Tax (PAT)	<b>Shareholder's Equity:</b> Equity Share Capital + Other Equity (excluding Capital Reserve)	5.96%	23.83%	-75.0%
5	Inventory turnover ratio	Revenue from Operations	Average Inventory	2.10	2.96	- 28.9%
6	Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivables	2.31	3.17	- 27.1%
7	Trade payables turnover ratio	<b>Expenses :</b> Total Expenses - Finance Cost - Depreciation & amortization expenses - Employee benefit expenses - other non cash items	Average Trade Payables	5.65	5.79	- 2.5%
8	Net capital turnover ratio	Revenue from Operations	Average Working Capital (Working capital : Current Assets minus Current Liabilities)	169.33%	242.21%	- 30.1%
9	Net profit ratio	Profit after Tax (PAT)	Revenue from Operations	4.75%	13.34%	- 64.4%
10	Return on capital employed	Earning before Interest and Taxes (EBIT)	Average Capital Employed [Capital Employed: Equity Share Capital + Other Equity (excluding Capital Reserve)+Total Debt + Deferred Tax Liabilities]	7.57%	24.93%	- 69.6%

Return on Investment is not applicable to the company.

## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

(₹ in Lakhs)

### Note

#### 1. Reasons for variances:

Sl.No.	Ratio	Reason (where variance is more than 25% compared to previous year)
1	Current ratio	Not applicable
2	Debt-equity ratio	The variation in debt-equity ratio is primarily due to decrease in net debt during the year ended 31st March, 2023
3	Debt service coverage ratio	The variation in debt service coverage ratio is primarily due to decrease in profitability and increase in interest payment on borrowings during the year ended 31st March, 2023
4	Return on equity ratio	The variation in return on equity ratio is primarily due to decrease in profitability during the year ended 31st March, 2023
5	Inventory turnover ratio	The variation in inventory turnover ratio is primarily due to decrease in sales during the year ended 31st March, 2023.
6	Trade receivables turnover ratio	The variation in trade receivables turnover ratio is primarily due to increase in amount outstanding from debtors as on March 31, 2023
7	Trade payables turnover ratio	Not applicable
8	Net capital turnover ratio	The variation in net capital turnover ratio is primarily due to decrease in sales during the year ended 31st March, 2023.
9	Net profit ratio	The variation in net profit ratio is primarily due to decrease in sales during the year ended 31st March, 2023.
10	Return on capital employed	The variation in return on capital employed is primarily due to decrease in profitability during the year ended 31st March, 2023

#### 52. Other Statutory Information

##### (a) Relationship with Struck off Companies

The Company do not have any transactions with company's struck off during the current and previous financial year.

##### (b) Disclosure in relation to undisclosed income

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current and previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

##### (c) Details of Benami Property held

The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

##### (d) Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period as at 31st March, 2023.

##### (e) Details of Crypto Currency or Virtual Currency

The Company have not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

##### (f) Utilisation of Borrowed Fund & Share Premium

i) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or



## Notes to the Standalone Financial Statements

as at and for the Year ended March 31, 2023

invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- ii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### (g) Disclosure for wilful default

The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year

### (h) Compliance with number of layers of Companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**53.** Previous year figures have been reclassified/regrouped wherever considered necessary, to conform the current period's classification..

The accompanying notes are the integral part of the Standalone Financial Statements

As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### (Gopal Jain)

Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

#### For and on behalf of the Board of Directors

#### Prahlad Rai Agarwala

Chairman  
DIN: 00847452

#### Ramesh Agarwal

Whole-time Director  
DIN: 00230702

#### Ghanshyam Prasad Agarwala

Vice-Chairman  
DIN: 00224805

#### Manish Agarwal

Company Secretary  
Membership No.A29792

#### Kunj Bihari Agarwal

Managing Director  
DIN: 00224857

#### Sumit Khowala

Chief Financial Officer

## Independent Auditors' Report

### To the Members of Rupa & Company Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of **Rupa & Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries referred to in the other matter paragraph section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Group as at 31st March, 2023, and their consolidated profit (financial performance including other comprehensive income) and its consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants (ICAI) of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Emphasis of Matter

We draw attention to the Note no. 11(iv) to the accompanying Consolidated Financial Statements with respect to renewal of a license agreement for the usage of a Foreign Trademark, Logos & Symbols and the carry forward of such inventories of finished goods & work in progress pertaining to such brand at their carrying value as enumerated in the said note.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

## Independent Auditors' Report

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>1. Valuation &amp; existence of inventories</b> (Refer to note 11 to the Consolidated Financial Statements)</p> <p>The Group holds inventories amounting to ₹ 48,618.86 lakhs as at the Balance Sheet date, which represent 35.03 % of total assets.</p> <p>As described in the accounting policies in note 4.1 to the Consolidated Financial Statements, inventories are carried at the lower of cost and net realisable value. Inventories valuation and existence is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgement in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.</p> <p>We have determined this to be a matter of significance to our audit due to the quantum of the amount and estimation involved.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained a detailed understanding and evaluated the design and implementation of controls that the companies in the Group has established in relation to inventory valuation and existence.</li> <li>Reviewing the document and other record related to physical verification of inventories done by the management by its own and/ or through involvement of third parties during the year and subsequent to year end.</li> <li>Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. We have also verified on sample basis confirmation from third parties for inventory lying with them as at year end.</li> <li>Obtained assurance over the management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of products.</li> <li>Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>Checked the provisions recorded to verify that they are in line with the Group policy.</li> </ul>
<p><b>2. Revenue recognition including estimation of rebates &amp; discounts</b> (Refer Note 27 to the Consolidated Financial Statements)</p> <p>As described in Accounting Policy for Revenue recognition vide Note 4.6 of the Consolidated Financial Statements, the revenue is recognized upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts.</p> <p>The companies in the Group sells its products through various channels like dealers, modern trade, distributors, retailers, etc., and recognize liabilities related to rebates, discounts and incentives.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Group and compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Group.</p> <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained a detailed understanding and evaluated the design and implementation of controls that the companies in the Group have established in relation to revenue recognition and recording of rebates, discounts, etc. and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls;</li> <li>Tested the inputs used in the estimation of revenue in context of rebates, discounts, etc. to source data;</li> <li>Assessed the underlying assumptions used for determination of rebates, discounts etc;</li> <li>Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes;</li> <li>Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events;</li> <li>Tested credit notes issued to customers and payments made to them during the year and subsequent to the year- end along with the terms of the related schemes.</li> </ul>

## Independent Auditors' Report

Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>3. Recoverability of Trade Receivables</b> (Refer Note 12 to the Consolidated Financial Statements)</p> <p>The Group has trade receivables amounting to ₹ 43,291.95 lakhs as at the Balance Sheet date, which represent 31.19 % of total assets.</p> <p>Due to the inherent subjectivity that is involved in making judgements in relation to credit risk exposures to determine the recoverability of trade receivables and significant estimates and judgements made by the management for provision for loss allowance under Expected credit Loss model. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>We evaluated and tested the controls relating to credit control and approval process and assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts.</li> <li>We also checked on sample basis balance confirmations from customers to test whether trade receivables as per books are acknowledged by them.</li> <li>We also reviewed receipts subsequent to the financial year end for its effect in reducing overdue receivables as the financial year end.</li> <li>We also reviewed at the adequacy of the management judgements and estimates on the sufficiency of provision for doubtful debts through detailed analyses of ageing of receivables and assessing the adequacy of the disclosures in respect of credit risk.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated Cash Flows and Consolidated changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## Independent Auditors' Report

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group are also responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

## Independent Auditors' Report

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

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

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

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

### Other Matters

1. We did not audit the Financial Statements/ financial information of four subsidiaries whose Financial Statements/ financial information reflect total assets and net assets of ₹ 1,501.97 lakhs and ₹ 1,050.10 lakhs respectively as at March 31, 2023, total revenues of ₹ 2,977.40 lakhs, total profit after tax of ₹ 64.93 lakhs and total comprehensive income of ₹ 65.64 lakhs for the year ended on that date and net cash outflow of ₹ 16.37 lakhs for the year ended March 31, 2023 as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraphs above.
2. We did not audit the Financial Statements/ financial information of one foreign subsidiary, whose Financial Statements/ financial information reflect total assets and net assets of ₹ 9.71 lakhs and ₹ 9.36 lakhs respectively as at March 31, 2023, total revenue of ₹ Nil, total loss after tax of ₹ 0.39 lakhs and total comprehensive income of ₹ (1.80) lakhs for the year ended on that date and net cash outflows of ₹ 0.97 lakhs for the year ended March 31, 2023 as considered in the Consolidated Financial Statements. This Financial Statements/ financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the Financial Statements of this subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. The Holding company's management has also carried out Fit for consolidation adjustment in the Financial Statements of this subsidiary. We have reviewed these conversion adjustments made by the Holding company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the holding company and reviewed by us.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Independent Auditors' Report

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate Financial Statements of the subsidiaries incorporated in India as referred to in the Other Matters paragraph above, we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to the preparation of aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
  - (e) In our opinion the matters described in the Emphasis of Matter paragraph above, may not have any adverse effect on the functioning of the Group;
  - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and on consideration of the reports of statutory auditors of subsidiaries incorporated in India, none of the directors of Group Companies are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - (g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statement and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" which is based on the auditors' report of Holding Company and Subsidiaries incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to the Consolidated Financial Statements.
  - (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid/ provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Group has disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Financial Statements – Note 10 & 39 to the Consolidated Financial Statements;
    - II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

## Independent Auditors' Report

- IV. (a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 52(f)(i) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 52(f)(ii) to the Consolidated Financial Statements, no funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 1(i) (iv)(a) &(b) above, contain any material mis-statement.
  - V. (a) The dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) As stated in Note 41 to the Consolidated Financial Statement, The Board of Directors of the Holding Company has proposed dividend for the year, which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable. Further, none of the subsidiaries have declared or paid any dividend during the year and hence, compliance of section 123 is not applicable to these companies.
  - VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries incorporated in India with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

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

**(Gopal Jain)**  
Partner  
Membership No. 059147  
UDIN: 23059147BGYQAO9013

Place: Kolkata  
Dated: May 24, 2023

## Annexure "A" to the Independent Auditor's Report

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

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

In conjunction with our audit of Consolidated Financial Statements of the Group as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company. Based on comments made by the independent auditors of the subsidiary companies incorporated in India (covered entities) with respect to the internal financial controls with reference to Financial Statements as required in terms of sub-section (3)(i) of section 143 of the Act, we report as under:

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and the covered entities are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India.

#### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial

## Annexure "A" to the Independent Auditor's Report

Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

#### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statement to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March 2023, based on the criteria for internal financial control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to 4 subsidiaries incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters

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

**(Gopal Jain)**  
Partner  
Membership No. 059147  
UDIN: 23059147BGYQA09013

Place: Kolkata  
Dated: May 24, 2023



## Consolidated Balance Sheet

as at March 31, 2023

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
(₹ in Lakhs)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	5 (a)	20,793.39	18,874.41
(b) Right of Use Assets	5 (b)	2,028.71	1,625.31
(c) Capital work-in-progress	5 (c)	1,971.30	2,612.65
(d) Intangibles assets	6 (a)	439.46	497.27
(e) Intangible assets under development	6 (b)	150.00	60.00
(f) Financial assets			
(i) Investments	7	0.18	0.18
(ii) Other Financial Assets	8	1,846.21	407.16
(g) Non-Current tax Assets (Net)	9	4.91	1,023.37
(h) Other non current assets	10	567.82	735.36
		<b>27,801.98</b>	<b>25,835.71</b>
<b>Current assets</b>			
(a) Inventories	11	48,618.86	58,303.32
(b) Financial assets			
(i) Trade receivable	12	43,291.95	54,732.66
(ii) Cash and cash equivalents	13	671.65	432.67
(iii) Other Bank Balances (Other than (ii) above)	14	10,733.81	11,941.48
(iv) Loans	15	200.00	200.00
(v) Other Financial Assets	8	482.30	196.80
(c) Current tax Assets (Net)	9	435.26	-
(d) Other Current Assets	10	6,554.57	6,071.63
		<b>1,10,988.40</b>	<b>1,31,878.56</b>
<b>TOTAL ASSETS</b>		<b>1,38,790.38</b>	<b>1,57,714.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	796.29	796.29
(b) Other equity	17	90,380.45	87,384.05
		<b>91,176.74</b>	<b>88,180.34</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	1,020.67	1,593.36
(ii) Lease Liabilities	19	1,206.05	1,354.87
(iii) Other financial liabilities	20	10.83	-
(b) Provisions	21	191.96	55.14
(c) Deferred tax liabilities (net)	22	1,230.65	1,172.37
(d) Other non-current liabilities	23	119.93	147.51
		<b>3,780.09</b>	<b>4,323.25</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	23,442.91	33,904.64
(ii) Lease Liabilities	19	150.78	134.56
(iii) Trade payables			
-Total outstanding dues to micro enterprises and small enterprises, and	25	735.81	932.72
-Total outstanding dues to other than micro enterprises and small enterprises		12,283.91	21,056.34
(iv) Other financial liabilities	20	6,594.63	7,176.69
(b) Other current liabilities	23	395.20	683.18
(c) Provisions	21	159.31	287.64
(d) Current tax liabilities (net)	26	71.00	1,034.91
		<b>43,833.55</b>	<b>65,210.68</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,38,790.38</b>	<b>1,57,714.27</b>
<b>Basis of Accounting</b>	2		
<b>Basis of Consolidation</b>	3		
<b>Significant Accounting Policies</b>	4		
<b>Significant Judgements and key estimates</b>	4.19		

