

INDIAN TERRAIN FASHIONS LIMITED



4th ANNUAL REPORT 2012-2013

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Board of Directors

Mr. V.Rajagopal, Chairman and Managing Director
Mrs.Rama Rajagopal, Executive Director
Mr. N.K. Ranganath, Independent Director
Mr. P.S. Raman, Independent Director
Mr. Harsh Bahadur, Independent Director
Mr. Manoj Mohanka, Independent Director

Company Secretary

Mr. J. Manikandan

Management Team

Mr. Charath Narsimhan, Chief Executive Officer
Mr. Amitabh Suri, Chief Operating Officer
Ms.Shehnaz Sharrif, General Manager, Merchandising

Mr. Selin Reubalin CC, Vice President - Operations (Group)
Mr. A.M. Gopinath, General Manager - Commercial (Group)
Ms.L.Visalakshi, General Manager-Finance & Accounts (Group)
Mr. Charlie Manickarayan, General Manager-HR (Group)

Registered Office:

NO. 208, Velachery, Tambaram Road,
Narayanapuram, Pallikaranai,
Chennai-600 100

Corporate Office:

SDF-IV & C2, 3rd Main Road,
MEPZ-SEZ, Tambaram,
Chennai-600 045

Statutory Auditors

M/s Anil Nair & Associates
Egmore, Chennai-600 008

M/s CNGSN & Associates
T. Nagar, Chennai 600 017

Internal Auditors

M/s R.Venkatakrishnan & Associates
R.A. Puram, Chennai-600 028

Banker

State Bank of India, Chennai - 600 001
HDFC Bank Ltd, Chennai - 600 002

Warehouse

70/2 & 3A, Agaram Road, Thiruvanchery Village,
Chennai 600 073.



NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 4th Annual General Meeting of Indian Terrain Fashions Limited will be held on 23rd September the Monday, at 11.00 A.M. at the Corporate Office of the Company, situated at SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai 600 045 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss account for the year ended 31st March, 2013 and the Balance Sheet as on that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.N.K.Ranganath, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr.P.S.Raman, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration, and in this regard, to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT the retiring Auditors, M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates, Chartered Accountants, Chennai be and are hereby appointed as Joint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors”.

SPECIAL BUSINESS

5. Revision in terms of Remuneration to Mr. V.Rajagopal, Chairman & Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

“RESOLVED that in modification of Resolution No. 9 passed at the Annual General Meeting of the Company held on September 30, 2011 towards appointment and remuneration of Mr. V.Rajagopal, Chairman and Managing Director of the Company and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, approval of members, be and is hereby accorded for the revision of maximum amount of salary of Mr.V.Rajagopal, Chairman and Managing Director of the Company with effect from March 1, 2013

for the remaining period of the tenure of his appointment i.e. up to September 30,2015 as set out in the explanatory statement annexed hereto with the other existing terms of his appointment and remuneration remaining unaltered”.

“RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorised in accordance with the provisions of the Companies Act, 1956 for the time being in force and any statutory modifications or enactment thereof, and/or any rules or regulations framed there under”.

“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such step as may be necessary, proper and expedient to give effect to this Resolution”.

6. Revision in terms of Remuneration to Mrs. Rama Rajagopal:

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

“RESOLVED that in modification of Resolution No. 1 passed at the Extra Ordinary General Meeting of the Company held on October 9, 2010 towards appointment and remuneration of Mrs. Rama Rajagopal, Executive Director of the Company and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, approval of members, be and is hereby accorded for the revision of maximum amount of salary of Mrs.Rama Rajagopal, Executive Director of the Company with effect from March 1, 2013 for the remaining period of the tenure of her appointment i.e. up to September 30,2013 as set out in the explanatory statement annexed hereto with the other existing terms of her appointment and remuneration remaining unaltered”.

“RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorised in accordance with the provisions of the Companies Act, 1956 for the time being in force and any statutory modifications or enactment thereof, and/or any rules or regulations framed there under”.

“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such step as may be necessary, proper and expedient to give effect to this Resolution”.



7. Re-appointment of Mrs. Rama Rajagopal as Executive Director of the Company:

To consider and if thought fit to pass with or without modification the following Resolution as Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves the re-appointment and terms of remuneration of Mrs. Rama Rajagopal Executive Director of the Company for the period of three years effecting from October 1, 2013 up to September 30, 2016 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorized in accordance with the provisions of the Companies Act, 1956 for the time being in force and any statutory modifications or reenactment thereof, and/or any rules or regulations framed there under”.

“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorised to take all such step as may be necessary, proper and expedient to give effect to this Resolution”.

Date: 09th August, 2013

Place: Chennai

for and On behalf of the Board
J.Manikandan
Company Secretary

NOTES

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (“Act”) in respect of the business under Item Nos. 5 to 7 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under Item Nos. 2 and 3 of the Notice, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be received at the company’s Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of Companies, Societies and Partnership firms etc must be supported by appropriate resolution/authority as applicable issued on behalf of the nominating organization.

3. The Register of members and transfer books of the Company will be closed from Monday, the 16th September 2013 to Monday the 23rd September 2013 (both days inclusive).
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Link Intime India Pvt Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt Ltd.
5. Members are requested to produce the Attendance Slip, sent along with the Annual Report, duly signed as per the specimen signature recorded with the company for admission to the Meeting.
6. The Company has implemented the ‘Green Initiative’ as per Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders and effected electronic delivery of Notice of Annual General Meeting (AGM) and Annual Reports .soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose.

ANNEXURE TO THE NOTICE CONVENING THE ANNUAL GENERAL MEETING

Additional information on directors seeking re-election at the Annual General Meeting

Mr.N.K.Ranganath

Profile and expertise in specific functional areas

Born on 13th March 1956, Mr.N.K.Ranganath is a Mechanical Engineer and holds a post graduate degree in Business Management from XLRI.

Mr.N.K.Ranganath is Managing Director of M/s.Grundfos Pumps India Private Limited. He had acquired valuable knowledge, experience and expertise in sales, marketing, finance, production and human resources disciplines.

He was inducted as a director by the Board on 20th September 2010.

Mr. P.S.Raman

Profile and expertise in specific functional areas

Born on 7th November 1960, Mr.P.S.Raman holds bachelor degree in Commerce and Law. He is an advocate with more than twenty years of practice in Madras High Court and in the Supreme Court.

During the years of practice, he has gained valuable knowledge, experience and expertise in the field of law. .



Mr. P.S.Raman is also a Director in Sundaram Brake Linings Limited.

He was inducted as a director by the Board on 20th September 2010.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5-7 of the accompanying Notice:

Item No. 5:

At the Annual General Meeting of the Company held on September 30, 2011, the Members had approved the appointment and terms of remuneration of Mr. V.Rajagopal, Chairman & Managing Director, with the maximum amount of salary of Rs.2,00,000 p.m and authorized the Board of Directors to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate in accordance with the provisions of the Companies Act, 1956 and any rules or regulations framed thereto. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. V.Rajagopal, the Board has revised the maximum limit of salary of Mr. V.Rajagopal from 2,00,000 p.m. to 3,00,000 p.m., with effect from March 1, 2013, for the remainder of the tenure of his appointment i.e. up to September 30, 2015, with proportionate increase in the benefits related to his salary.

The Board of Directors of the Company is authorised to alter or vary the terms of remuneration of Mr.V.Rajagopal as it may, at its discretion deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.

The revision in remuneration of Mr. V.Rajagopal Chairman and Managing Director is subject to the approval of the Members. Resolution at Item Nos. 5 is accordingly placed for the approval of the members.

Except for Mr. V.Rajagopal Chairman and Managing Director and Mrs. Rama Rajagopal, Executive Director, no other director is interested or concerned in the passing of the resolutions.

This may be treated as abstract of the terms of appointment and remuneration pursuant to section 302 of the act.

Item No.6:

At the Extra Ordinary General Meeting of the Company held on October 9, 2010, the Members had approved the appointment in terms of remuneration of Mrs. Rama Rajagopal, Executive Director, with the maximum amount of salary of Rs.2,00,000 p.m. and authorized the Board of Directors to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate in accordance with the provisions of the Companies Act, 1956 and any rules or regulations framed thereto. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mrs. Rama Rajagopal, the Board has revised the maximum

limit of salary of Mrs. Rama Rajagopal from 2,00,000 p.m. to 3,00,000 p.m., with effect from March 1, 2013, for the remainder of the tenure of his appointment i.e. up to September 30, 2013, with proportionate increase in the benefits related to his salary.

The Board of Directors of the Company is authorised to alter or vary the terms of remuneration of Mrs. Rama Rajagopal as it may, at its discretion deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.

The revision in remuneration of Mrs. Rama Rajagopal Executive Director is subject to the approval of the Members. Resolution at Item Nos. 6 is accordingly placed for the approval of the members.

Except for Mr. V.Rajagopal Chairman and Managing Director and Mrs. Rama Rajagopal, Executive Director, no other director is interested or concerned in the passing of the resolutions.

This may be treated as abstract of the terms of appointment and remuneration pursuant to section 302 of the act.

Item No.7:

The Board had re-appointed Mrs.Rama Rajagopal, as Executive Director

The Board of Directors of the Company at their meeting held on 9th August, 2013 has re-appointed Mrs.Rama Rajagopal as Executive Director of the Company for a period of three years effective from 1st October, 2013 to 30th September, 2016. The terms of the appointment and remuneration details are given below:

This may be treated as abstract of the terms of appointment and remuneration pursuant to section 302 of the act.

i) Tenure

For a period of 3 years with effect from 1st October, 2013 to 30th September, 2016

ii) Salary

Basic salary Rs.3,00,000/- per month.

iii) Medical Benefits

Suitable Mediclaim Policy for hospitalization for herself and family. Reimbursement of all actual medical expenses for herself and family to the extent not reimbursed under Mediclaim Policy

iv) Telephone

Telephone, Telefax and other communication facilities at residence at Company's cost.

v) Automobile

She shall be entitled to a fully maintained Company car with driver for company's business.

vi) Reimbursement of expenses

She shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by her for and on behalf of the Company, in furtherance of its business and objects.

vii) Sitting Fees

She will not be entitled to any sitting fees for attending the meetings of the Board or of any committee thereof.



Since the proposed remuneration package is governed under Section II (1) (B) of Part II of Schedule XIII to the Companies Act, 1956, the following additional information as required in clause (IV) of the proviso under Section II (1) (B) of the said schedule is furnished.

I. General Information	
(1) Name of the industry	: Textiles
(2) Date of commencement of business	: Incorporated on 29.09.2009
(3) Financial Performance	: Refer Annual Report

II. Information about the appointee:

Background Details

Mrs. Rama Rajagopal aged 56, a Post Graduate in Economics from University of Bangalore. She was inducted into the Board of Celebrity Fashions in January 1994. She has been the member of the Board of Celebrity Fashions Ltd for the past 19 years. She has been involved in the various functions of the Management and more particularly on financial aspects. She took over as Executive Director of "Indian Terrain" a domestic division of Celebrity Fashions Ltd since the inception, and has built up the domestic division to its present stage.

Job Profile

Mrs. Rama Rajagopal shall have the overall responsibility of managing the affairs of the Company, subject to the supervision and control of the Board of Directors.

Her suitability & Comparative Profile : Her rich experience for the last 19 years on the Board of Celebrity Fashions Limited and Indian Terrain Fashions Limited. This makes her ideally suitable to the current position in Indian Terrain Fashions Limited.

Remuneration proposed : Rs.3,00,000/- per month

Pecuniary relationship with the company or relationship with the managerial personnel.

Mrs. Rama Rajagopal is a spouse of Mr. V. Rajagopal, Managing Director of the company.

The proposed remuneration of Mrs. Rama Rajagopal as Executive Director is subject to the approval of the shareholders by way of special resolution at the Annual General Meeting of the Company.

Mrs. Rama Rajagopal and Mr. V. Rajagopal are concerned or interested in the aforesaid appointment and proposed remuneration to Mrs. Rama Rajagopal as Executive Director.

Date : 09th August, 2013

Place : Chennai

For and on behalf of the Board
J Manikandan
Company Secretary

Directors Report

Dear Members,

The directors have pleasure in presenting the 4th Annual Report together with the audited accounts of your Company for the year ending 31st March 2013.

Financial Performance

Your Company has recorded net revenues of Rs. 157 crs (11% growth) for the year ended 31st March 2013 as compared to Rs. 141 crs during the previous year. Profit before Interest, Depreciation and Tax was at Rs. 15.77 crs as against Rs. 13.05 crs during the previous year. Profit before Tax stood at Rs. 4.79 crs as compared to Rs. 2.34 crs in the previous year and Net Profit after Tax was at Rs. 4.11 crs as against a net profit of Rs. 1.77 crs last year.

The financial year under review has been a very interesting one with the brand truly establishing itself during the course of the year and becoming a brand of choice. There have been good improvements in the operating parameters of the Company which has resulted in incremental EBITDA margins. With the excise duty on branded apparel garments made optional from 1st March 2013, the brand is expecting a further boost on the operating performance.

The Indian retail story looks quite strong with India's rapidly growing consuming class, particularly the consumption of middle-class which is witnessing a secular growth. The brand is all set for good growth over the next 2-3 years and will reach newer heights with continued thrust on product and expansion. The established presence in Metros and Tier-I cities and the continued penetration into Tier-II and Tier-III cities will fuel its growth trajectory.

Your Company will hit on every opportunity yet in a cautious manner.

Finance and Accounts

Your Company has a portion of Accumulated losses and unabsorbed depreciation transferred pursuant to Demerger and hence the Company is not liable to Current Tax. However, the Company has charged the Minimum Alternate Tax (MAT) of Rs. 0.96 crores to Profit and Loss Account and has not considered MAT credit Entitlement as an asset as a matter of prudence.

The company has not availed any credit facility from any institutions during the year. The company has not accepted any deposits within the meaning of Section 58A and 58AA of the Companies Act 1956.

Dividend

With a view to conserve the resources, the Board of Directors have not recommended any Dividend for the current financial year.

Corporate Governance Report

Your Company is in compliance with the standards set out by Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate report on Corporate Governance along with Auditors' Certificate on compliance with Corporate Governance is enclosed in the Annual Report and forms part of this report.

Management's Discussion and Analysis Report

Management Discussion and Analysis is presented in a separate section and forms part of this Annual Report.



Share Capital

During the year, the Company pursuant to Employee Stock Option Plan 2011 has allotted 27,500 equity shares on conversion of options exercised by the employees. Consequently, the Share Capital has increased by Rs.2.75 lakhs.

Employee Stock Option Plan (ESOP)

Your Company has introduced Employee Stock Option Plan 2011 in accordance with SEBI ESOP guidelines. The Particulars of the plans are given in a separate statement attached to this report and forms part of it.

Directors

Pursuant to Section 255 of the Companies Act, 1956, Mr. N.K. Ranganath and Mr. P.S. Raman retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors

M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s CNGSN & Associates, Chartered Accountants, Chennai, the Joint Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Cost Auditor

Your Company has appointed M/s Rafi & Associates, Cost Accountants, Chennai as Cost Auditor of your Company for the financial year 2013-14.

Personnel

Employee relations have been very cordial during the year ended 31st March 2013. The Board wishes to place on record its appreciation to all the employees in the company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year. The Management team of your Company comprises of young passionate driven professionals committed to the organizational goals.

Particulars as per Section 217 of the Companies Act, 1956

A) Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 and based on the representations received, your Directors hereby confirm that:

- i. In the preparation of the Annual Accounts for the year ended 31st March 2013, the applicable Accounting Standards have been followed and there are no material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors have prepared the Annual Accounts on a going concern basis.

B) Information in accordance with Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and "The Companies (Particulars of Employees) Amendment Rules 2011"

None of the employees have drawn remuneration as specified in the Rules therein.

C) The information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given below:

i. Conservation of Energy:

The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption of energy on a continuing basis.

ii. Technology absorption:
Not applicable.

iii. Foreign Exchange Earning and Outgo:
Total Foreign exchange earned (FOB Value) NIL

Total Foreign exchange outgo Rs.0.23 crs

Appreciation

The Directors are sincerely thankful to the esteemed Shareholders, Customers, Banks, Suppliers, Government Departments, other Business Partners and to all its employees for the whole hearted support provided by them to the Company and its Management.

Date : 3rd May, 2013

Place : Chennai

For and on Behalf of the Board
V. Rajagopal
Chairman & Managing Director



Annexure to Director's Report

Employee Stock Option	
During the Financial Year 2011-12 the company has formulated an Employee Stock Option Scheme in accordance with the provision of (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999	
Particulars	ESOP-2011
Options Granted	1116000 options
The Pricing Formula	Growth options - 886000 options @ Rs.99 per options; Thank You options-230000 options at Rs.10/- each
Options Vested	110000 options
Options Exercised	27500
Total number of shares arising as result of exercise of options	11,16,000 Equity Shares
Options Cancelled / Lapsed	3,87,500 options
Variation of terms of Options	Growth Options: Subject to continued employment with the Company and fulfilment of performance parameters determined by Compensation Committee. Thank You Option: Subject to continued employment with the Company
Money realised by exercise of options	2,75,000/-
Total number of options in force	7,01,000 options
Employee wise details of options granted to	
a. Senior Managerial Personnel	11,16,000 options (detailed below)
b. Employees receiving 5% or more of the total number of options granted during the year	11,16,000 options (detailed below)
c. Identified employees who were granted option during anyone year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Mr.Charath Narsimhan Mr.Amitabh Suri Mr.S.Surya Narayanan
Diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with AS 20	Rs.7.14

Shares Granted to Senior Management

Employee Name	Total Options	Growth Options	Thank you Options	% of Issued Capital
Charath Narsimhan	500000	390000	110000	9%
Amitabh Suri	335000	280000	55000	6%
S.Surya Narayanan	225000	170000	55000	4%
John Dulip kumar	56000	46000	10000	1%
Total	1116000	886000	230000	20%

*56000 options granted to Mr. John Dulip Kumar stands cancelled subsequent to his resignation in the financial year 2011-12.