The accompanying notes are the integral part of the Consolidated Financial Statements

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**(Gopal Jain)**

Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

**For and on behalf of the Board of Directors**

**Prahlad Rai Agarwala**

Chairman  
DIN: 00847452

**Ramesh Agarwal**

Whole-time Director  
DIN: 00230702

**Ghanshyam Prasad Agarwala**

Vice-Chairman  
DIN: 00224805

**Manish Agarwal**

Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**

Managing Director  
DIN: 00224857

**Sumit Khowala**

Chief Financial Officer

## Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022	
(₹ in Lakhs)				
<b>I</b>	Revenue from operations	27	1,14,308.03	1,47,525.01
<b>II</b>	Other income	28	1,617.75	1,078.38
<b>III</b>	<b>Total Income (I+II)</b>		<b>1,15,925.78</b>	<b>1,48,603.39</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	29	50,326.36	77,012.95
	Purchase of Stock-in-Trade	30	2,362.69	4,623.01
	Changes in inventories of finished goods, work-in-progress and stock in trade	31	7,932.42	(18,256.19)
	Employee benefits expense	32	5,836.90	6,806.75
	Finance costs	33	2,263.53	1,815.83
	Depreciation and amortisation expense	34	1,325.64	1,389.24
	Other expenses	35	38,954.75	50,540.35
	<b>Total Expenses (IV)</b>		<b>1,09,002.29</b>	<b>1,23,931.94</b>
<b>V</b>	<b>Profit from ordinary activities before Exceptional items &amp; Tax (III-IV)</b>		<b>6,923.49</b>	<b>24,671.45</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-
<b>VII</b>	<b>Profit Before Tax (V-VI)</b>		<b>6,923.49</b>	<b>24,671.45</b>
<b>VIII</b>	Tax expense	36		
	a) Current tax		1,772.00	4,485.12
	b) Deferred tax		54.79	1,271.20
	c) Tax for earlier years		(276.48)	(268.96)
<b>IX</b>	<b>Profit for the year (VII- VIII)</b>		<b>5,373.18</b>	<b>19,184.09</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	A. (i) Items that will not be reclassified to profit or loss			
	-Remeasurements of defined benefit plans		13.86	25.86
	(ii) Income tax relating to items above		(3.49)	(6.51)
	B. (i) Items that will be reclassified to profit or loss			
	- Exchange difference in respect of Non Integral Foreign Operation		(1.41)	0.23
	(ii) Income tax relating to items above		-	-
<b>XI</b>	<b>Other Comprehensive Income for the year [(A(i-ii) +B(i-ii))]</b>		<b>8.96</b>	<b>19.58</b>
<b>XII</b>	<b>Total Comprehensive Income for the year (IX+XI)</b>		<b>5,382.14</b>	<b>19,203.67</b>
<b>XIII</b>	<b>Earnings per equity share</b>			
	Basic earnings per share (₹)	37	6.76	24.12
	Diluted earnings per share (₹)		6.76	24.12
	<b>Basis of Accounting</b>	2		
	<b>Basis of Consolidation</b>	3		
	<b>Significant Accounting Policies</b>	4		
	<b>Significant Judgements and key estimates</b>	4.19		

The accompanying notes are the integral part of the Consolidated Financial Statements

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**(Gopal Jain)**

Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

**For and on behalf of the Board of Directors**

**Prahlad Rai Agarwala**

Chairman  
DIN: 00847452

**Ramesh Agarwal**

Whole-time Director  
DIN: 00230702

**Ghanshyam Prasad Agarwala**

Vice-Chairman  
DIN: 00224805

**Manish Agarwal**

Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**

Managing Director  
DIN: 00224857

**Sumit Khowala**

Chief Financial Officer

## Consolidated Statement of Cash Flows

for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>6,923.49</b>	<b>24,671.45</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
(a) Depreciation and Amortisation	1,325.64	1,389.24
(b) Finance Cost	2,263.53	1,872.16
(c) (Profit)/loss on disposal of Plant, Property & Equipment (Net)	(88.92)	(52.23)
(d) Gain on Disposal/Retirement of Right of Use Assets	-	(7.64)
(e) Bad debts written off	4.73	15.06
(f) Sundry balances written off	-	53.40
(g) Unspent liabilities written back	(353.30)	(98.61)
(h) Provision for Doubtful Trade Receivables/(written back)	274.71	(27.12)
(i) Deferred Revenue on Government Grant	(27.58)	(27.58)
(j) Unrealised Foreign Exchange (Gain)/Loss	(30.60)	(38.76)
(k) Interest income	(926.72)	(732.76)
<b>Operating Profit before Working Capital Changes</b>	<b>9,364.98</b>	<b>27,016.61</b>
<b>Changes in Working capital</b>		
(a) (Increase)/decrease in Inventories	9,684.46	(19,244.99)
(b) (Increase)/decrease in Trade Receivables	11,191.66	(18,240.35)
(c) (Increase)/decrease in Other Financial Assets	(62.79)	(14.46)
(d) (Increase)/decrease in Non-Financial Assets	(482.94)	(1,855.84)
(e) Increase/(decrease) in Trade Payables	(8,616.03)	5,826.31
(f) Increase/(decrease) in other Financial Liabilities	(649.80)	49.97
(g) Increase/(decrease) in Provisions	22.34	(13.18)
(h) Increase/(decrease) in Non-financial liabilities	(287.98)	104.52
<b>Cash Generated from/ (used in) Operating Activities</b>	<b>20,163.90</b>	<b>(6,371.41)</b>
Less: (a) Direct Tax Paid (Net)	(1,679.38)	(5,234.98)
<b>Net Cash generated from/(used in) from Operating Activities</b>	<b>18,484.52</b>	<b>(11,606.39)</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES</b>		
(a) Purchase of Plant, Property & Equipment (including Capital Advances and CWIP)	(3,047.51)	(3,729.16)
(b) Disposal of Plant, Property & Equipment	363.10	83.95
(c) Redemption of/ (Investment in) Fixed Deposits (Net)	(312.29)	(449.93)
(d) Interest received	587.54	733.22
<b>Net Cash used in Investing Activities</b>	<b>(2,409.16)</b>	<b>(3,361.92)</b>

## Consolidated Statement of Cash Flows

for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES</b>		
(a) Repayment of Non-Current Borrowings	(683.78)	(566.01)
(b) Proceeds from Non-Current Borrowings	-	936.96
(c) Proceeds / (Repayment) of Current Borrowings (net)	(10,350.64)	20,582.93
(d) Payment of Lease Liability (including interest thereon)	(228.25)	(271.93)
(e) Dividend paid and Tax paid thereon	(2,385.74)	(3,976.23)
(f) Interest Paid	(2,188.18)	(1,622.06)
<b>Net Cash from/ (used in) Financing Activities</b>	<b>(15,836.59)</b>	<b>15,083.66</b>
<b>Net increase/(decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>238.77</b>	<b>115.35</b>
Cash & Cash Equivalents at the beginning of the year	432.67	317.91
Effect of exchange rate changes on Cash & Cash Equivalent	0.21	(0.59)
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>671.65</b>	<b>432.67</b>

**Note:**

- The above Statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows."
- Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 13 to the Consolidated financial statements.
- Statement of Reconciliation of Financing activities :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
	Term Loan from Banks		Short Term Borrowings	
Balance as at April 01, 2022 (including interest accrued thereon)	2,292.43	1,919.63	33,256.88	12,648.06
Cash Flow (Net)	(683.78)	370.95	(10,350.64)	20,582.93
Non Cash Changes				
Fair Value Changes	-	-	-	-
Others	-	-	-	-
Interest Expense*	163.47	162.21	1,797.97	1,203.22
Interest Paid	(166.72)	(160.36)	(1,815.01)	(1,177.33)
<b>Total</b>	<b>1,605.40</b>	<b>2,292.43</b>	<b>22,889.20</b>	<b>33,256.88</b>

\* Interest amount after capitalisation

- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The previous year figures have been regrouped/reclassified wherever necessary, to conform the current period's classification

The accompanying notes are the integral part of the Consolidated Financial Statements

As per our report of even date attached

**For Singhi & Co.**

 Chartered Accountants  
Firm Registration No. 302049E

**(Gopal Jain)**  
Partner  
Membership No. 059147

 Place: Kolkata  
Date: May 24, 2023

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

**Ramesh Agarwal**  
Whole-time Director  
DIN: 00230702

**For and on behalf of the Board of Directors**
**Ghanshyam Prasad Agarwala**  
Vice-Chairman  
DIN: 00224805

**Manish Agarwal**  
Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

**Sumit Khowala**  
Chief Financial Officer

## Consolidated Statement of Change in Equity

for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	(₹ in Lakhs)
<b>a) Equity Share Capital</b>	
Balance as at April 01, 2021	796.29
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>796.29</b>
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>796.29</b>

### b) Other Equity

Particulars	Reserves & Surplus			OCI Foreign Currency Translation Reserve	Total
	Securities Premium Account	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2021</b>	<b>6,880.31</b>	<b>4,231.17</b>	<b>61,044.75</b>	<b>0.38</b>	<b>72,156.61</b>
Profit for the Year	-	-	19,184.09	-	19,184.09
Remeasurement of defined benefit plans (Net of Taxes)	-	-	19.35	0.23	19.58
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>19,203.44</b>	<b>0.23</b>	<b>19,203.67</b>
Dividend Paid	-	-	(3,976.23)	-	(3,976.23)
<b>Balance as at March 31, 2022</b>	<b>6,880.31</b>	<b>4,231.17</b>	<b>76,271.96</b>	<b>0.61</b>	<b>87,384.05</b>
Profit for the Year	-	-	5,373.18	-	5,373.18
Remeasurement of defined benefit plans (Net of Taxes)	-	-	10.37	(1.41)	8.96
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>5,383.55</b>	<b>(1.41)</b>	<b>5,382.14</b>
Dividend Paid	-	-	(2,385.74)	-	(2,385.74)
<b>Balance as at March 31, 2023</b>	<b>6,880.31</b>	<b>4,231.17</b>	<b>79,269.77</b>	<b>(0.80)</b>	<b>90,380.45</b>

The accompanying notes are the integral part of the Consolidated Financial Statements

As per our report of even date attached

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

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

For and on behalf of the Board of Directors

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

**Ramesh Agarwal**  
Whole-time Director  
DIN: 00230702

**Ghanshyam Prasad Agarwala**  
Vice-Chairman  
DIN: 00224805

**Manish Agarwal**  
Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

**Sumit Khowala**  
Chief Financial Officer

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### 1. CORPORATE AND GENERAL INFORMATION

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

The Parent Company is a Public Limited Group domiciled in India & is incorporated under provision of Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Parent Company and its Subsidiaries (together referred to as "the Group") are primarily engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. The Parent Company also has a Power Generation Unit operated on Windmill process.

### 2. BASIS OF ACCOUNTING

#### 2.1 Statement of Compliance

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

The consolidated financial statements of the Group for the year ended March 31, 2023 have been approved by the Board of Directors in their meeting held on May 24, 2023. The same shall be placed before the ensuing annual general meeting of the Holding Company for the approval of the shareholders.

#### 2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

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

#### 2.3 Functional and Presentation Currency

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

#### 2.4 Use of Estimates and Judgements

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 2.5 Current Vs non-current classification

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

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or



## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

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

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

### 2.6 Adoption of new accounting standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1 – Material accounting policies** - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect the amendment to have any significant impact in its financial statements.
- Ind AS 8 – Definition of accounting estimates** - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Company does not expect the amendment to have any significant impact in its financial statements.
- Ind AS 12 – Income taxes - Annual Improvements to Ind AS (2021)** - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, if a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

### 3. Basis of Consolidation

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

All the consolidated subsidiaries have a consistent reporting date of March 31, 2021. The Group consolidates the financial statements of the parent company and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intra Group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent company and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

#### Group Information

Subsidiary	Country of Incorporation	As at March 31, 2023	As at March 31, 2022
Imoogi Fashions Private Limited	India	100%	100%
Euro Fashion Inners International Private Limited	India	100%	100%
Oban Fashions Private Limited	India	100%	100%
Rupa Fashions Private Limited	India	100%	100%
RUPA Bangladesh Private Limited	Bangladesh	100%	100%

#### Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognised as capital reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### 4. SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Inventories

**Raw materials and packing materials** are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials is determined on weighted average basis including packing materials, accessories and dyes and chemicals.

**Work-in-progress and finished goods** are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-progress (measured in kgs) is determined on weighted average basis and cost of work-in-progress (measured in pieces) and cost of finished goods is determined on Retail sales price method.

**Traded goods** are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

Adequate provision is made for obsolete and slow-moving stocks, wherever necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods.

#### 4.2 Cash and Cash Equivalents

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

#### 4.3 Income Tax

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

##### Current Tax

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

##### Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 4.4 Property, Plant and Equipment

##### 4.4.1. Recognition and Measurement:

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

##### 4.4.2. Subsequent Expenditure

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

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### 4.4.3. Depreciation and Amortization

- Depreciation on Property Plant & Equipment is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery in the range of 10 - 30 years as against useful life of 15 years stipulated under Schedule II of the Act. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used the following rates to provide depreciation on its Property Plant & Equipment.

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

- Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.
- The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery as 10 years. These lives are lower than those indicated in schedule II of Companies Act, 2013.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 4.4.4. Disposal of Assets

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

### 4.4.5. Reclassification to Investment Property

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

### 4.4.6. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

### 4.5 Leases

#### 4.5.1. Group as a lessor

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

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

#### 4.5.2. Group as a lessee

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

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

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

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

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

#### (ii) Lease Liabilities

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

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;



## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

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

## 4.6 Revenue Recognition

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

The specific recognition criteria for revenue recognition are as follows:

### 4.6.1. Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company. The period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide the customers the contractual right to return goods within a specified period. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

### 4.6.2. Sale of Services

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

### 4.6.3. Sale of Power

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

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### 4.6.4. Interest Income

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

### 4.6.5. Dividend Income

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

### 4.6.6. Other Operating Revenue

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

## 4.7 Employee Benefits

### 4.7.1. Short Term Benefits

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

### 4.7.2. Post Employment Benefits

The Group operates the following post employment schemes:

#### ➤ Defined Benefit Plans

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

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

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

#### ➤ Defined Contribution Plan

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Group has no obligation other than contributions to the respective funds. The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the selected service."

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### 4.8 Government Grants

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

### 4.9 Foreign Currency Transactions

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

### 4.10 Borrowing Cost

- Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. The Group considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### 4.11 Financial Instruments

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

#### 4.11.1. Financial Assets

##### ➤ Initial Recognition and Measurement:

All financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### ➤ Classification and Subsequent Measurement:

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

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

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

△ Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

△ Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

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

△ Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

△ Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### ➤ Derecognition

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

### ➤ Impairment of Financial Assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 4.11.2. Financial Liabilities

#### ➤ Recognition and Initial Measurement:

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

#### ➤ Subsequent Measurement:

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

#### ➤ Derecognition

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

#### ➤ Offsetting financial instruments

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

### 4.12 Impairment of Non-Financial Assets

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

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

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### 4.13 Provisions, Contingent Liabilities and Contingent Assets

#### 4.13.1. Provisions

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

#### ➤ Onerous Contracts:

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

#### 4.13.2. Contingent Liabilities

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

#### 4.13.3. Contingent Assets

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

### 4.14 Intangible Assets

#### Recognition and Measurement

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful economic lives.

#### Subsequent Expenditure

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

#### Amortization

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

Assets	Useful Life (In Years)
Copyrights & Trade marks	10
Computer software	5
Business Rights	Over the tenure of the agreement (on straight line basis)

#### Disposal

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss.



## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### Intangible Assets under Development

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

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

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

### 4.16 Operating Segment

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

### 4.17 Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 4.18 Measurement of Fair Values

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

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

### 4.19 Significant accounting judgements and key sources of estimation:

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

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- Useful lives of depreciable/ amortisable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- Extension and termination option in leases : Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.  
  
This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.
- Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- **Impairment of Financial Assets:** The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 5 (a). Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Cost</b>							
<b>As at April 01, 2021</b>	2,594.10	10,303.25	8,225.08	819.21	769.23	555.89	23,266.76
Additions	2.81	437.93	2,471.41	29.79	59.60	52.39	3,053.93
Disposals/ Withdrawals	18.86	-	-	-	46.92	130.47	196.25
<b>As at March 31, 2022</b>	<b>2,578.05</b>	<b>10,741.18</b>	<b>10,696.49</b>	<b>849.00</b>	<b>781.91</b>	<b>477.81</b>	<b>26,124.44</b>
Additions	-	1,947.20	1,125.85	68.16	97.03	29.06	3,267.30
Disposals/ Withdrawals	241.87	-	1.45	2.16	123.62	3.78	372.88
<b>As at March 31, 2023</b>	<b>2,336.18</b>	<b>12,688.38</b>	<b>11,820.89</b>	<b>915.00</b>	<b>755.32</b>	<b>503.09</b>	<b>29,018.86</b>
<b>Depreciation</b>							
<b>As at April 01, 2021</b>	-	1,076.31	4,142.70	505.24	309.33	338.19	6,371.77
Charge for the year	-	255.35	521.04	103.21	91.84	71.33	1,042.77
On Disposals/ Withdrawals / adjustments	-	-	-	-	40.01	124.50	164.51
<b>As at March 31, 2022</b>	-	<b>1,331.66</b>	<b>4,663.74</b>	<b>608.45</b>	<b>361.16</b>	<b>285.02</b>	<b>7,250.03</b>
Charge for the year	-	274.37	589.92	53.04	90.89	65.90	1,074.12
On Disposals/ Withdrawals / adjustments	-	-	1.12	2.05	91.85	3.66	98.68
<b>As at March 31, 2023</b>	-	<b>1,606.03</b>	<b>5,252.54</b>	<b>659.44</b>	<b>360.20</b>	<b>347.26</b>	<b>8,225.47</b>
<b>Net Block</b>							
<b>As at March 31, 2022</b>	<b>2,578.05</b>	<b>9,409.52</b>	<b>6,032.75</b>	<b>240.55</b>	<b>420.75</b>	<b>192.79</b>	<b>18,874.41</b>
<b>As at March 31, 2023</b>	<b>2,336.18</b>	<b>11,082.35</b>	<b>6,568.35</b>	<b>255.56</b>	<b>395.12</b>	<b>155.83</b>	<b>20,793.39</b>

#### Note:

- i) Refer Note No. 18 and 24 for information on Property, Plant & Equipment mortgaged/hypothecated as security by the Group
- ii) Refer note no- 38 for disclosure on Contractual commitment for acquisition of Property, Plant & Equipment.
- iii) The Group do not have any immovable property (other than the properties where the Group is the lessee and the lease agreement are duly executed in favour of the lessee) whose title deeds are not held in the name of Group.
- iv) The Group has not revalued its Property, Plant and Equipment during the current and previous financial year.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 5 (b). Right of Use Assets

Particulars	Buildings	Leasehold Land	Total
<b>As at 1st April, 2021</b>	<b>1,638.64</b>	<b>271.66</b>	<b>1,910.30</b>
Additions	172.44	-	172.44
Disposals/ Withdrawals	193.40	-	193.40
<b>As at March 31, 2022</b>	<b>1,617.68</b>	<b>271.66</b>	<b>1,889.34</b>
Additions	-	597.11	597.11
Disposals/ Withdrawals	-	-	-
<b>As at March 31, 2023</b>	<b>1,617.68</b>	<b>868.77</b>	<b>2,486.45</b>
<b>Depreciation/Amortisation</b>			
<b>As at 1st April, 2021</b>	<b>82.69</b>	<b>16.10</b>	<b>98.79</b>
Charge for the year	238.96	3.22	242.18
On Disposals/ Withdrawals /adjustments/Transfer	76.94	-	76.94
<b>As at March 31, 2022</b>	<b>244.71</b>	<b>19.32</b>	<b>264.03</b>
Charge for the year	188.88	4.83	193.71
On Disposals/ Withdrawals /adjustments/Transfer	-	-	-
<b>As at March 31, 2023</b>	<b>433.59</b>	<b>24.15</b>	<b>457.74</b>
<b>Net Right of Use Assets</b>			
<b>As at March 31, 2022</b>	<b>1,372.97</b>	<b>252.34</b>	<b>1,625.31</b>
<b>As at March 31, 2023</b>	<b>1,184.09</b>	<b>844.62</b>	<b>2,028.71</b>

**Note:**

- (i) Refer Note No. 44 for detailed disclosure as per Ind AS 116
- (ii) The Group has not revalued its Right of Use Asset during the current and previous financial year.

### 5 (c). Capital Work in Progress (CWIP)

Description	As at March 31, 2023	As at March 31, 2022
Balance at the Begning of the Year	2,612.65	1,935.26
Additions during the Year	1,991.74	2,883.26
Less: Capitalization during the Year	2,633.09	2,205.87
<b>Balance at the end of the Year</b>	<b>1,971.30</b>	<b>2,612.65</b>

**Notes:**

- (i) Capital Work in Progress (CWIP) ageing schedule :

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	1,576.49	394.81	-	-	1,971.30
Projects temporarily suspended	-	-	-	-	-

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	2,612.65	-	-	-	2,612.65
Projects temporarily suspended	-	-	-	-	-

- (ii) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting date which has exceeded the cost as compared to its original plan or where completion is overdue.

6(a). Intangible Assets:	Computer Software	Business Rights (Refer Note 5 (a)(ii) below)	Total
<b>Cost</b>			
<b>As at April 01, 2021</b>	<b>403.99</b>	<b>1,000.00</b>	<b>1,403.99</b>
Additions	1.55	-	1.55
<b>As at March 31, 2022</b>	<b>405.54</b>	<b>1,000.00</b>	<b>1,405.54</b>
Additions	-	-	-
<b>As at March 31, 2023</b>	<b>405.54</b>	<b>1,000.00</b>	<b>1,405.54</b>
<b>Amortisation</b>			
<b>As at April 01, 2021</b>	<b>349.43</b>	<b>454.55</b>	<b>803.98</b>
Charge for the year	49.74	54.55	104.29
<b>As at March 31, 2022</b>	<b>399.17</b>	<b>509.10</b>	<b>908.27</b>
Charge for the year	3.26	54.55	57.81
<b>As at March 31, 2023</b>	<b>402.43</b>	<b>563.65</b>	<b>966.08</b>
<b>Net Block</b>			
<b>As at March 31, 2022</b>	<b>6.37</b>	<b>490.90</b>	<b>497.27</b>
<b>As at March 31, 2023</b>	<b>3.11</b>	<b>436.35</b>	<b>439.46</b>

**Note:**

- (i) The group has not revalued its Intangible Assets during the current and previous financial year.
- (ii) The group has carried out impairment test in respect this Intangible Asset and based on the management's assessment of future projection and the independent valuation report, no impairment is required necessary at the balance sheet date.

### 6 (b) Intangible Assets Under Development (IAUD)

Description	As at March 31, 2023	As at March 31, 2022
Balance at the Begning of the Year	60.00	2.74
Addition during the Year	90.00	60.00
Less: Written off during the year	-	2.74
Less: Capitalization during the year	-	-
<b>Balance at the end of the Year</b>	<b>150.00</b>	<b>60.00</b>



## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### Notes:

(i) Intangible assets under development ageing schedule -

As at March 31, 2023

Intangible Assets Under Development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	90.00	60.00	-	-	150.00
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Intangible Assets Under Development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	60.00	-	-	-	60.00
Projects temporarily suspended	-	-	-	-	-

(ii) There are no projects on March 31, 2023 where activity has been suspended. Also, there are no projects as on each reporting date which has exceeded the cost as compared to its original plan or where completion is overdue.