*197500 options granted to Mr. S.Surya Narayanan stands cancelled subsequent to his resignation in the financial year 2012-13.

*78000 Growth options granted to Mr. Charath Narsimhan stands lapsed due to performance parameter.

*56000 Growth options granted to Mr.Amitabh Suri stands lapsed due to performance parameter.

Employees receiving in excess of 5% under ESOP

Employee Name	Total Options	Growth Options	Thank you Options	% in Total
Charath Narsimhan	500000	390000	110000	45%
Amitabh Suri	335000	280000	55000	30%
S.Surya Narayanan	225000	170000	55000	20%
John Dulip kumar	56000	46000	10000	5%
Total	1116000	886000	230000	100%

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance

Indian Terrain Fashions Limited focuses Corporate Governance as a key driver of sustainable corporate growth and a powerful medium to achieve the company's goal of maximizing value for all its stakeholders. A sound corporate governance strengthens investors' trust and enables the company to fulfill its commitment towards the customers, employees and the society in general. Indian Terrain Fashions Limited believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring.

The company philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision and internal controls, risk management, internal and external communications, high standard of safety, health, accounting fidelity, product and service quality. The company has a strong legacy of fair and ethical governance practices.

BOARD OF DIRECTORS

The Board of Directors of the Company possess highest personal and professional ethics, integrity and values, and provides leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures.

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of six members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Managing Director and Executive Director under the supervision of the Board.

Composition of the Board

The Board has constituted in the manner, which will result in an appropriate mix of Executive / non executive independent directors to ensure proper governance and Management.

During the financial year 2012-13, the Board consists of Seven Directors. Mr.V.Rajagopal is the Chairman and Managing Director and Mrs. Rama Rajagopal, Executive Director and Mr. Surya Narayanan, Director and four non executive Independent Directors, Mr.P.S.Raman, Mr.N.K.Ranganath and Mr. Harsh Bahadur, Mr. Manoj Mohanka. During the year Mr. S.Surya Narayanan resigned as Director at the close of office hours dated 11th February 2013. The number of independent directors on the Board is more than half of its strength. Thus the Company meets the requirements of composition of the Board according to the Listing agreement.



Board Meetings

During the financial year 2012-13, the Board met 4 times on 15th May 2012, 09th August 2012, 9th November 2012, and 11th February 2013.

Details of attendance of each director at the Board Meetings and in the last Annual General Meeting and number of directorships / committee memberships held by them as on 31st March 2013 are as follows:

Name of the Director	Category	Attendance at the Board Meetings	Attendance at the Last AGM	Number of other Directorships held**	Other Committee Membership ***	
					Member	Chairman
Mr. V. Rajagopal Chairman and Managing Director	Executive / Promoter	4/4	Yes	2	2	-
Mrs.Rama Rajagopal Executive Director	Executive / Promoter	1/4	Yes	2	-	-
Mr.S.Surya Narayanan Director	Executive	3/4	Yes	3	2	-
Mr.P.S.Raman Director	Independent Non Executive	0/4	No	1	2	-
Mr.N.K.Ranganath Director	Independent Non Executive	4/4	No	3	-	3
Mr. Harsh Bahadur Director	Independent Non Executive	2/4	No	-	2	-
Mr. Manoj Mohanka Director	Independent Non Executive	3/4	No	9	2	-

Notes:

The Directorship held by the Directors, as mentioned above, includes the directorship held in Private Limited Companies Only membership of audit committee and shareholders / investors grievance committee & Remuneration Committee has been taken into consideration.

Access to information and updation to Directors

The required information as enumerated in Annexure 1A to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews significant strategic, financial, operational and compliance matters in the meeting.

COMMITTEES OF THE BOARD

The Board in order to be effective had constituted an Audit Committee, a Shareholder / Investor Grievance Committee and a Remuneration and Compensation Committee.

AUDIT COMMITTEE

The Audit Committee plays an important role in financial reporting of performance and review of internal control procedure.

The Company consists of qualified and independent Audit Committee. The committee consists of four members Mr.N.K.Ranganath, Non-executive independent director as its Chairman, Mr.V.Rajagopal, Mr. Harsh Bahadur and Mr. Manoj Mohanka as its members. All the members of the Committee have excellent financial and accounting knowledge.

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies and internal audit reports. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendation(s), before taking the same to the Board. The Committee also reviews the management discussion and analysis of financial conditions and results of operations, related party transactions.

The Committee met 4 times on 15th May 2012, 09th August 2012, 9th November 2012, and 11th February 2013 during the financial year ended 31st March 2013, where in all the committee members were present except Mr. Mr. Harsh Bahadur was not present for the meeting dated 15th May 2012 and 9th November 2012.

REMUNERATION AND COMPENSATION COMMITTEE

The Board has set up Remuneration and Compensation Committee with a role to determine the remuneration payable to whole time directors and key managerial personnel of the Company, to recommend to the Board the appointment / reappointment of the Executive / Non-executive directors, to grant stock options and for framing of policies to attract, motivate and retain personnel.

The Committee consists of four non-executive independent directors, Mr. N K Ranganath as its Chairman, Mr.P.S.Raman, Mr.Harsh Bahadur and Mr. Manoj Mohanka as its members.

During the year ended 31st March 2013, the Remuneration and Compensation Committee met once on 11th February 2013.



Remuneration Policy

The Remuneration policy of the company has been structured to match the market trends of the industry, qualifications and experience of the employee and responsibilities handled by them.

Remuneration to Directors

The Non executive directors do not draw any remuneration from the Company other than the sitting fees for attending each meeting of the Board and committees thereof. The Company pays sitting fees of Rs. 10,000/- to all the non-executive directors for attending each meeting of the Board and Rs.1,500/- for each meeting of its committee thereof which is within the limits prescribed under the Companies Act, 1956.

During the financial year 2012-13, the sitting fee paid to Non - Executive Directors were as under:

Name of the Director	Sitting Fees (includes the fees paid for Committee Meetings) Rs.
Mr. N.K .Ranganath	47,500
Mr. P.S.Raman	Nil
Mr. Harsh Bahadur	24,500
Mr. Manoj Mohanka	34,500

There are no other particular pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company.

The Company pays remuneration by way of Salary, perquisites and allowances to the Managing Director and Executive Directors. Details of the remuneration and perquisites paid to the whole time directors are as under:

Name of the Director	Salary (Rs. in Lakhs)	Retirement Benefits	Total (Rs. in Lakhs)
Mr. V Rajagopal	25.00	Nil	25.00
Mrs.Rama Rajagopal	25.00	Nil	25.00

In addition to the above, the whole time directors shall be entitled to suitable mediclaim policy for hospitalization and reimbursement of all actual medical expenses for themselves and their family to the extent not reimbursed under Mediclaim policy. They shall be entitled to telephone, fax and other communication facilities at their residence at company's cost. They are entitled to a fully maintained company car for company's business and the company shall pay the cost of vehicle, inclusive of driver. They shall also be entitled to reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by them for and on behalf of the Company, in furtherance of its business and objects.

ESOP

During the year under review, Mr. S.Surya Narayanan, Director had exercised 27500 stock options out of 55,000 stock options granted to him under Thank you options. On 11th February 2013, the Company had allotted the aforesaid 27500 shares at an exercise price of Rs.10 per share.

Shareholders/Investors Grievance Committee

The Committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates, etc. The Committee also looks into the redressal of investors' grievances pertaining to transfer of shares and dematerialization, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Committee consists of three members and Mr.N.K.Ranganath, Non executive independent director as its Chairman and Mr. P.S.Raman, Mr.V.Rajagopal its members.

The Company received no complaints during the year and there were no complaints pending to be resolved as on 31st March 2013 and there was no meeting held by the Committee.

Name designation & Address of Compliance officer

J. Manikandan
Company Secretary & Compliance officer
Indian Terrain Fashions Limited
SDF-IV & C2, 3rd Main Road,
MEPZ-SEZ,Tamparam,Chennai - 600045.

Mr.J.Manikandan Company Secretary was appointed as Compliance Officer by the Board of Directors at their meeting held on 09th October, 2010 pursuant to Clause 47(a) of the Listing Agreement.

Subsidiary Companies

The Company has no subsidiary Companies.

General Body Meetings

The details of the last three Annual General Meetings (AGMs) held were as under:

Financial year	Day and Date	Time	Venue
2011-12	Monday, 17 th September 2012	10.30.A.M	Corporate Office, SDF- IV & C 2,3 rd Main Road, MEPZ - SEZ, Tamparam, Chennai 600 045.
2010-11	Friday,30 th September 2011	11.00. A.M	Corporate Office, SDF- IV & C 2,3 rd Main Road, MEPZ - SEZ, Tamparam, Chennai 600 045.
2009 – 10	Saturday, 18 th September 2010	11.00 A.M	Corporate Office, SDF- IV & C 2,3 rd Main Road, MEPZ - SEZ, Tamparam, Chennai 600 045.