### 7. Investments

Particulars	Non- Current			
	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>In Equity Instruments (at cost)</b>				
<b>(Unquoted, Fully paid up)</b>				
West Bengal Hosiery Park Infrastructure Limited (Equity Shares of ₹ 10 each)	1,800	0.18	1,800	0.18
	<b>1,800</b>	<b>0.18</b>	<b>1,800</b>	<b>0.18</b>
Aggregate Carrying value of Unquoted Investments		0.18		0.18
Aggregate amount in impairment in carrying value of Investments		Nil		Nil

### 8. Other Financial Asset (Unsecured, Considered good)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits*	137.83	224.20	265.22	115.15
Interest Accrued on deposits	6.39	-	200.88	64.94
Interest Accrued on Loan to Bodies Corporate	-	-	16.20	16.20
Bank deposits with maturity of more than 12 months from Balance sheet date**	1,701.99	182.96	-	-
Others	-	-	-	0.51
	<b>1,846.21</b>	<b>407.16</b>	<b>482.30</b>	<b>196.80</b>

\* Dues from private companies in which any director is a director is ₹ 89.45 Lakhs (March 31, 2022 ₹ 67.40 Lakhs)

\*\* Held as lien by bank against bank guarantees to the extent ₹ 22.40 Lakhs (March 31, 2022 : ₹ 22.40 Lakhs)

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 9. Non-Current Tax Assets (Net)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance tax (Net of Provision)	4.91	1,023.37	435.26	-
	<b>4.91</b>	<b>1,023.37</b>	<b>435.26</b>	<b>-</b>

### 10. Other Assets (Unsecured Considered good)

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances *	567.71	735.25	-	-
Advances Other than Capital Advances	-	-	-	-
Prepaid Expenses	-	-	133.58	234.84
Advance against supply of goods & services^	-	-	467.65	473.69
Advance to Employees	-	-	80.12	80.84
Balances with Government Authorities	-	-	5,360.95	4,601.85
Claims & Refund Receivable	-	-	505.18	673.30
Sales Tax paid under protest	-	-	2.89	2.89
Other advances	0.11	0.11	4.20	4.22
	<b>567.82</b>	<b>735.36</b>	<b>6,554.57</b>	<b>6,071.63</b>
<b>(Unsecured, Considered Doubtful)</b>				
Advance against supply of goods & services	8.18	-	-	-
Balances with Government Authorities	-	-	83.24	-
Less: Provision	8.18	-	83.24	-
<b>Total Other Assets</b>	<b>567.82</b>	<b>735.36</b>	<b>6,554.57</b>	<b>6,071.63</b>

### 10.1 Movement of Provision

<b>Balance as at April 01, 2021</b>	-
Expected Loss Allowances created/(utilized) during the year	-
<b>Balance as at March 31, 2022</b>	-
Expected Loss Allowances created/(utilized) during the year	91.42
<b>Balance as at March 31, 2023</b>	<b>91.42</b>

\* Includes advance amounting to ₹ 400.92 (31st March, 2022: ₹ 400.92 Lakhs) given to West Bengal Housing Infrastructure Development Corporation (WB HIDCO) towards offer for allotment of land on a freehold basis. WB HIDCO later decided to allot land on a leasehold basis which the Company has challenged the matter with the Hon'ble Calcutta High Court. The Hon'ble High Court at Calcutta has vide its order dated February 10, 2020 has decided the Writ petition in favour of the Company. WB HIDCO has filed Special Leave Petition filed in Hon'ble Supreme Court against the order of Hon'ble High Court at Calcutta. The Hon'ble Supreme Court vide its order dated July 19, 2021 has dismissed and disposed off the said petition. The Company has filed contempt proceedings before the Hon'ble Calcutta High Court against WB HIDCO for delay in registration process. Application for contempt proceedings is pending to be heard.

^ Includes advance amounting to ₹ 36.72 lakhs (March 31, 2022: Nil) given to Related Parties. (Refer Note No. 43).

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 11. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Valued at lower of cost and Net realisable value)</b>		
<b>Raw material</b>		
Raw Material including packing materials	5,739.76	7,491.80
Finished Goods	32,080.26	34,249.98
Work in Progress	10,759.51	16,561.54
Traded Goods	39.33	-
	<b>48,618.86</b>	<b>58,303.32</b>
Mode of Valuation - Refer Note No. 4.1 of Accounting Policy		
<b>Note</b>		
(i). The above includes Stock in transit		
Work in Progress	1.95	105.59
Finished Goods	-	162.49
Traded Goods	39.33	-

(ii). Inventories are hypothecated against borrowings (Refer Note no. 24)

(iii). Write downs of value of Raw Materials, Work-in-Progress and Finished Goods at net realizable value amounted to ₹ 359.59 lakhs (PY: ₹ 272.47 lakhs.) These were recognized as expenses during the period and included in "cost of raw materials consumed" ₹ 11.49 lakhs (PY: ₹ 6.23 lakhs) and "change in value of inventories of finished goods" ₹ 348.10 lakhs (PY: ₹ 266.24 lakhs) in the Statement of Profit & Loss.

(iv). The License Agreement for the Brand with Fruit of the Loom ("FOTL") was due to expire on December 31, 2022, and has been extended up to June 30, 2023, awaiting final agreement on the period of extension with FOTL. The inventory held under such brand amounting to ₹ 1,140.90 lakhs has been valued as per the accounting policy followed by the Group in this regard.

### 12. Trade receivable

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivable considered good - Secured	3,573.74	3,513.21
Trade receivable considered good - Unsecured	39,718.21	51,219.45
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	404.90	221.61
	<b>404.90</b>	<b>221.61</b>
	<b>43,696.85</b>	<b>54,954.27</b>
<b>Less: Credit Loss Allowances</b>		
Trade Receivable -Credit Impaired	404.90	221.61
	<b>404.90</b>	<b>221.61</b>
<b>Total Trade Receivable</b>	<b>43,291.95</b>	<b>54,732.66</b>
<b>The above amount includes:</b>		
Receivable from Related parties	47.48	-
Others	43,244.47	54,732.66
	<b>43,291.95</b>	<b>54,732.66</b>

a) No Trade Receivables due by directors and its officers of the Company.

b) Allowances for credit losses of trade receivables has been estimated based on ageing of receivables and customer related specific information on specific case basis. Refer note 48(b)(a)(i) for details in movement of loss allowance.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

c) Trade Receivables are hypothecated against borrowings (Refer Note no. 24)

### d) Trade receivables Ageing Schedule:

Particulars	Outstanding for following periods from due date of payment as at March 31, 2023						Total
	Not Due	Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	31,747.05	8,602.31	2,343.67	379.58	169.14	50.20	43,291.95
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	8.38	87.81	71.50	178.91	58.30	404.90
<b>Disputed Trade Receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	(8.38)	(87.81)	(71.50)	(178.91)	(58.30)	(404.90)
<b>Total</b>	<b>31,747.05</b>	<b>8,602.31</b>	<b>2,343.67</b>	<b>379.58</b>	<b>169.14</b>	<b>50.20</b>	<b>43,291.95</b>

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022						Total
	Not Due	Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	37,842.00	15,334.61	848.67	576.33	59.78	71.27	54,732.66
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	10.54	31.15	83.44	34.53	61.95	221.61
<b>Disputed Trade Receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	(10.54)	(31.15)	(83.44)	(34.53)	(61.95)	(221.61)
<b>Total</b>	<b>37,842.00</b>	<b>15,334.61</b>	<b>848.67</b>	<b>576.33</b>	<b>59.78</b>	<b>71.27</b>	<b>54,732.66</b>

e) There are no unbilled dues as on each reporting date.

### 13. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	15.94	18.70
Balances with banks	-	-
Current accounts	396.24	360.33
Cash Credit account	259.47	53.64
	<b>671.65</b>	<b>432.67</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 14. Other bank balances (other than above)

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend accounts	14.07	15.00
Bank deposits having maturity for more than 3 months but less than 12 months from Balance sheet date*	10,719.74	11,926.48
	<b>10,733.81</b>	<b>11,941.48</b>

\* Held as lien by bank against bank guarantees to the extent ₹ 45.55 Lakhs (March 31, 2022 : ₹ 45.55 Lakhs)

### 15. Loans

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Loan to Bodies Corporate	200.00	200.00
	<b>200.00</b>	<b>200.00</b>

#### (i) Loans or advances to specified persons

Type of Borrower	Amount		%age	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties	-	-	-	-
Others	200.00	200.00	100.00 %	100.00%
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>100.00 %</b>	<b>100.00%</b>

(ii) As required under section 186(4) of the Companies Act 2013 loan granted is for general business purpose.

(iii) There are no outstanding loans from director or other officer of the company as on the each reporting date.

### 16. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
	<b>20,00,00,000</b>	<b>2,000.00</b>	<b>20,00,00,000</b>	<b>2,000.00</b>
<b>Issued share capital</b>				
Equity shares of ₹ 1/- each	7,97,33,560	797.34	7,97,33,560	797.34
	<b>7,97,33,560</b>	<b>797.34</b>	<b>7,97,33,560</b>	<b>797.34</b>
<b>Subscribed &amp; Paid-up share capital</b>				
Equity shares of ₹ 1 each	7,95,24,560	795.24	7,95,24,560	795.24
Equity shares forfeited of ₹ 1 each, Paid up ₹ 0.50 per Share	2,09,000	1.05	2,09,000	1.05
	<b>7,97,33,560</b>	<b>796.29</b>	<b>7,97,33,560</b>	<b>796.29</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### a) Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

### b) Terms/ Rights attached to Equity Shares :

The Parent Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended March 31, 2023 the parent Company has proposed final dividend of ₹ 3/- per share (March 31, 2022: ₹ 3/- per share) subject to approval of members in the ensuing Annual General Meeting.

### c) Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of ₹ 1/- each, fully paid up</b>				
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,67,63,656	21.08%
Ullas Sales Promotion LLP (Formerly known as Ullas Sales Promotion Limited)	2,16,30,860	27.20%	2,16,30,860	27.20%

\* holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm, namely, "Binod Hosieriy"

### e) Details of Promoter Shareholding

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Prahlad Rai Agarwala	21,52,506	2.71%	-	21,52,506	2.71%	-0.01%
Prahlad Rai Agarwala*	1,67,63,656	21.08%	-	1,67,63,656	21.08%	-
Ghanshyam Prasad Agarwala	13,17,148	1.66%	-	13,17,148	1.66%	-
Kunj Bihari Agarwal	12,77,965	1.61%	-	12,77,965	1.61%	-
Ullas Sales Promotion LLP	2,16,30,860	27.20%	-	2,16,30,860	27.20%	-

\* holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm

As per records of the Company, including its register of shareholders / members as on 31st March, 2023, the above shareholding represents legal ownership of shares.

f) The company has neither issued bonus shares nor has bought back any shares during last 5 years.

g) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

h) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

i) No calls are unpaid by any Director or Officer of the Company during the year.



## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 17. Other equity

Particulars	Ref. Note	As at March 31, 2023	As at March 31, 2022
Securities premium reserve	17.1	6,880.31	6,880.31
General reserve	17.2	4,231.17	4,231.17
Foreign Currency Translation Reserve	17.3	(0.80)	0.61
Retained earnings	17.4	79,269.77	76,271.96
		<b>90,380.45</b>	<b>87,384.05</b>

### Changes in Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>17.1 Securities premium reserve</b>		
Opening balance	6,880.31	6,880.31
Changes during the year	-	-
	<b>6,880.31</b>	<b>6,880.31</b>
<b>17.2 General reserve</b>		
Opening balance	4,231.17	4,231.17
Changes during the year	-	-
	<b>4,231.17</b>	<b>4,231.17</b>
<b>17.3 Foreign Currency Translation Reserve</b>		
Opening balance	0.61	0.38
Changes during the year	(1.41)	0.23
	<b>(0.80)</b>	<b>0.61</b>
<b>17.4 Retained earnings</b>		
Opening balance	76,271.96	61,044.75
Add: Profit for the year	5,373.18	19,184.09
Add: Remeasurement of Defined benefit plans (Net of tax)	10.37	19.35
Less: Dividend paid	(2,385.74)	(3,976.23)
	<b>79,269.77</b>	<b>76,271.96</b>

### Nature and purpose of other reserves

#### i) Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### ii) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### iii) Retained Earnings

This reserve represents the cumulative profit of group and effects of remeasurement of defined benefit obligation. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### iv) Remeasurement of Defined benefit plans

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan asset (excluding interest income) which are recognised in other comprehensive income and then immediately transferred to retained earnings.