The following special resolutions were passed by the members during the last 3 annual general meetings:

AGM held on 17.09.2012

No Special Resolution Passed

AGM held on 30.09.2011

1. Employee Stock Option Scheme
2. Employee Stock Options Equal or Exceeding 1% of the Issued Capital- Mr.Charath Narsimhan
3. Employee Stock Options Equal or Exceeding 1% of the Issued Capital- Mr.Amitabh Suri
4. Employee Stock Options Equal or Exceeding 1% of the Issued Capital-Mr.S.Surya Narayanan
5. Employee Stock Options Equal or Exceeding 1% of the Issued Capital-Mr.John Dulip Kumar

AGM held on 18.09.2010

1. Increase in Authorised Share Capital
2. Alteration of Capital Clause of The Memorandum of Association
3. Alteration of Articles of Association

Code of conduct

The Company has adopted a Code of Conduct for all board members and senior management of the Company. The Code has been communicated to the directors and the members of the Senior Management of the Company. The code has been displayed on the Company's website namely www.indianterrain.com. All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31st March 2013. The annual report contains a declaration to this effect signed by the Chairman and Managing Director and the Company Secretary as Compliance Officer of the Code.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all directors/officers and designated employees of the company. The code regulates dealing in shares by the persons having access to the unpublished price sensitive information.

CEO/ CFO CERTIFICATION

CEO and CFO have given the certificate as given in Clause 49 of the Listing Agreement.

DISCLOSURES

There were no materially significant related party transactions that may have potential conflict with the interest of company at large. The details of the related party transactions are disclosed under the notes on accounts, as required under the Accounting standard 18 issued by the Institute of Chartered Accountants of India.

The Company has complied with the requirements of SEBI and stock exchanges on the matters relating to capital markets as applicable from time to time. There has been no instance

of non-compliance by the company or penalty imposed on company by the stock exchanges or SEBI or any statutory authority, on any matter relating to capital markets, during last three years.

The company has complied with all the mandatory requirements of the code of corporate governance prescribed by the stock exchanges. In compliance with non-mandatory requirements, the company has constituted a Remuneration and Compensation Committee.

The company has not adopted the whistle blower mechanism, as it is a non-mandatory requirement.

Means of Communication

The quarterly and half-yearly / annual financial results are communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors. The financial results are published in English Newspaper having all India Edition and in Tamil newspaper.

GENERAL SHAREHOLDERS INFORMATION

Financial Year

1st April to 31st March

Annual General Meeting and Date of Book Closure

This Corporate Governance Report was taken on record by the Board in their meeting held on 03rd May, 2013. The date and venue of the Annual General Meeting was not finalized in the Board Meeting. Hence the details as to the Schedule of Annual General Meeting and the dates of Book Closure have not been provided.

Listing on Stock Exchanges

Bombay Stock Exchange Limited	National Stock Exchange of India Limited
Phiroze JeeJeebhoy Towers,	Exchange Plaza, Block G,
Dalal Street,	Bandra Kurla Complex, Bandra (East),
Mumbai 400 001	Mumbai 400 051
Stock Code: "533329"	Stock Code: "INDTERRAIN"

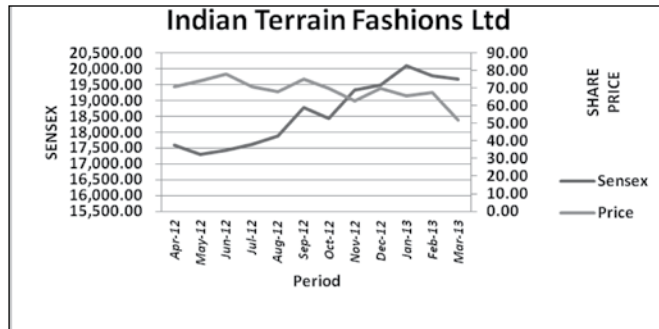
Market Price data

(Share price in Rs.)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-12	70.80	60.75	6,739	69.90	60.00	8694
May-12	74.15	53.10	8,072	68.00	53.80	3573
Jun-12	78.00	55.00	11,926	88.50	58.05	16034
Jul-12	70.95	54.00	23,862	70.00	59.30	7878
Aug-12	68.15	49.00	14,104	71.95	50.50	9328
Sep-12	75.00	47.65	4,606	73.25	46.00	32695
Oct-12	69.95	52.60	15,991	75.00	50.25	27316
Nov-12	62.80	47.20	70,422	63.90	51.00	24503
Dec-12	70.00	57.40	37,124	70.70	58.05	26465
Jan-13	65.85	50.60	31,206	66.00	55.30	15660
Feb-13	67.70	47.20	98,388	60.00	46.10	19646
Mar-13	51.90	34.00	54,659	52.70	35.00	53959



Indian Terrain Fashions Limited Share Price Performance in comparison with BSE SENSEX



Distribution of Shareholding:

Distribution of Shareholding as on 31st March 2013 is as under:

Range	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
0001- 5000	460815	4608150	8.76	11525	97.48
5001- 10000	102704	1027040	1.93	148	1.25
10001- 20000	102636	1026360	1.83	71	0.60
20001- 30000	55239	552390	1.05	22	0.19
30001- 40000	45642	456420	0.82	13	0.11
40001- 50000	26337	263370	0.55	6	0.05
50001- 100000	88080	880800	1.79	13	0.11
Greater than 100000	4727378	47273780	80.60	24	0.20
TOTAL	5608831	56088310	100.0000	11822	100.000

Registrar and Share Transfer Agents

M/s. Link Intime India Private Limited, Mumbai are the Registrar and Share Transfer agents for handling physical and electronic registry work. The Shareholders are requested to address their share related requests/ queries to the RTA. The contact address of the registrar and share transfer agent is as follows:

M/s. Link Intime India Private Limited
 C - 13, Pannalal Silk Mills Compound,
 L.B.S.Marg, Bhandup (W),
 Mumbai 400 078
 Tel: + 91 22 2596 3838
 Fax : + 91 22 2596 2691
 Website : www.linkintime.co.in

Share Transfer System

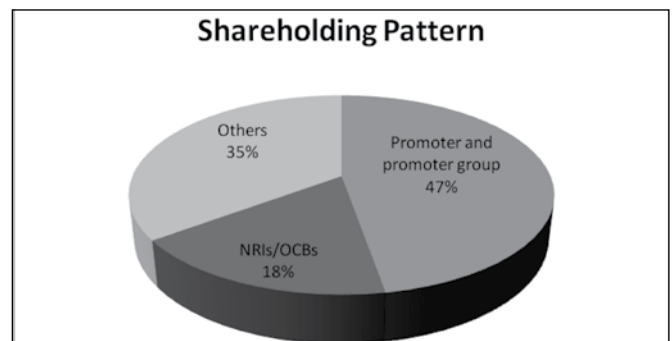
The Board has delegated the powers to approve share transfers, transmissions, rematerialisation by constituting a Shareholders/ Investors Grievance Committee. As 99.99% of the shares were held in dematerialized mode, the transfers of those shares were done through the depositories with no involvement of the company.

The physical share transfer, transmissions are processed based on number of requests received. The shares lodged for transfers are processed and registered as per the requirements of the listing agreement if the documents are complete in all respects.

Shareholding Pattern as on 31st March 2013

Category	No. of Shares	Percentage
Promoter and promoter group		
Promoter and promoter group	2637510	47.02
Sub Total	2637510	47.02
NRIs/OCBs		
Foreign Company	971428	17.32
Foreign Nationals	0	0.00
Non Resident Indians	10786	0.19
Sub Total	982214	17.51
Others		
Clearing Members	101241	1.81
Private Corporate Bodies	874918	15.60
Public	1012948	18.06
Sub Total	1989107	35.47
Total	5608831	100.00

Graphical Representation of the Shareholding pattern





Dematerialisation of Shares and liquidity

The Equity Shares of the company were admitted in the following depositories under International Securities Identification number (ISIN) No. INE611L01013 considering the benefits embedded in holding and trading of the securities in electronic form.

Name of the depository	Address
National Securities Depository Limited	4 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	28 th Floor, Phiroze Jee Jeebhoy Towers, Dalal Street, Mumbai - 400 001.

As at 31st March 2013, 5608592 Equity shares aggregating to 99.99% were held in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments up to the financial year 2012 - 13.