### v) Foreign Currency Translation Reserve:

Reserve is created on translation of Financial Statements of Foreign Subsidiary into Presentation Currency.

### 18. Non Current Borrowings

Particulars	Non Current	
	As at March 31, 2023	As at March 31, 2022
<b>Secured Term Loan</b>		
Rupee loan from a Banks	1,593.36	2,277.14
Less: Current portion of long term borrowings (Disclosed under Current Borrowings refer note no- 24)	572.69	683.78
	<b>1,020.67</b>	<b>1,593.36</b>

### Note:

- There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
- Terms & conditions**
  - Term Loan with a balance of ₹ 62.51 Lakhs (March 31, 2022: ₹ 312.56 Lakhs) is repayable in balance 1 quarterly installments of ₹ 62.51 Lakhs and carries interest @ 8.90% to 9.15% per annum (March 31, 2022: @ 8.90% to 9.15% per annum). The said Term Loan having sanction limit of ₹ 1150.00 Lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - Term Loan with a balance of ₹ 432.30 Lakhs (March 31, 2022: ₹ 558.83 Lakhs) is repayable in balance 41 equal monthly installments of ₹ 10.54 Lakhs and carries interest @ 9 % per annum (March 31, 2022: 9%). The said Term Loan having sanction limit of ₹ 1445.00 Lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - Term Loan with a balance of ₹ 307.17 Lakhs (March 31, 2022: ₹ 482.70 Lakhs) is repayable in balance 6 equal quarterly installments of ₹ 43.88 Lakhs and one quarterly installment of ₹ 41.88 Lakhs and last installment of ₹ 2.00 Lakhs and carries interest @ 8.85 % per annum (March 31, 2022: 8.85%). The said Term Loan having sanction limit of ₹ 800.00 Lakhs is secured by exclusive charge by way of hypothecation of specific Plant & Machinery funded by bank.
  - Term Loan with a balance of ₹ 178.18 Lakhs (March 31, 2022: 233 Lakhs) is repayable in balance 13 equal quarterly installments of ₹ 13.71 Lakhs and carries interest @ 8.85 % per annum (March 31, 2022: 8.85%). The said Term Loan having sanction limit of ₹ 300.00 Lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - Term Loan with a balance of ₹ 613.20 Lakhs (March 31, 2022: 690.05 Lakhs) is repayable balance 16 equal quarterly installments of ₹ 38.33 Lakhs and carries interest @ 7.35 % per annum (March 31, 2022: 7.35%). The said Term Loan having sanction limit of ₹ 740.00 Lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.
  - No loans have been guaranteed by the directors.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 19. Lease Liability

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease Obligations (Refer Note: 44)	1,206.05	1,354.87	150.78	134.56
	<b>1,206.05</b>	<b>1,354.87</b>	<b>150.78</b>	<b>134.56</b>

### 20. Other Financial Liabilities

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due on borrowings	-	-	31.02	51.31
Book Overdraft	-	-	304.97	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	-	-	14.07	15.00
Trade Deposit	10.83	-	4,494.47	4,622.56
Capital Creditors	-	-	157.54	59.55
Dealers Incentive payable	-	-	653.64	919.07
Payable to employees	-	-	608.80	1,139.85
Others*	-	-	330.12	369.35
	<b>10.83</b>	<b>-</b>	<b>6,594.63</b>	<b>7,176.69</b>

\* including refundable to dealers, miscellaneous liabilities and other payables towards claim settlement

### 21. Provisions

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (Refer Note No. 42)	191.96	55.14	88.76	217.09
Provision for Litigation ,claims & contingencies (Refer Note No. 39)	-	-	70.55	70.55
	<b>191.96</b>	<b>55.14</b>	<b>159.31</b>	<b>287.64</b>

The group has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the group in due course.

#### 21.1 Movement of Provision

Balance as at April 01, 2021	70.55
Provision utilized during the year	-
<b>Balance as at March 31, 2022</b>	<b>70.55</b>
Provision utilized during the year	-
<b>Balance as at March 31, 2023</b>	<b>70.55</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 22. Deferred Tax Liability (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Temporary difference with respect to Property, Plant and Equipment and Intangibles	1,537.20	1,387.82
	<b>1,537.20</b>	<b>1,387.82</b>
<b>Less: Deferred Tax Assets</b>		
Arising on account of :		
Provision for Doubtful debt & advances	124.92	55.78
Provision for Employee Benefit Expenses	70.67	68.51
Provision for Litigation, claims & contingencies	17.76	17.76
Deferred Revenue on Government Grant	37.13	44.07
Others	56.07	29.33
	<b>306.55</b>	<b>215.45</b>
<b>Total Deferred Tax Liabilities (Net)</b>	<b>1,230.65</b>	<b>1,172.37</b>

#### 22.1 Movement in deferred tax assets and liabilities for the year ended March 31, 2022

Particulars	As at April 01, 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2022
<b>Deferred Income Tax Liabilities</b>				
Temporary difference with respect to Property, Plant and Equipment and Intangibles	1,306.34	81.48	-	1,387.82
	<b>(A)</b>	<b>81.48</b>	<b>-</b>	<b>1,387.82</b>
<b>Deferred Income Tax Assets</b>				
Unabsorbed Depreciation & Business Losses	1,209.61	(1,209.61)	-	-
Provision for Doubtful debt & advances	37.51	18.27	-	55.78
Provision for Employee benefit expenses	83.26	(8.24)	(6.51)	68.51
Provision for Litigation , claims & contingencies	17.76	-	-	17.76
Mat Credit Entitlement	1.16	(1.16)	-	-
Deferred Revenue on Government Grant	51.01	(6.94)	-	44.07
Others	11.37	17.96	-	29.33
	<b>(B)</b>	<b>(1,189.72)</b>	<b>(6.51)</b>	<b>215.45</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>(A-B)</b>	<b>1,271.20</b>	<b>6.51</b>	<b>1,172.37</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 22.2 Movement in deferred tax assets and liabilities for the year ended March 31, 2023

Particulars	As at April 01, 2022	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2023
<b>Deferred Income Tax Liabilities</b>				
Temporary difference with respect to Property, Plant and Equipment and Intangibles	1,387.82	149.38	-	1,537.20
<b>(A)</b>	<b>1,387.82</b>	<b>149.38</b>	<b>-</b>	<b>1,537.20</b>
<b>Deferred Income Tax Assets</b>				
Provision for Doubtful debt & advances	55.78	69.14	-	124.92
Provision for Employee benefit expenses	68.51	5.65	(3.49)	70.67
Provision for Litigation, claims & contingencies	17.76	-	-	17.76
Deferred Revenue on Government Grant	44.07	(6.94)	-	37.13
Others	29.33	26.74	-	56.07
<b>(B)</b>	<b>215.45</b>	<b>94.59</b>	<b>(3.49)</b>	<b>306.55</b>
<b>Deferred Tax Liabilities (Net) (A-B)</b>	<b>1,172.37</b>	<b>54.79</b>	<b>3.49</b>	<b>1,230.65</b>

### 23. Other Current Liabilities

Particulars	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deferred Revenue (Refer Note No. 49)	119.93	147.51	27.58	27.58
Statutory dues payable	-	-	342.42	643.27
Advances from customers	-	-	24.85	12.13
Others payables	-	-	0.35	0.20
	<b>119.93</b>	<b>147.51</b>	<b>395.20</b>	<b>683.18</b>

### 24. Current Borrowing (Secured)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
<b>Loan Repayable on demand</b>		
From banks:		
Cash Credit	470.22	920.86
Working Capital Demand Loans		
Indian Rupee Loan	20,900.00	32,300.00
Packing Credit loan	1,500.00	-
Current Maturities of Long Term Borrowings (Refer Note no. 18)	572.69	683.78
	<b>23,442.91</b>	<b>33,904.64</b>

#### Terms & conditions :

- a) Cash credit facilities, Working Capital Demand Loan and Packing Credit loan are secured by hypothecation of inventories/ book debts and other current assets of the Company and further secured by second charge of movable and immovable fixed assets of Domjur Unit, West Bengal.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

- b) Working Capital facilities carries interest @ 4.40% p.a. to 11.00% p.a. (31st March 2022: @2.50% p.a. to 11.00% p.a.)
- c) No loans have been guaranteed by the directors and others.
- d) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
- e) The quarterly returns/statements filed by the Holding Company with the banks are in agreement with the books of accounts.

### 25. Trade payables

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of creditors to micro enterprises and small enterprises (Refer Note No. 40)	735.81	932.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,283.91	21,056.34
	<b>13,019.72</b>	<b>21,989.06</b>

#### a) Trade payables Ageing Schedule

Particulars	Outstanding as on March 31, 2023 from due date of payment					
	Unbilled Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	735.81	-	-	-	735.81
(ii) Others	619.72	11,329.74	170.13	91.66	72.66	12,283.91
(iii) Disputed - MSME	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-
<b>Total</b>	<b>619.72</b>	<b>12,065.55</b>	<b>170.13</b>	<b>91.66</b>	<b>72.66</b>	<b>13,019.72</b>

Particulars	Outstanding as on March 31, 2022 from due date of payment					
	Unbilled Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	932.72	-	-	-	932.72
(ii) Others	1,916.67	18,738.65	154.74	66.27	180.01	21,056.34
(iii) Disputed - MSME	-	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,916.67</b>	<b>19,671.37</b>	<b>154.74</b>	<b>66.27</b>	<b>180.01</b>	<b>21,989.06</b>

### 26. Current Tax Liabilities (Net)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Provisions for Taxation (Net of Payments)	71.00	1,034.91
	<b>71.00</b>	<b>1,034.91</b>



## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 27. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products :</b>		
Finished Goods#	1,09,123.47	1,39,282.10
Semi-Finished Goods	2,514.30	4,842.03
Traded Goods	-	15.49
<b>Total</b>	<b>1,11,637.77</b>	<b>1,44,139.62</b>
<b>Sale of services</b>		
Service Income	2,087.74	2,753.67
<b>Total</b>	<b>2,087.74</b>	<b>2,753.67</b>
<b>Other operating revenues</b>		
Sale of Power	41.40	43.46
Scrap sale	246.94	300.62
Export Incentive	266.60	260.06
Deferred Revenue on Government Grant	27.58	27.58
<b>Total</b>	<b>582.52</b>	<b>631.72</b>
<b>Total</b>	<b>1,14,308.03</b>	<b>1,47,525.01</b>

#Net of incentives/discounts

#### A. Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Company generates its revenue

- a) The Group is engaged in the manufacturing of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Group.

#### B. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Primary Geographical Markets</b>		
a) Within India	1,09,580.46	1,43,605.81
b) Outside India	4,145.05	3,287.48
<b>Total</b>	<b>1,13,725.51</b>	<b>1,46,893.29</b>
<b>ii) (a) Major Products</b>		
Hosiery Products	1,11,637.77	1,44,139.62
Others	-	-
<b>Total</b>	<b>1,11,637.77</b>	<b>1,44,139.62</b>
<b>ii) (b) Major Services</b>		
Service Income	2,087.74	2,753.67
Others	-	-
<b>Total</b>	<b>2,087.74</b>	<b>2,753.67</b>
<b>iii) Timing of Revenue</b>		
At a point in time	1,13,725.51	1,46,893.29

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Over time	-	-
<b>Total</b>	<b>1,13,725.51</b>	<b>1,46,893.29</b>
<b>iv) Contract Duration</b>		
Long Term	-	-
Short Term	1,13,725.51	1,46,893.29
<b>Total</b>	<b>1,13,725.51</b>	<b>1,46,893.29</b>

#### C. Contract balances

The following table provides information about receivables, and contract liabilities from contracts with customers.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Receivables, which are included in 'Trade receivables'	43,291.95	54,732.66
Contract Liabilities (Refer Note No.23)	24.85	12.13
<b>Total</b>	<b>43,316.80</b>	<b>54,744.79</b>

#### D. Other Information

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Transaction price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current year that was included in the opening contract liability balance	12.13	21.38
The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil

Performance obligations- The Company satisfy the performance obligation on shipment/delivery.