Address for correspondence

Indian Terrain Fashions Limited
Registered Office
No:208, Velachery Tambaram Road,
Narayanapuram, Pallikaranai,
Chennai 600 100
Tel: 91 44 4345 3000
Fax:91 44 4345 3202

Corporate Office
SDF - IV & C2, 3rd Main Road,
MEPZ - SEZ, Tambaram,
Chennai 600 045.
Tel : + 91 44 43432200
Fax : +91 44 22622897, 22628184
Email : investorservices@indianterrain.com
Website : www.indianterrain.com

“GROUP COMING WITHIN THE DEFINITION OF GROUP AS DEFINED IN THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT 1969”

1. Mr. V. Rajagopal
2. Mrs.Rama Rajagopal
3. Mr.Suresh Rajagopal
4. Mr. K.A.Rajagopal
5. Ms. Anjali Rajagopal
6. Mr. Vidyuth Rajagopal
7. Celebrity Connections (Partnership Firm)
8. Celebrity Fashions Limited
9. Celebrity Clothing Limited

The above disclosure has been made inter alia for the purpose of Regulation 3 (1) (e) of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

For Indian Terrain Fashions Limited
V.Rajagopal
Chairman & Managing Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

Indian Terrain Fashions Limited

We have examined the Compliance of conditions of Corporate Governance by Indian Terrain Fashions Limited for the year ended on 31st March 2013, as stipulated in clause 49 of the listing agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CNGSN & Associates
Chartered Accountants
F.R.No.004915S
C.N. Gangadaran
Partner
Membership No.11205

Dated: 25.04.2013
Place:Chennai

Management Discussion and Analysis – 31st March 2013

This Management Discussion and Analysis Report is prepared in adherence to the spirit enunciated in the Code of Corporate Governance, approved by the Securities and Exchange Board of India and in compliance with the provisions of the Listing Agreement.

Overview

The retail sector in India is growing at a phenomenal pace. According to the Global Retail Development Index 2012, India ranks fifth among the top 30 emerging markets for retail. The recent announcement by the Indian government with Foreign Direct Investment (FDI) in retail, especially allowing 100% FDI in single brands and multi-brand FDI has created positive sentiments in the retail sector.

Retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. The branded apparel market represents the largest source of growth. The men's branded apparel market is growing at a rate of 21.8% and branded women's apparel segments represents 35% of the total branded apparel market and is growing at an incredible 23% annually.



Outlook

Now there is an increasing demand of branded apparel segment in the domestic retail market for the same features that are valued in demanding export markets. These shifts in retail are fuelling the demand for good quality and trendy apparel, which in turn deepening the importance of aesthetics and design in the domestic market. It is worthwhile to mention that the rise of younger class of middle-class consumers, spawned by the booming BPO and IT sector, has led to burgeoning demand for locally designed, ready to wear clothing in Indian metros. As many surveys have established, with good salaries, strong peer pressure and the growing availability of brands across product categories, spending in retail is being driven by the youth segment in large and mid-sized metros.

Indian Garment Industry is closely connected to the fashion industry and grows hand in hand. With these even opportunities for the employment is also increasing to a larger extent. These high levels of fashion consciousness has created the need for candidates who are highly productive, efficient and have a passion to create new designs and give way to creativity. This Industry demands and requires both skill and diligence. India is an ultimate combination, like it has a matured garment industry for a long time along with a vast trained manpower.

The excise duty had led to huge amount of cost pressures and impacted the margins of the industry substantially. The scrapping of 12% Excise duty on cotton at the fibre yarn fabric and garment stage is a great boost for Apparel makers and retailers. India's top garment makers are likely to gain the most and retailers should see a reduction in costs. This will go long way both from demand and margin point of view for the industry.

This industry also has its share of worries. Fabric processing and garmenting are highly labour intensive and labour costs in India are rising. Therefore, setting up units or outsourcing work to third parties in low cost Indian regions could be instrumental in protecting margins.

Working capital requirements of companies are expected to increase. Domestically, weak consumer sentiment, high inflation and low wage growth have been dampening textiles and apparel sales. Discounts will be offered to encourage sales, but will keep margins under pressure.

Indian Terrain has strong acceptance not only in Metros and Tier-I cities but also in Tier-II and Tier-III cities. The brand aims at increasing the market share in an aggressive manner. The removal of excise duty levy on branded apparel garments and stable prices of cotton will enable the brand to maintain the margins and look out for lucrative opportunities for growth.

Internal Control Systems and their Adequacy

The Company has developed adequate internal control system commensurate to its size and business to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The internal audit reports are periodically reviewed by the Management together

with the Audit Committee of the Board. The Company has a strong Management Information System as a part of Control Mechanism.

Risk Management

The Company is exposed to Interest Rate Risk. The Interest rate regime has been continuously on the hike mode for the past several quarters and this is impacting the earnings after interest.

Financial Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India.

The management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgment relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs and profits for the year.

Highlights

Rs. In Crores

Highlights	2012-2013	2011-2012
Income From operations	156.78	140.97
PBITD	15.77	13.05
Interest	9.54	9.91
PBDT	6.23	3.14
Depreciation	1.44	0.81
Profit/ (Loss) Before Tax	4.79	2.33
Provision for Taxation	0.68	0.56
Net Profit / (Loss) after Tax	4.11	1.77

Human Resources/Industrial Relations

Industrial relations have continued to be harmonious at all units throughout the year. No man-days were lost due to strike, lock out etc.

Measures for employees' safety, their welfare and development receives top priorities. The Company had over 300 employees as on 31st March 2013.

Cautionary Statement

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities, laws and regulations. Actual results could materially differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, global demand-supply conditions, changes in governmental regulations and tax structure, economic structure within India and the countries with which the Company has business contacts and other incidental factors.



INDEPENDENT AUDITOR'S REPORT To the Members of Indian Terrain Fashions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Indian Terrain Fashions Limited** ("the Company"), which comprise the Balance sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **ANIL NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration Number 000175S
G. ANIL
Partner
Membership Number 22450

for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Registration Number 004915S
C.N. GANGADARAN
Partner
Membership Number 11205

Place: Chennai
Date: May 3, 2013



Annexure To The Auditors' Report

The Annexure referred to in our report to the members of **Indian Terrain Fashions Limited** ("the Company") for the year ended March 31, 2013. We report that:

1. In respect of its Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets of the Company have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. In accordance with the phased programme of verification, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- c. The fixed assets disposed of during the year do not constitute a substantial part of the fixed assets of the Company and such disposal in our opinion has not affected the going concern status of the Company.

2. In respect of its inventories :

- a. The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :

- a. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
- b. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, inventory and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

5. In respect of contracts or arrangements referred to in section 301 of Companies Act, 1956

- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakh in respect of each party during the year have been made at prices which appear reasonable having regard to the prevailing market prices at the relevant time, as per information available with the Company.

6. According to the information and explanations given to us the Company has not accepted any deposits from the public. Therefore the provisions of Clause (vi) of paragraph 4 of the Order (as amended) are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues:

- a. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees State Insurance Scheme, Excise Duty, Service Tax, Customs Duty and other material statutory dues, as applicable have been regularly deposited during the year by the Company with the appropriate authorities. However during the year under review the Company has been irregular in remitting the Income Tax dues under Minimum Alternate Tax (MAT).
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance Scheme, Income Tax, Service Tax, Value Added Tax and other material statutory dues were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.



c. According to the information and explanations given to us, the disputed statutory dues aggregating to Rs.47.43 lakhs that has not been deposited on account of matters pending before the appropriate authority are as under:-

Name of the Statue	Nature of Dues	Forum Where the dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
CENVAT Credit Rules 2004	Irregular Input Service Credit of Service Tax Availed	Additional Commissioner of Central Excise, Chennai	February 2012 to April 2012	47.43

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.

12. According to the information and explanations given to us, and based on the records and documents produced before us, The Company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.

13. In our opinion and to the best of our information and according to the explanations provided by the management, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore the provisions of Clause 4(xiii) of the Companies (Auditors Report) Order 2003 (as amended) do not apply to the Company.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. According to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

17. According to the information and explanations given to us and an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on a short term basis have not been used for long term investments.

18. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company did not have any outstanding debentures during the period.

20. The Company has not raised any money by way of public issue during the period. Hence in our opinion Clause 4(xx) of the Companies (Auditors Report) Order 2003 (as amended) is not applicable to the Company.

21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, and as per the information and explanations given to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

for **ANIL NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration Number 000175S
G. ANIL
Partner
Membership Number 22450
Place: Chennai
Date: May 3, 2013

for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Registration Number 004915S
C.N. GANGADARAN
Partner
Membership Number 11205



Balance Sheet as at 31st March 2013

Rs. In Crores

Particulars	Note No.	As at 31-Mar-13	As at 31-Mar-12
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	2	5.61	5.58
(b) Reserves and Surplus	3	20.18	15.28
		25.79	20.86
2 Non-Current Liabilities			
(a) Long-term borrowings	4	20.74	24.75
(b) Deferred tax liabilities (Net)	5	-	0.28
(c) Other Long-term liabilities	6	3.49	2.15
		24.23	27.18
3 Current Liabilities			
(a) Short-term borrowings	7	36.44	32.40
(b) Trade payables	8	26.68	27.51
(c) Other current liabilities	9	5.38	6.22
(d) Short-term provisions	10	3.30	4.49
		71.80	70.62
Total		121.82	118.66
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible assets		8.12	8.83
(ii) Intangible assets		0.28	0.29
		8.40	9.12
(b) Long-term loans and advances	12	7.54	7.10
(c) Other non-current assets	13	0.12	0.11
		16.06	16.33
2 Current Assets			
(a) Inventories	14	32.35	32.41
(b) Trade receivables	15	69.28	62.62
(c) Cash and Bank Balances	16	2.74	5.88
(d) Short-term loans and advances	17	0.24	1.21
(e) Other current assets	18	1.15	0.21
		105.76	102.33
Total		121.82	118.66

See Accompanying Notes to Financial Statements 1

To be read with our report of even date

For Anil Nair & Associates
Chartered Accountants
Registration # 175S

For CNGSN & Associates
Chartered Accountants
Registration # 4915S

For and on Behalf of the Board
V Rajagopal
Chairman & Managing Director

G Anil
Partner
Membership # 22450

C N Gangadaran
Partner
Membership # 11205

Rama Rajagopal
Director

Chennai, 3rd May, 2013

J Manikandan
Company Secretary



Statement of Profit and Loss for the Year Ended 31st March 2013

Rs. In Crores

Particulars	Note No.	For the year ended 31-Mar-13	For the year ended 31-Mar-12
I Revenue from Operations (gross)	19	166.45	153.19
Less: Excise Duty		9.67	12.22
Revenue from Operations (net)		156.78	140.97
II Other Income	20	0.48	0.59
III Total Revenues		157.26	141.56
IV Expenses			
a Cost of Materials	21	48.49	41.90
b Purchases of Finished Goods		11.51	16.95
c Changes in Inventories of Finished Goods & Work-in-Progress - (Inc) / Dec		0.16	(0.27)
d Employee Benefit Expenses	22	9.19	7.64
e Other Expenses	23	72.14	62.29
		141.49	128.51
V Earnings before Interest, Depreciation and Tax		15.77	13.05
f Finance Costs	24	9.54	9.90
g Depreciation		1.44	0.81
Total Expenses		10.98	10.71
V Profit / (Loss) before Tax		4.79	2.34
VI Tax Expenses			
a Current Tax Expense		0.96	0.47
b Deferred Tax		(0.28)	0.10
		0.68	0.57
VII Profit / (Loss) for the Period		4.11	1.77
VIII Earnings Per Share - In Rs.			
-- Basic		7.36	3.17
-- Diluted		7.14	3.06

See Accompanying Notes to Financial Statements

To be read with our report of even date

For Anil Nair & Associates
Chartered Accountants
Registration # 175S

For CNGSN & Associates
Chartered Accountants
Registration # 4915S

For and on Behalf of the Board
V Rajagopal
Chairman & Managing Director

G Anil
Partner
Membership # 22450

C N Gangadaran
Partner
Membership # 11205

Rama Rajagopal
Director

Chennai, 3rd May, 2013

J Manikandan
Company Secretary



1 Significant Accounting Policies

Sl #	Particulars
1.	<p>Accounting Convention:</p> <p>The Financial Statements are prepared on accrual basis and in accordance with the requirements of the Companies Act, 1956 and the applicable Accounting Standards and guidelines issued by the Securities and Exchange Board of India (SEBI).</p>
2	<p>Fixed Assets, Intangible Assets & Depreciation:</p> <p>a Fixed Assets are stated at cost of acquisition (inclusive of all incidental expenses incurred towards acquisition and installation thereof) less accumulated depreciation there on</p> <p>b Depreciation on Fixed Assets is calculated on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956</p>
3	<p>Use of Estimates</p> <p>The preparation of financial statements requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Although these estimates are based upon the managements best knowledge of current events and actions, actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.</p>
4	<p>Inventories:</p> <p>a Raw Materials and Components are valued at lower of Cost or Net Realizable Value. Cost of the said is computed by applying Specific Identification Method.</p> <p>b Work in Progress and Finished Goods are valued at lower of Cost or Net Realizable Value. Cost of these inventories includes Costs of Conversion and Other costs incurred in bringing them to the present location and condition.</p>
5	<p>Income Recognition:</p> <p>Sales net of trade discounts and rebates are recorded when the significant risks and rewards of ownership are transferred. Consignment Sales are accounted on the basis of Sales Memo received from Consignees. Sales include excise duty but exclude Sales Tax and Value Added Tax. Export Sales are accounted on the basis of the dates of Bill of Lading, other delivery documents as per the contract. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Interest Income is recognised on Time-Proportion basis taking into account the amount outstanding and the rate applicable.</p>
6	<p>Measurement of foreign currency monetary items at the Balance Sheet date and Treatment of Exchange Differences:</p> <p>Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p>
7	<p>Leases</p> <p>Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. All lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line method over the lease term.</p>



8 Employees' Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits in the nature of salary, wages, bonus, leave encashment and the expected cost of ex-gratia are recognized and accounted for on accrual basis in the period in which the employee renders the related service. Provident Fund is defined contribution plan and charged to Profit & Loss Account on accrual basis with corresponding contribution to recognised funds. Leave Entitlement is short term employees benefit and determined arithmetically and charged to Profit & Loss Account on accrual basis. Gratuity Liability under Payment of Gratuity Act is determined on the basis of an actuarial valuation made at the end of the financial year and in accordance with the Revised Accounting Standard 15.

9 Taxation:

Income Taxes are accrued in the same period when the related revenue and expenses arise. Provision for Current Tax is made after taking into consideration tax allowances, benefits and exemptions admissible under the provisions of the Income Tax Act, 1961. Consequent to Demerger, the Company has a portion of Accumulated losses and unabsorbed depreciation transferred from Celebrity Fashions Limited and hence the Company is not liable for Income Tax under the normal provisions of the Income Tax Act. However the Company is subject to Minimum Alternate Tax (MAT). Minimum alternate tax gives rise to future economic benefits in the form of tax credit against future income tax liability. MAT credit is recognised as an asset if there is convincing evidence that the Company will pay normal tax after setting off the carried forward losses and the resultant asset can be measured reliably. During the year the Company has not recognised the eligible MAT credit as an asset, as a matter of prudence. Deferred Tax is recognised on timing differences, being the differences between taxable income and the accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The Company recognises Deferred Tax Asset on accumulated losses and unabsorbed Depreciation and restricts the same to Deferred Tax Liability as a matter of prudence.

10 Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication due to internal or external factors that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to maximum of depreciated historical cost and is accordingly reversed in the profit and loss account. In the opinion of the Management, Current Assets, Loans and Advances have a value of at least equal to the amounts shown in the Balance Sheet, if realised in the due course of the business. The provision for all liabilities is adequate and not in excess of the amount reasonably necessary.

11 Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. Contingent liabilities are not recognized but are disclosed in the Notes.

12 Segment reporting:

The Company has considered business segment as the primary segment for disclosure. The Company is primarily engaged in a single segment business of manufacturing garments and is managed as one entity and is governed by a similar set of risks and return.



Particulars	As at 31-Mar-13	As at 31-Mar-12
2 SHARE CAPITAL		
a Authorised, Issued, Subscribed and Paid-Up Share Capital		
Authorised Share Capital:		
1,20,00,000 (Prev. Yr. 1,20,00,000) Equity Shares of Rs.10/- each	12.00	12.00
Issued, Subscribed and Paid up Capital :		
56,08,831 (55,81,331) Equity Shares of Rs.10/- each	5.61	5.58
Total	5.61	5.58
b Reconciliation of the number of Shares		
Number of Equity Shares Outstanding at the beginning of the Year	5,581,331	5,581,331
Add: Number of Shares issued during the Year	27,500	-
Number of Equity Shares Outstanding at the end of the Year	5,608,831	5,581,331
c Rights, Preferences and Restrictions attached to Equity Shares		
The Company has only one class of shares referred to as Equity Shares having a par value of Rs.10/- Each holder of equity shares is entitled to one vote per share		
d Shares held by Holding Company, Ultimate Holding Company, Subsidiaries, Associates	NIL	NIL
e Details of Shares held by each Shareholder holding more than 5%		
No. of Shares		
Mr. Venkatesh Rajagopal	1,369,423	1,369,423
Mrs. Rama Rajagopal	1,240,586	1,240,586
M/s New Vernon Private Equity Limited	971,428	971,428
M/s Benett, Coleman and Company Limited	376,233	376,233
M/s Reliance Capital Limited	330,962	330,962
% Holding		
Mr. Venkatesh Rajagopal	24.4%	24.5%
Mrs. Rama Rajagopal	22.1%	22.2%
M/s New Vernon Private Equity Limited	17.3%	17.4%
M/s Benett, Coleman and Company Limited	6.7%	6.7%
M/s Reliance Capital Limited	5.9%	5.9%
f Shares reserved for issuance		
Employee Stock Options granted (Refer Note 30)	701,000	1,060,000
g Shares allotted for consideration other than cash	-	-
1) The Company was incorporated on 29th September 2009 with an Authorised Share Capital of Rs.50 lakhs (5,00,000 Shares of Rs.10 each)		
2) In terms of the Scheme of Arrangement between Celebrity Fashions Limited, Indian Terrain Fashions Limited and its respective Shareholders and Creditors sanctioned by the Honorable High Court of Madras, which became effective on 3rd September 2010 with retrospective effect from 1st April 2010, the following effects were given:		
a) Authorised Shared Capital increased to Rs.12,00,00,000 (1,20,00,000 shares of Rs.10 each)		
b) The Pre-demerger paid up share capital of Rs.5,00,000 stands cancelled		
c) 55,81,331 shares of the Company were issued to the Share holders of Celebrity Fashions Limited pursuant to demerger in the ratio of 2:7 (Two Shares for every Seven shares held in Celebrity Fashions Limited)		