#### Reconciliation of amount of revenue recognised in the statement of Profit & Loss with Contracted Price

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contracted Price	1,23,229.90	1,59,626.83
<b>Adjustments</b>		
Significant Financing Component		
Dealer incentive & Discount	(9,504.39)	(12,733.54)
<b>Revenue from Contract with Customers</b>	<b>1,13,725.51</b>	<b>1,46,893.29</b>

#### 28. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income :</b>		
On Bank deposits#	658.88	708.64
On Receivable	60.19	6.12
On Income Tax refund	196.85	-
On Loan to Bodies Corporate#	10.80	18.00
<b>Total</b>	<b>926.72</b>	<b>732.76</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Other Non-operating income</b>		
Profit on disposal of Property, Plant and Equipment (Net)	88.92	52.55
Gain on Disposal/Retirement of Right of Use Assets	-	7.64
Excess provision/liabilities written back	353.30	98.61
Provision for Doubtful Debts written back	-	27.12
Foreign Exchange gain (Net)	211.29	121.74
Insurance Claim Received	5.74	2.44
Gain on Disposal of Derivative Instruments	-	22.50
Miscellaneous Income	31.78	13.02
	<b>691.03</b>	<b>345.62</b>
	<b>1,617.75</b>	<b>1,078.38</b>

#represents interest income from financial assets measured at amortised cost

### 29. Cost of material consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory	7,491.80	6,503.00
Add : Purchases	48,574.32	78,001.75
Less : Inventory at the end of the year	5,739.76	7,491.80
	<b>50,326.36</b>	<b>77,012.95</b>
<b>Details of Raw Material Consumed</b>		
Yarn / Than	36,851.43	56,838.13
Packing Material, Accessories and Other Material	13,474.93	20,174.82

### 30. Purchase of Stock-in-Trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Hosiery Goods	2,362.69	4,623.01
	<b>2,362.69</b>	<b>4,623.01</b>

### 31. Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening stock</b>		
Finished Goods	34,249.98	18,824.34
Work in Progress	16,561.54	13,730.99
	<b>50,811.52</b>	<b>32,555.33</b>
<b>Closing stock</b>		
Finished Goods	32,080.26	34,249.98
Work in Progress	10,759.51	16,561.54
Stock-in-Trade (In Transit)	39.33	-
	<b>42,879.10</b>	<b>50,811.52</b>
Increase/(Decrease)	<b>7,932.42</b>	<b>(18,256.19)</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 32. Employee benefit expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	5,596.56	6,505.62
Contribution to Provident and Other Funds	110.92	137.45
Gratuity*	74.58	130.44
Staff Welfare Expenses	54.84	33.24
	<b>5,836.90</b>	<b>6,806.75</b>

\* For descriptive notes on disclosure of Defined benefit obligation Refer Note no. 42

### 33. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest Expenses</b>		
-On Borrowing	1,998.92	1,598.01
-On Income Tax	-	109.76
-On Others*	206.46	3.46
Amortization of Lease Liability	95.64	112.60
	<b>2,301.02</b>	<b>1,823.83</b>
Less: Borrowings cost capitalized*	(37.49)	(8.00)
	<b>2,263.53</b>	<b>1,815.83</b>

\*The capitalization rate of borrowing cost has been considered in the range of 4.40% p.a. to 11.00% p.a. (31st March 2022: @2.50% p.a. to 11.00% p.a.)

### 34. Depreciation & Amortisation Expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On Property, Plant & Equipment	1,074.12	1,042.77
On Intangible assets	57.81	104.29
On Right of Use Assets	193.71	242.18
	<b>1,325.64</b>	<b>1,389.24</b>

### 35. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	77.42	151.78
Sub-contracting /Job Worker expenses	21,034.87	32,744.19
Power & Fuel	2,008.69	2,263.14
Freight outwards and Forwarding expenses	1,856.17	2,709.73
Rent	86.81	90.53
Rates and taxes	99.23	165.74
Insurance	231.32	212.29
Repairs and Maintenance :		
- Plant and Machinery	282.63	412.56
- Building	305.92	442.05

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertising	7,796.05	6,129.74
Sales Promotion	77.08	57.26
Business Convention	124.43	449.99
Brokerage and commission	1,345.63	1,818.88
Travelling and Conveyance	1,193.57	886.37
Communication costs	107.08	103.72
Bank Charges	54.85	56.33
Legal and Professional fees	290.98	283.62
Directors' Sitting fees & Commission	72.70	66.85
Payment to auditor (Refer Note below)	35.91	39.69
Bad Debts/ advance written off/ others	4.73	68.46
Provision for Doubtful Trade Receivables/ advances/others	274.71	-
Loss on sale of fixed assets (net)	-	0.32
Royalty on Sales	50.00	-
Contribution for CSR activities (Refer Note No. 46)	390.89	328.51
Miscellaneous expenses	1,153.08	1,058.60
	<b>38,954.75</b>	<b>50,540.35</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Remuneration to Auditors</b>		
For Audit Fees	20.23	20.05
For Limited Review Fees	14.25	15.25
For Certification	0.75	3.85
Out of Pocket Expenses	0.68	0.54
	<b>35.91</b>	<b>39.69</b>

### 36. Tax Expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax for the year	1,772.00	4,485.12
Deferred Tax for the year	54.79	1,271.20
<b>Tax Expense for current year</b>	<b>1,826.79</b>	<b>5,756.32</b>
Income Tax for earlier years	(276.48)	(268.96)
<b>Tax Expense in Statement of Profit &amp; Loss</b>	<b>1,550.31</b>	<b>5,487.36</b>

#### 36.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income before Income taxes	6,923.49	24,671.45
Indian Statutory Income tax Rate*	25.17%	25.17%
Estimated Income tax expenses	1,742.64	6,209.80

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense:</b>		
Expenses Disallowed for tax purpose	98.40	113.89
Deductions allowable under Income Tax Act	(2.37)	-
Set off with brought forward capital loss	(22.21)	(7.28)
Change in Effective Tax Rate		
Deferred Tax not recognised on Business Loss and Unabsorbed Depreciation	-	(545.26)
Others *	10.33	(14.83)
<b>Income Tax expense in the Statement of Profit and Loss</b>	<b>1,826.79</b>	<b>5,756.32</b>

\* includes impact of lower rate of tax @26.00% in case of all three subsidiaries

### 37. Earning per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	5,373.18	19,184.09
Weighted average number of Equity Shares (in number) (b)	7,95,24,560	7,95,24,560
Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ₹ 1/- per share)	6.76	24.12

### 38. Capital and other commitments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	142.57	626.86

### 39. Contingent Liabilities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Demands / claims by various government authorities and others not acknowledged as debts and contested by the government	-	-
Excise Duty claim	56.30	-
Sales Tax claim (net of amount deposited under dispute ₹ 2.89 Lakhs (March 31,2022: ₹ 2.89 Lakhs))	19.40	19.40
Entry Tax (including interest thereon)*	1,119.67	1,021.42
Employees State Insurance (Financial Year -2007-08 under Appeal)	0.40	0.40
Bank Guarantees outstanding	220.00	920.00
Guarantees Given to Bank		
West Bengal Hoisery Park Infrastructure Ltd.	200.00	200.00

\* During the year 2013-14, the Company had challenged, before the Hon'ble High Court of Calcutta, the imposition of entry tax by the State Government of West Bengal on receipt of materials from outside the state on the ground that such imposition of entry tax is ultra vires / unconstitutional. The Company has received a favourable interim order dated June 5, 2013 and the matter is presently sub judice. Accordingly, the liability (including interest) has not been provided in books of accounts since FY 2013-14.



## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### Note:

- a) The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group does not expect any reimbursements against above
- b) The Code on Social Security, 2020 (Code) related to various employee benefits received Presidential assent in September, 2020 and has been published in the Gazette of India. However, the date on which the Code will come in effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

### 40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Principal amount remaining unpaid to any supplier at the end of accounting year	735.81	932.72
Interest due on above	-	-
<b>Total</b>	<b>735.81</b>	<b>932.72</b>
Amount of interest paid by the Company to the suppliers in terms of section 16 of the MSMED Act, 2006 alongwith amount paid to the suppliers beyond the respective due date	-	-
Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	3.46	3.46
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 41. Dividend

The Board of Directors of Parent Company at its meeting held on May 24, 2023 have recommended a payment of final dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2023. The same amounts to ₹ 2,385.74 Lakhs. The same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

### 42. Employee Benefit (Defined Benefit Plan)

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

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the plan.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 42(a)

Particulars	Non-Funded		Funded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Change in projected Benefit Obligations</b>				
Obligations at beginning of the year	68.48	30.19	562.68	521.34
Current Service cost	0.37	26.75	56.16	48.77
Past Service cost	-	39.96	-	-
Interest Cost	4.87	0.16	39.95	35.98
Benefits settled	-	-	(16.14)	(28.64)
Actuarial (gain) /loss (through OCI)	(72.01)	(28.58)	43.65	(14.77)
<b>Obligations at end of the year</b>	<b>1.70</b>	<b>68.48</b>	<b>686.30</b>	<b>562.68</b>

### 42(b)

Particulars	Non-Funded		Funded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Change in Plan Assets</b>				
Plan assets at beginning of the year, at fair value			358.93	258.88
Interest income			26.76	21.18
Remeasurement - Return on Assets			(14.50)	(17.49)
Contributions			52.23	125.00
Benefits settled			(16.14)	(28.64)
<b>Plan assets at end of the year</b>			<b>407.28</b>	<b>358.93</b>

### 42(c)

Particulars	Non-Funded		Funded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Net Defined Benefit liability / (asset)</b>				
Present value of defined benefit obligation at the end of the year	1.70	68.48	686.30	562.68
Fair value of plan assets at the end of the year	-	-	407.28	358.93
<b>Net liability/(asset) recognised in the Balance Sheet</b>	<b>1.70</b>	<b>68.48</b>	<b>279.02</b>	<b>203.75</b>

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 42(d)

Particulars	Non-Funded		Funded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Expenses recognised in Statement of Profit and Loss</b>				
Service cost	0.37	66.71	56.16	48.77
Interest cost (Net)	4.87	0.16	13.18	14.79
<b>Total expense recognised in Statement of Profit and Loss</b>	<b>5.24</b>	<b>66.87</b>	<b>69.34</b>	<b>63.56</b>

### 42(e)

Particulars	Non-Funded		Funded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Re-measurement gains / (losses) in OCI</b>				
Actuarial (gain) / loss due to financial assumption changes	0.01	0.02	(10.69)	(8.59)
Actuarial (gain) / loss due to experience adjustments	(72.02)	(28.60)	54.34	(6.18)
Return on plan assets (greater)/less than discount rate	-	-	14.50	17.49
<b>Total amount routed through OCI</b>	<b>(72.01)</b>	<b>(28.58)</b>	<b>58.15</b>	<b>2.72</b>

### 42(f) The major categories of plan assets of the fair value of the total plan assets are as follows:

Actuarial (gain) / loss due to experience adjustments	Non-Funded		Funded	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Investments with insurer	N.A.	N.A.	100%	100%

### 42(g) The principal assumptions used in determining gratuity benefit obligations for the Group are shown below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate	7.40%	7.40%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	IALM (2012-14) table	IALM (2012-14) table
Withdrawal Rate	1% to 20%	1% to 20%

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 42(h) A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

#### Funded

Particulars	Sensitivity	For the year ended March 31, 2023		For the year ended March 31, 2022	
		Increase	Decrease	Increase	Decrease
<b>Effects on Defined Benefit Obligation due to change in</b>					
Discount Rate	1%	642.28	739.72	522.53	608.46
Further salary increase	1%	729.31	649.92	599.15	530.03
Withdrawal Rates	1%	678.11	696.67	568.94	555.63

#### Non-funded

Particulars	Sensitivity	For the year ended March 31, 2023		For the year ended March 31, 2022	
		Increase	Decrease	Increase	Decrease
<b>Effects on Defined Benefit Obligation due to change in</b>					
Discount Rate	1%	1.56	1.88	62.97	74.92
Further salary increase	1%	1.88	1.55	75.08	62.77
Withdrawal Rate	1%	1.71	1.70	67.80	69.13

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

42(i) The average duration of the defined benefit plan obligation at the end of the reporting period is 5.64 years (March 31, 2022: 5.42 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

Particulars	Non-funded Amount ₹ in lakhs	Funded Amount ₹ in lakhs
<b>Expected benefits payment for the year ending on</b>		
March 31, 2024	0.07	88.69
March 31, 2025	0.08	28.43
March 31, 2026	0.06	22.68
March 31, 2027	0.07	25.97
March 31, 2028	0.08	43.11
March 31, 2029 to March 31, 2033	1.22	219.19

### 42(j) Defined Contribution Plan

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident/pension funds (Refer Note no. 32)	110.92	137.45

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 43. Related Party Disclosure

#### Names of related parties and related party relationship

#### Related parties with whom transactions have taken place during the year

<b>Key Management Personnel</b>	Mr. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director (Ceased to be Chief Financial Officer w.e.f. 31-05-2022)
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Vikash Agarwal	Whole-time Director
	Mr. Niraj Kabra	Executive Director
	Mr. Dinesh Kumar Lodha	Chief Executive officer (ceased w.e.f. 31-05-2022)
	Mr. Ashok Bhandari	Independent Director
	Mr. Dipak Kumar Banerjee	Independent Director
	Mr. Dharam Chand Jain	Independent Director
	Mr. Vinod Kumar Kothari	Independent Director
	Mr. Sushil Patwari	Independent Director
	Mrs. Alka Devi Bangur	Independent Director
	Mr. Sunil R Chandiramani	Independent Director (appointed w.e.f. 23-05-2022)
	Mr. Sumit Khowala	Chief Financial Officer (appointed w.e.f. 01-06-2022)
	Mr. Manish Agarwal	Company Secretary
Mr. Kundan Kumar Jha	Company Secretary (ceased w.e.f. 28-02-2022)	
<b>Close family member of Key Managerial Personnel</b>	Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grand-Son of Mr. Prahlad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala
	Ms. Anusha Agarwal	Daughter of Mr. Ravi Agarwal
	Mr. Aparesh Agarwal	Son of Mr. Ramesh Agarwal
	Mr. Avnish Agarwal	Son of Mr. Ravi Agarwal
	Ms. Devanshi Agarwal	Daughter of Mr. Mukesh Agarwal
	Mr. Keshav Agarwal	Son of Mr. Mukesh Agarwal
	Ms. Srishti Agarwal	Daughter of Mr. Suresh Agarwal
	Ms. Vaaridhi Agarwal	Daughter of Mr. Ramesh Agarwal
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala
	Mrs. Puspa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Shalini Agarwal	Wife of Mr. Vikash Agarwal
	Mrs. Sudha Agarwal	Wife of Mr. Suresh Agarwal
Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala	

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

<b>Entities controlled/jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel</b>	Salasar Projects and Estates Pvt. Ltd.
	Sidhant Flats & Apartments Pvt Ltd.
	Salasar Infrastructure Ltd.
	Sobhasaria Properties Pvt Ltd
	Ullas Sales Promotion LLP
	Lambodar Hosiery Pvt Ltd.
	Arrow-Link Stitchers Pvt Ltd
	Rupa Spinners Ltd.
	Salasar Developers & Garments Pvt Ltd.
	Bajrangbali Projects Ltd.
	Sidhant Textiles Pvt Ltd.
	Ganesh Enclave Ltd.
	Gajkarna Projects Private Limited
	Ravi Global Pvt Ltd.
	Kadambari Impex & Agency Pvt Ltd.
	Shatabhisha Commercial LLP
	Prahlad Rai Suresh Kumar - HUF
	Suresh Kumar Agarwal - HUF
	Mukesh Kumar Agarwal - HUF
	Ghanshyam Prasad Manish Kumar - HUF
	K B & Sons - HUF
	Ravi Agarwal - HUF
	Binod Hosiery
	Sidhant Credit Capital Ltd.
	Yashoda Hosiery Pvt. Ltd
	Rupa Foundation
	Tushar Knitting LLP
Bajrangbali Hosiery P Ltd	
Rupa Dyeing & Printing Pvt Ltd	
Salasar Processors Pvt. Ltd.	
Bajrangbali Textiles Pvt. Ltd.	



## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### Related party transactions

Particulars	Party	Nature of relationship	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Amount	Amount
	Mr. Ghanshyam Prasad Agarwala	Key Management Personnel	1.37	1.37
	Mr. Kunj Bihari Agarwal		0.58	0.58
	Mrs. Pushpa Devi Agarwal	Close family member of Key Managerial Personnel	0.22	0.22
Rent	Bajrangbali Hosiery P Ltd	Entities controlled/ jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	1.74	1.74
	Salasar Infrastructure Ltd.		1.30	1.30
	Rupa Spinners Ltd.		1.30	1.30
	Salasar Developers & Garments Pvt Ltd.		1.30	1.30
	Bajrangbali Projects Ltd.		1.30	1.30
	Sidhant Textiles Pvt Ltd.		1.37	1.37
	Ganesh Enclave Ltd.		1.30	1.30
	Ravi Global Pvt Ltd.		1.37	1.37
	Kadambari Impex & Agency Pvt Ltd.		1.37	1.37
	Sobhasaria Properties Pvt Ltd		1.73	1.73
	Others		1.15	1.15
Payment of Lease Liability	Sobhasaria Properties Pvt Ltd		29.04	28.80
Salary & Perquisites	Mr. Prahlad Rai Agarwala #	Key Management Personnel	149.04	229.60
	Mr. Ghanshyam Prasad Agarwala		134.64	122.40
	Mr. Kunj Bihari Agarwal		140.76	122.40
	Mr. Ramesh Agarwal		99.36	122.40
	Mr. Mukesh Agarwal		99.36	122.40
	Mr. Vikash Agarwal		99.36	115.20
	Mr. Dinesh Kumar Lodha		78.24	434.85
	Mr. Niraj Kabra		23.41	21.37
	Mr. Manish Agarwal		20.86	3.21
	Mr. Sumit Khowala		52.00	-
	Mr. Kundan Kumar Jha		-	28.44
	Mr. Manish Agarwal		103.68	115.20
	Mr. Ravi Agarwal		103.68	115.20
	Mr. Rajnish Agarwal		103.68	115.20
	Mr. Suresh Agarwal		69.12	76.80
	Mr. Siddhant Agarwal		55.44	50.40
Mrs. Rekha Patodia	28.00	25.00		

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Amount	Amount
Sitting Fees & Commission	Mr. Dipak Kumar Banerjee	Key Management Personnel: Independent Director	14.00	13.65
	Mr. Dharam Chand Jain		7.50	7.50
	Mr. Vinod Kumar Kothari		11.50	12.65
	Mr. Sushil Patwari		12.50	12.15
	Mr. Ashok Bhandari		14.00	13.40
	Mr. Sunil Rewachand Chandiramani		6.60	-
	Mrs. Alka Devi Bangur		6.60	7.50
Sales of Goods	Gajkarna Projects Private Limited		84.95	-
Royalty	Shatabhisha Commercial LLP		6.00	-
Rental Income	Bajrangbali Textiles Pvt. Ltd.		6.00	6.00
	Tushar Knitting LLP		8.40	3.60
Sub-contracting Expenses	Tushar Knitting LLP	Entities controlled/ jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	35.16	53.10
	Arrow Link Stitchers Pvt Ltd		5,664.80	7,991.36
	Yashoda Hosiery Pvt. Ltd.		82.58	217.80
	Lambodar Hosiery Pvt Ltd.		138.34	139.93
	Salasar Processors Pvt. Ltd.		914.77	1,179.29
	Rupa Dyeing & Printing Pvt Ltd		637.74	1,467.69
	Bajrangbali Textiles Pvt. Ltd.		7.65	19.60
Purchases	Bajrangbali Textiles Pvt. Ltd.		19.60	33.66
Advertisement Expense	Gajkarna Projects Private Limited		3.53	3.56
Miscellaneous Expenses			35.29	-
CSR Expenditure	Rupa Foundation		77.00	5.85

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended	For the year ended
			March 31, 2023	March 31, 2022
			Amount	Amount
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	64.58	108.01
	Mr. Ghanshyam Prasad Agarwala		39.51	65.86
	Mr. Kunj Bihari Agarwal		38.34	63.90
	Mr. Mukesh Agarwal		21.89	36.48
	Mr. Ramesh Agarwal		31.78	52.96
	Mr. Vikash Agarwal		56.51	94.18
	Mr. Niraj Kabra^		0.00	0.01
	Mr. Sumit Khowala^		0.00	0.00
	Mr. Dharam Chand Jain		1.20	2.00
	Mr. Ravi Agarwal		52.28	87.13
	Mr. Rajnish Agarwal	39.82	66.36	
	Mr. Manish Agarwal	38.48	64.13	
	Mr. Suresh Agarwal	32.23	53.33	
	Mrs. Shanti Devi Agarwal	23.29	38.82	
	Mrs. Pushpa Devi Agarwal	17.82	29.70	
	Others	49.86	151.61	
	Ullas Sales Promotion LLP	Entities controlled/	648.93	1,081.54
	Binod Hosiery	jointly controlled or	502.91	838.18
	Sidhant Credit Capital Ltd.	significantly influenced	50.76	84.60
	K B & Sons (HUF)	by Key Managerial	19.96	33.27
Others	Personnel or close family member of Key Managerial Personnel	19.35	65.51	

# includes Commission of ₹ NIL (March 31, 2022: 100.00)

^ represents amount less than ₹ 10,000/-

### Year end balances

Particulars	Party	Nature of relationship	As at	As at
			March 31, 2023	March 31, 2022
Trade Payables and Other Liabilities (payable to employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	54.95	125.00
	Mr. Ghanshyam Prasad Agarwala		23.21	25.68
	Mr. Kunj Bihari Agarwal		12.35	25.29
	Mr. Ramesh Agarwal		12.43	57.05
	Mr. Mukesh Agarwal		29.03	79.69
	Mr. Vikash Agarwal		13.81	45.41
	Mr. Niraj Kabra		1.43	1.69
	Mr. Dinesh Kumar Lodha		-	136.57
	Mr. Manish Agarwal		1.64	1.81
	Mr. Sumit Khowala		1.09	-
Mr. Kundan Kumar Jha	-	0.55		

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	As at	As at
			March 31, 2023	March 31, 2022
Dividend Paid	Mr. Manish Agarwal	Close family member of Key Managerial Personnel	29.81	52.08
	Mr. Rajnish Agarwal		11.66	57.47
	Mr. Ravi Agarwal		13.85	38.80
	Mr. Suresh Agarwal		6.58	42.59
	Mr. Siddhant Agarwal		9.81	27.89
	Mrs. Rekha Patodia		1.28	1.08
	Mrs. Pushpa Devi Agarwal	-	0.11	
	Mr. Dipak Kumar Banerjee	Key Management Personnel: Independent Directors	5.00	5.00
	Mr. Dharam Chand Jain		3.00	3.00
	Mr. Vinod Kumar Kothari		5.00	5.00
	Mr. Sushil Patwari		5.00	5.00
	Mr. Ashok Bhandari		5.00	5.00
	Mr. Sunil Rewachand Chandiramani		3.00	-
Mrs. Alka Devi Bangur	3.00		3.00	
Trade Payables	Rupa Dyeing & Printing Pvt Ltd	Entities controlled/ jointly controlled or significantly influenced by Key Managerial Personnel or close family member of Key Managerial Personnel	22.35	139.02
	Tushar Knitting LLP		17.88	25.76
	Arrow Link Stitchers Pvt Ltd		108.11	471.66
	Binod Hosiery		-	0.07
	Bajarangbali Textiles Pvt. Ltd.		-	6.22
	Yashoda Hosiery Pvt. Ltd.		-	1.87
	Salasar Processors Pvt. Ltd.		-	53.57
	Gajkarna Projects Private Limited		-	0.93
	Lambodar Hosiery Pvt Ltd.		24.49	15.50
	Gajkarna Projects Private Limited		49.71	-
Trade Receivable	Shatabhisha Commercial LLP	5.40	-	
	Bajarangbali Textiles Pvt. Ltd.	3.12	-	
Advances Recoverable in Cash or Kind	Salasar Processors Pvt. Ltd.	28.41	-	
	Yashoda Hosiery Pvt. Ltd.	5.19	-	
Financial Assets - Security Deposit	Salasar Projects and Estates Pvt. Ltd.	26.00	26.00	

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Party	Nature of relationship	As at March 31, 2023	As at March 31, 2022
	Sidhant Flats & Apartments Pvt Ltd.		26.40	26.40
	Bajrangbali Projects Ltd.		3.00	3.00
	Ganesh Enclave Ltd.		3.00	3.00
	Rupa Spinners Ltd.		3.00	3.00
	Gajkarna Projects Private Limited		22.05	-
	Salasar Infrastructure Ltd.		3.00	3.00
	Salasar Developers & Garments Pvt Ltd.		3.00	3.00
Lease Liability Payable	Sobhasaria Properties Pvt Ltd		0.26	4.12

### Note:

- Salary and perquisites paid/payable to Key Managerial Personnel are in the nature of Short term employee benefits. No other post employment/ long term benefits are payable to them except entitlement of gratuity.
- The remuneration to the Key Management Personnel and close family members of Key Management Personnel does not include provision made for Gratuity as it is determined on an actuarial basis for the group as a whole.