		Rs. In Crores	
Particulars	As at 31-Mar-13	As at 31-Mar-12	
3 RESERVES AND SURPLUS			
a Capital Reserve			
Opening Balance	8.01	8.01	
Add: As computed in terms of the Scheme of Arrangement	-	-	
Closing Balance	8.01	8.01	
b Share Premium			
Opening Balance	-	-	
Add: Additions During the Year	0.24	-	
Closing Balance	0.24	-	
c Share Options Outstanding Account			
Opening Balance	1.96	-	
Add: Amounts recorded on grants/modifications/cancellations during the year	-	1.96	
Less: Written back to Statement of Profit and Loss during the year	0.24	-	
Less: Transferred to Securities premium account	0.24	-	
Less: Deferred Stock compensation expense	0.43	1.47	
Closing Balance	1.04	0.49	
d Surplus / (Deficit) in Statement of Profit and Loss			
Opening Balance	6.78	6.30	
Less: Write down - MAT Credit of Previous Year	-	1.29	
	6.78	5.01	
Add: Profit / (Loss) for the Year	4.11	1.77	
Closing Balance	10.89	6.78	
Total	20.18	15.28	
4 LONG TERM BORROWINGS			
(i) Termloans from Banks			
Secured:			
Clean Termloan	19.25	21.04	
Funded Interest Termloan	1.49	3.71	
	20.74	24.75	
Details on Termloans - Bankwise, Repayments and Security			
Termloans from State Bank of India	21.00	24.18	
Termloans from HDFC Bank Limited	3.74	4.57	
Total Termloans	24.74	28.75	
Less: Classified under Short Term Borrowings	4.00	4.00	
Long Term Borrowings	20.74	24.75	



Rs. In Crores

Particulars	As at 31-Mar-13	As at 31-Mar-12
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The loans have been secured as under:

First Charge on paripassu basis by way of hypothecation of Company's current assets including stock and book debts against the Termloans extended by State Bank of India and HDFC Bank.

Collateral Securities:

First Charge to State Bank of India and Second Charge on to HDFC Bank for Termloans on the following:
1. Hypothecation of entire plant & machinery of Indian Terrain Fashions Limited.

Loans from State Bank of India is further secured by Pledge of Promoters Shares in the Company to an extent of 15,29,290 Equity Shares, Personal Guarantee by Promoters and Assignment of Indian Terrain Brand. Brand Assignment documentation with State Bank of India is pending as on date.

Loans from HDFC Bank is further secured by Pledge of Promoters Shares in the Company to an extent of 2,28,571 Equity Shares. Personal Guarantee of Promoters to the extent of value of shares pledged exclusively to HDFC Bank.

The Termloans were transferred to the Company as part of the Scheme of Arrangement of Demerger
Clean Termloans are repayable in monthly instalments as fixed by the Bankers upto September 2018
Funded Interest Termloans are repayable in monthly instalments as fixed by the Bankers upto September 2014

Repayment Schedule Rs. In Crs	Clean Termloan	Funded Interest Termloan
FY 2012-13	1.79	2.21
FY 2013-14	1.79	2.21
FY 2014-15	3.41	1.50
FY 2015-16	4.64	-
FY 2016-17	4.65	-
FY 2017-18	4.65	-
FY 2018-19	1.90	-
	22.83	5.92

5 DEFERRED TAX LIABILITIES

On the difference between Book Balance and Tax Balance of Fixed Assets

Deffered Tax Liability	0.18	0.28
Deffered Tax Asset on Unabsorbed Depreciation & Business Loss	(0.18)	-

The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of corresponding deferred tax liability on the difference between the book balance and written down value of fixed assets under Income Tax

Deffered Tax Liability	-	0.28
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6 OTHER LONG-TERM LIABILITIES

a Trade Payables	-	-
b Others:		
Trade / Security Deposits Received	3.49	2.15
Total	3.49	2.15

7 SHORT-TERM BORROWINGS

a Loans Repayable on Demand from Banks

Secured:

Working Capital Facilities from State Bank of India	36.44	32.40
	36.44	32.40

The loans have been secured as under:

First Charge on Inventories in the form of Raw Materials, Stock In Process and Finished Goods, Receivables and other current assets of the Company both present and future for the loans in the form of Cash Credit extended by State Bank of India.



Particulars	Rs. In Crores	
	As at 31-Mar-13	As at 31-Mar-12
Loans from State Bank of India is further secured by Pledge of Promoters Shares in the Company to an extent of 15,29,290 Equity Shares, Personal Guarantee by Promoters and Assignment of Indian Terrain Brand. Brand Assignment documentation with State Bank of India is pending as on date.		
Total	36.44	32.40
8 TRADE PAYABLES		
-- Acceptances	4.81	6.71
-- Other than Acceptances	9.33	6.09
-- MSME	-	-
-- Other Trade Payables	12.54	14.71
Total	26.68	27.51

The Company has not received any Memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2013 as Micro, Small or Medium Enterprises (MSME). Consequently the amount payable to these enterprises during the year is NIL.

Other Trade Payables include Rs.4.04 crs payable to Company under Significant Influence or Control of Key Managerial Personnel as specified in Note 27 (d) (iii)

9 OTHER CURRENT LIABILITIES		
a Current Maturities of Long-Term Borrowings - Termloans		
Termloans from Banks		
Clean Termloan	1.79	1.79
Funded Interest Termloan	2.21	2.21
	4.00	4.00
b Other Payables		
Salaries and Wages Payable	0.50	0.43
Excise Duty Payable	-	0.63
Sales Tax / VAT Payable	0.19	0.41
Service Tax Payable	-	0.36
Statutory Remittances - Payable	0.12	0.08
TDS Payable	0.43	0.31
Others	0.14	-
	1.38	2.22
Total	5.38	6.22

The Company is one among the Petitioners challenging the levy of Service Tax on Rent of Immovable Properties. The total Service Tax Liability on Renting of Immovable Properties is at Rs.71,17,503/- upto September 30, 2011. The Supreme Court vide its Order dated 4th August 2011 has directed the petitioners to remit 50% of the disputed liability upto September 30, 2011 in three instalments and to furnish a Bank Guarantee / Solvency Certificate for the balance 50%. Further it ordered for payment of Service Tax on Rentals commencing 1st October 2011. The Company has accordingly paid 50% of the Disputed Service Tax of Rs.35.58 lakhs and has given a Solvency Certificate for the balance amount. Further the Company also remitted the balance 50% of the disputed Service Tax amounts in November 2012 to the Service Tax Department



Rs. In Crores

Particulars	As at 31-Mar-13	As at 31-Mar-12
10 SHORT-TERM PROVISIONS		
a Provision for Employee Benefits		
Provision for Bonus	0.36	0.19
Provision for compensated absences / earned leave encashment	0.24	0.20
Provision for Gratuity (Refer Note 32)	(0.02)	0.01
	0.58	0.40
b Provision - Others		
Provision for Tax	2.72	1.76
Provision for Excise Duty on Finished Goods	-	2.33
	2.72	4.09
Total	3.30	4.49

The Finance Budget 2013 has removed the Mandatory Provisions on applicability of Central Excise to Branded Readymade Garments with effect from 1st March 2013. The Company has opted for Non-Excise clearance of goods with effect from 1st March 2013.

Note 11 - Fixed Assets

Rs. In Crores

Tangible Assets

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01/04/12	Additions	Deductions / Adjustments	As on 31/03/13	As on 01/04/12	For the year	Deductions / Adjustments	As on 31/03/13	As on 31/03/13	As on 31/03/12
1	Plant & Machinery	0.82	0.14	0.15	0.81	0.08	0.17	0.15	0.10	0.72	0.74
2	Electrical Installation	0.29	-	0.03	0.26	0.03	0.04	0.03	0.04	0.22	0.26
3	Office Equipments	0.23	0.01	0.01	0.23	0.02	0.02	0.01	0.03	0.20	0.21
4	Computers	0.32	0.09	-	0.41	0.08	0.06	-	0.15	0.27	0.24
5	Vehicles	0.65	-	-	0.65	0.12	0.06	-	0.18	0.46	0.53
6	Furniture & Fixtures	7.69	0.44	0.62	7.50	0.83	1.06	0.65	1.25	6.26	6.85
	Total	9.99	0.67	0.81	9.86	1.16	1.40	0.83	1.74	8.12	8.83
	Previous Year	9.44	0.87	0.32	9.99	0.61	0.88	0.33	1.16	8.83	8.83
Intangible Assets											
1	Computer Software	0.34	0.06	-	0.40	0.06	0.06	-	0.12	0.28	0.29
		0.34	0.06	-	0.40	0.06	0.06	-	0.12	0.28	0.29
	Previous Year	0.16	0.18	-	0.34	0.07	0.03	0.04	0.06	0.29	0.10