### 44. Leases

- The Group has entered into agreements for taking on lease certain offices/ manufacturing units / warehouses on lease and licence basis. The lease term is for a period ranging from 3 to 30 years, on fixed rental basis with escalation clauses in the lease agreements. In addition to the above, the Group has certain leasehold land under finance lease arrangements for terms ranging from 86 to 90 years which has been reclassified from property, plant and equipment to right of use assets.

The changes in the carrying value of Right of Use Assets for the year ended 31st March, 2023 are disclosed in Note 5(b).

### II. Income / Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Other Income</b>		
Gain on retirement of Right of Use Assets	-	7.64
<b>Rent</b>		
Expense relating to short-term leases	86.81	90.53
<b>Finance cost</b>		
Interest expense on lease liabilities	95.64	112.60
<b>Depreciation and impairment losses</b>		
Depreciation on Right of Use Assets	193.71	242.18

Total cash outflow for leases for the year ended March 31, 2023 is ₹ 228.25 Lakhs (P.Y. ₹ 271.93 Lakhs)

### III. Contractual maturities of lease liabilities

As per the requirement of Ind AS-107, maturity analysis of lease liabilities have been shown under maturity analysis for financial liabilities under Liquidity risk (Refer Note 48((b)(b)(i)). The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023
Within one year	237.69
After one year but not more than five years	773.62
More than five years	1,130.17

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

### IV. Movement in Lease Liabilities

Particulars	For the year ended March 31, 2023
<b>Balance as at 1st April,2022</b>	<b>1,489.43</b>
Add: Additions during the year	-
Less: Derecognised on account of Termination of Lease	-
Add: Finance Cost accrued during the year	95.64
Less: Payment of Lease Liabilities for the year	(228.25)
<b>Balance as at 31st March,2023</b>	<b>1,356.82</b>

### 45. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

#### A. Description of segment

The Group is principally engaged in a single business segment viz., Hosiery Products.

#### B. Geographical Information

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Segment Revenue from external Customer</b>		
Within India	1,09,580.46	1,43,605.81
Outside India	4,145.05	3,287.48
<b>Total</b>	<b>1,13,725.51</b>	<b>1,46,893.29</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>ii) Carrying value of Non-Current assets (other than financial instruments)</b>		
Within India*	25,955.59	25,428.37
Outside India	-	-
<b>Total</b>	<b>25,955.59</b>	<b>25,428.37</b>

\*Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Intangibles assets under development, Non Current Tax Assets and Other Non-Current Assets.



## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 46. (a) Disclosures of Corporate Social Responsibility expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Amount required to be spent by the company during the year	390.84	328.50
(ii) Amount spent during the year on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	390.89	328.51
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years Shortfall	-	(42.70)
(v) Reason for Shortfall	-	-
(vi) The nature of CSR activities undertaken by the Company	Making available safe drinking water, Eradicating hunger / poverty, Promoting Healthcare/ Education/Sports/ Animal Welfare, Protection of National Heritage, Art & Culture, Environment Sustainability	Making available safe drinking water, Eradicating hunger / poverty, Promoting Healthcare, Animal Welfare, Environment Sustainability
(vii) Related Party transaction as per Ind AS 24 in relation to CSR expenditure	77.00	5.85
(viii) Provision made	-	-

### 47. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term.

### 48. Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Group and provides additional information on Balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note no. 3.12 to the financial statements

#### (a) Fair Value of Financial Asset & Liabilities

The Group has measured its Financial Asset and Financial Liabilities at Amortised Cost. Hence no separate disclosure has been given for fair value hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, borrowings and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### (b) Financial Risk Management

The Group has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

#### (a) Credit risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

#### (i) Trade receivables

Customer credit risk is managed by the Group subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note no. 12.

#### Reconciliation of Loss Allowance provision :-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Loss Allowance at beginning of the year</b>	<b>221.61</b>	<b>248.73</b>
Change in loss Allowance	183.29	(27.12)
<b>Loss Allowance at end of the year</b>	<b>404.90</b>	<b>221.61</b>

#### (b) Liquidity risk

The Group determines its liquidity requirement in the short term and long term. The Group manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis

#### (i) Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at March 31, 2023

Particulars	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
<b>Non-derivative</b>				
Trade payables	-	13,019.73	-	-
Borrowings	470.22	22,972.69	839.27	181.40
<b>Other financial liabilities</b>				
Interest Accrued but not due on borrowings	-	31.02	-	-
Book Overdraft in current Account	304.97			
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	14.07	-	-	-
Security Deposits from customers	4,494.47	-	10.83	-
Capital Creditors	-	157.54	-	-

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Dealers Incentive payable	-	653.64	-	-
Payable to employees	-	608.80	-	-
Lease liability	-	150.78	219.94	986.11
Others	-	330.12	-	-
<b>Total</b>	<b>5,283.73</b>	<b>37,924.32</b>	<b>1,070.04</b>	<b>1,167.51</b>

The following are the remaining contractual maturities of financial liabilities as at March 31, 2022

Particulars	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
<b>Non-derivative</b>				
Trade payables	-	21,989.06	-	-
Borrowings	920.86	32,983.78	1,036.99	556.38
<b>Other financial liabilities</b>				
Interest Accrued but not due on borrowings	-	51.31	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	15.00	-	-	-
Security Deposits from customers	4,622.56	-	-	-
Capital Creditors	-	59.55	-	-
Dealers Incentive payable	-	919.07	-	-
Payable to employees	-	1,139.85	-	-
Lease liability	-	134.56	251.67	1,103.21
Others	-	369.33	-	-
<b>Total</b>	<b>5,558.42</b>	<b>57,646.51</b>	<b>1,288.66</b>	<b>1,659.59</b>

### (c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

- (i) **Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to risk due to interest rate fluctuation on its borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

The Group is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

#### a) Exposure to interest rate risk

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Fixed Rate Instruments</b>		
Financial Assets	12,621.73	12,309.44
Financial Liabilities	5,851.30	6,111.99
<b>Variable Rate Instruments</b>		
Financial Liabilities	24,463.58	35,498.00

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

- (b) **Interest rate Sensitivity:** A change in 50 basis points in the interest rate would have following impact on profit before tax and other equity

Particulars	Sensitivity Analysis	As at March 31, 2023 Impact on		As at March 31, 2022 Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest rate increase by	0.50%	(122.32)	(91.53)	(177.49)	(132.82)
Interest rate decrease by	0.50%	122.32	91.53	177.49	132.82

### (c) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

#### (i) Unhedged Foreign Currency Exposure

The Group's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
Trade Receivables	1,720.31	1,714.34
EEFC Bank Account	197.33	208.10

- ii) The Group's exposure to unhedged foreign currency being not significant, sensitivity analysis has not been done for the same.

### 49. Movement of Deferred Revenue (Refer note no. 23)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	175.09	202.67
Government Grant received during the year	-	-
<b>Less:</b>		
Deferred Revenue on Government Grant recognised in Statement of Profit and Loss	27.58	27.58
Current portion of Deferred Revenue Grant carried forward as at year end	27.58	27.58
Non-Current portion of Deferred Revenue Grant carried forward as at year end	119.93	147.51

50. The net worth of one of the wholly owned subsidiary company, M/s Oban Fashions Pvt.Ltd. as at the balance sheet date is negative. As per the requirements of IND AS - 36 "Impairment of Assets", the Group has assessed the carrying value of the subsidiary vis-a-vis the recoverable value and envisaged that no impairment is required as at the balance sheet date.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Lakhs)

### 51. Additional information in respect of net assets and profit / loss of each entity within the Group and their respective share

Particulars	As at March 31, 2023		FY 2022-2023		FY 2022-2023		FY 2022-2023	
	Net Assets, i.e., total assets minus total liabilities		Share in profit		Share in profit		Share in profit	
	As% of Consolidated net assets	Amount (₹)	As% of Consolidated Profit & Loss	Amount (₹)	As% of Consolidated Other Comprehensive Income	Amount (₹)	As% of Consolidated net assets	Amount (₹)
<b>Parent</b>								
- Rupa & Company Ltd	98.84%	90,117.28	98.80%	5,308.63	107.82%	9.66	98.82%	5,318.30
<b>Subsidiaries (Indian)</b>								
- Imoogi Fashions Pvt Ltd	0.36%	327.96	0.33%	17.81	7.87%	0.71	0.34%	18.51
- Euro Fashion Inners International Pvt Ltd	0.51%	464.02	0.24%	12.81	0.00%	-	0.24%	12.81
- Rupa Fashions Pvt Ltd	0.00%	3.44	-0.01%	(0.38)	0.00%	-	-0.01%	(0.38)
- Rupa Bangladesh Pvt Ltd	0.01%	9.36	-0.01%	(0.39)	-15.72%	(1.41)	-0.03%	(1.80)
- Oban Fashions Pvt Ltd	0.28%	254.68	0.65%	34.70	0.03%	0.00	0.64%	34.70
<b>Total</b>	<b>100.00%</b>	<b>91,176.74</b>	<b>100.00%</b>	<b>5,373.18</b>	<b>100.00%</b>	<b>8.96</b>	<b>100.00%</b>	<b>5,382.14</b>
Particulars	As at March 31, 2022		FY 2021-2022		FY 2021-2022		FY 2021-2022	
	Net Assets, i.e., total assets minus total liabilities		Share in profit		Share in profit		Share in profit	
	As% of Consolidated net assets	Amount (₹)	As% of Consolidated Profit & Loss	Amount (₹)	As% of Consolidated Other Comprehensive Income	Amount (₹)	As% of Consolidated net assets	Amount (₹)
<b>Parent</b>								
- Rupa & Company Ltd	98.87%	87,184.73	99.44%	19,075.98	96.07%	18.81	99.43%	19,094.79
<b>Subsidiaries (Indian)</b>								
- Imoogi Fashions Pvt Ltd	0.35%	309.45	0.06%	11.06	2.76%	0.54	0.06%	11.60
- Euro Fashion Inners International Pvt Ltd	0.51%	451.20	0.03%	5.35	0.00%	-	0.03%	5.35
- Rupa Fashions Pvt Ltd	0.01%	3.83	0.00%	(0.39)	0.00%	-	0.00%	(0.39)
- Rupa Bangladesh Pvt Ltd	0.01%	11.15	0.00%	(0.22)	1.17%	0.23	0.00%	0.01
- Oban Fashions Pvt Ltd	0.25%	219.98	0.47%	92.31	0.00%	-	0.48%	92.31
<b>Total</b>	<b>100.00%</b>	<b>88,180.34</b>	<b>100.00%</b>	<b>19,184.09</b>	<b>100.00%</b>	<b>19.58</b>	<b>100.00%</b>	<b>19,203.67</b>

The amount stated above in respect of Subsidiaries are as per the standalone financial statements of each of individual entities, before making any adjustments for intra - group transactions and/or balances.

### 52. Other Statutory Information

#### (a) Relationship with Struck off Companies

The Group do not have any transactions with Group's struck off during the current and previous financial year.

## Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

### (b) Disclosure in relation to undisclosed income

The Group doesn't have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current and previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### (c) Details of Benami Property held

The Group does not have any Benami property. Further, there are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

### (d) Registration of charges or satisfaction with Registrar of Companies (ROC)

The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period as at 31<sup>st</sup> March, 2023.

### (e) Details of Crypto Currency or Virtual Currency

The Group have not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

### (f) Utilisation of Borrowed Fund & Share Premium

i) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### (g) Disclosure for wilful default

The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

### (h) Compliance with number of layers of Companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, during the year.

53. Previous year figures have been regrouped/reclassified wherever necessary, to conform the current period's classification.

The accompanying notes are the integral part of the Consolidated Financial Statements

As per our report of even date attached

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

**(Gopal Jain)**  
Partner  
Membership No. 059147

Place: Kolkata  
Date: May 24, 2023

**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

**Ramesh Agarwal**  
Whole-time Director  
DIN: 00230702

**For and on behalf of the Board of Directors**

**Ghanshyam Prasad Agarwala**  
Vice-Chairman  
DIN: 00224805

**Manish Agarwal**  
Company Secretary  
Membership No. A29792

**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

**Sumit Khawala**  
Chief Financial Officer





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