Particulars		As at 31-Mar-13	Rs. In Crores As at 31-Mar-12
12	LONG-TERM LOANS AND ADVANCES		
a	Deposits - Unsecured - Considered Good		
	-- Rent	5.72	5.76
	-- Government or Public Bodies	0.04	0.05
		5.76	5.81
b	Advance Income Tax - Unsecured - Considered Good	1.78	1.29
		1.78	1.29
	Total	7.54	7.10
13	OTHER NON-CURRENT ASSETS		
a	Interest accrued on Fixed Deposits	0.12	0.11
	Total	0.12	0.11
14	INVENTORIES		
a	Raw Materials	4.53	2.65
b	Trims and Packing Materials	1.47	0.91
c	Work-in-Progress	8.68	0.14
d	Finished Goods - Manufactured / Bought-Out	17.67	26.38
e	Excise Duty Provision on Finished Goods	-	2.33
	Total	32.35	32.41
15	TRADE RECEIVABLES		
	Unsecured - Considered Good		
a	Outstanding for a period exceeding six months from the due date	7.25	6.36
b	Other Trade Receivables	62.03	56.26
	Total	69.28	62.62
16	CASH AND BANK BALANCES		
a	Cash on hand	0.01	0.02
b	Balances with Bank		
	-- in Current Account	0.94	4.19
	-- Fixed Deposit with Banks held as Margin Money against Borrowings / Guarantees	1.79	1.67
	Total	2.74	5.88
17	SHORT-TERM LOANS AND ADVANCES		
a	Loans and advances to Employees - Unsecured - Considered Good	0.24	0.11
b	Balances with Government Authorities - Unsecured - Considered Good		
	Excise Duty on Consignment Transfers	-	0.58
	Cenvat Receivable	-	0.51
	Duty Drawback receivable	-	0.01
	Total	0.24	1.21



Rs. In Crores

Particulars	As at 31-Mar-13	As at 31-Mar-12
18 OTHER CURRENT ASSETS		
Advances to Suppliers of Goods and Services	1.12	0.18
Tax deducted at Source	0.03	0.03
Total	1.15	0.21
19 REVENUE FROM OPERATIONS (GROSS)		
a Sale of Products **		
-- Domestic	166.45	152.84
-- Exports	-	0.34
b Other Operating Revenues		
-- Duty Drawback	-	0.01
Total	166.45	153.19
** Sale of Bought-out Goods included above	31.41	30.15
20 OTHER INCOME		
a Interest Accrued / Received on Fixed Deposits	0.14	0.11
b Gain on Sale of Current Investments	0.42	0.52
c Gain / (Loss) on Foreign Currency Transactions (Other than considered in finance costs)	(0.08)	(0.04)
Total	0.48	0.59
21 COST OF MATERIALS		
Opening Stock of Materials	3.56	4.74
Add:		
Purchases of Materials	50.93	40.72
Less: Closing Stock of Materials	6.00	3.56
Total	48.49	41.90
PURCHASES OF FINISHED GOODS		
Knitwear	9.69	12.96
Jackets	1.81	2.19
Denims	0.01	1.80
Total	11.51	16.95



Particulars	As at 31-Mar-13	As at 31-Mar-12
CHANGE IN INVENTORIES OF FINISHED GOODS / WORK-IN-PROGRESS - (INC) / DEC		
Closing Stock		
- Finished Goods - Manufactured / Bought-Out	17.68	26.38
- Work-in-Progress	8.68	0.14
Opening Stock		
- Finished Goods - Manufactured / Bought-Out	26.38	25.69
- Work-in-Progress	0.14	0.62
Add/(Less)		
Variation in Excise Duty Provision on Opening and Closing stock of Finished Goods at Warehouse	-	0.06
Total	0.16	(0.27)
22 EMPLOYEE COSTS		
Salaries and Wages	7.67	6.58
Statutory Contributions	0.51	0.37
Welfare Expenses	0.21	0.20
Expense on Employee Stock Option Scheme (Refer Note 30)	0.80	0.49
Total	9.19	7.64
23 OTHER EXPENSES		
Subcontracting and Garment Processing Costs	16.51	14.31
Rent	8.11	7.53
Traveling & Conveyance	1.60	1.38
Communication Expenses	0.48	0.60
Consultancy Charges	1.03	0.44
Printing & Stationery	0.23	0.18
Insurance	0.14	0.14
Books, Periodicals & Subscriptions	0.05	0.11
Power & Fuel	0.07	0.10
Rates and Taxes	0.23	0.10
Vehicle Fuel & Repairs	0.06	0.06
Auditors' remuneration	0.07	0.05
Advertisement	6.20	6.52
Bad Debts written off	0.17	-
Selling Commission & Discounts	26.21	20.28
Selling Expenditure Reimbursement	2.83	3.40
Distribution Costs	3.38	2.88
Entertainment & Sales Promotion Expenses	2.13	1.80
Showroom Maintenance	1.16	1.11
Other Miscellaneous Expenses	0.98	0.76
Excise Duty Expenses	-	0.06
Remuneration to Directors	0.50	0.48
Total	72.14	62.29



		Rs. In Crores	
Particulars	As at 31-Mar-13	As at 31-Mar-12	
<p>Auditors' Remuneration includes Rs.4,50,000/- (PY-Rs.4,00,000/-) for Statutory Audit, Rs.70,000/- (PY-Rs.60,000/-) for Tax Audit. An amount of Rs.56,180/- (PY - Rs.41,635/-) was paid to the Auditors towards Certification and Out-of-Pocket Expenses and the same is grouped under Consultancy Charges. Directors Sitting Fee of Rs.1,06,500/- (PY - Rs.72,500/-) is grouped under Other Miscellaneous Expenses</p>			
24	FINANCE COSTS		
a	Interest on		
	-- Termloans	3.21	4.05
	-- Working Capital & Others	5.17	4.77
b	Other Borrowing Costs - Bank Charges	0.91	0.81
c	Net (Gain) / Loss on Foreign Currency Transactions (considered as Finance Costs)	0.25	0.28
	Total	9.54	9.91
25	EARNINGS PER SHARE		
	Earnings Per Share - In Rs.		
	-- Basic	7.36	3.17
	-- Diluted	7.14	3.06
	Earnings per Share is calculated as under:		
a	Numerator		
	Net Profit after Tax as disclosed in Statemen of Profit and Loss	4.11	1.77
b	Denominator		
	Weighted Average Number of Equity Share Outstanding		
	-- Basic	5,585,023	5,581,331
	-- Diluted	5,758,079	5,779,109
c	Nominal Value of Share (In Rs.)	10.00	10.00
26	CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)		
a	Guarantees given by Banks and Counter Guaranteed by the Company	-	0.43
b	On account of Letters of Credit issued by Bankers on behalf of the Company	2.57	1.24
c	Claims against Company not acknowledged as Debts, being demands from Commissionerate of Central Excise on availing Input Credit of Service Tax. The Company has filed a suitable reply to the Demand Notice with all relevant provisions and interpretations. The Company is of the opinion that the demands are likely to be deleted and consequently no provision has been made for such demands.	0.47	-
d	The Banks have extended concessional interest rate for the Credit facilities sanctioned to the Company for the period upto 31st March 2013. As per the terms of the Sanction letter, Banks have the right of recompense in future for the sacrifice extended.		



Particulars	As at 31-Mar-13	As at 31-Mar-12
27 RELATED PARTY TRANSACTIONS		
a Key Managerial Personnel:		
Mr. V.Rajagopal		
Mrs. Rama Rajagopal		
Mr. S. Surya Narayanan		
Mr. Vidyuth Rajagopal		
Ms. Anjali Rajagopal		
b Enterprises under Control or Significant Influence of Key Managerial Personnel:		
M/s Celebrity Fashions Limited		
M/s Celebrity Clothing Limited		
M/s Celebrity Connections		
c Transactions carried out with Related Parties during the Year		
Key Managerial Personnel		
Managerial Remuneration	0.50	0.48
Salaries	0.05	0.05
Enterprises Under Same Management		
Jobwork Charges, Material Purchases and Rentals - Celebrity Fashions Limited	18.83	19.90
d Outstanding Balances as on 31.03.13		
i Payable as Managerial Remuneration	0.06	0.04
ii Salaries	0.01	0.00
iii Trade Payable against Jobwork Charges, Material Purchases and Rentals - Celebrity Fashions Limited	4.04	6.22
28 DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES		
Loans and advances in the nature of Loans given to Subsidiaries, Associates and Others	-	-
29 EMPLOYEE BENEFIT PLAN - GRATUITY		
The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
Amount Recognised in the Balance Sheet in respect of gratuity		
Present Value of Defined Benefit Obligation at the end of the Year	0.28	0.22
Fair Value of Plan Assets at the end of the Year	0.30	0.22
Net Liability / (Asset)	(0.02)	0.01



Rs. In Crores

Particulars	As at 31-Mar-13	As at 31-Mar-12
Amount Recognised in Profit and Loss Account in respect of gratuity		
Current Service Cost	0.08	0.06
Interest on Defined Benefit Obligations	0.02	0.01
Expected Return on Plan Assets	(0.02)	(0.01)
Net Actuarial (Gain) / Loss recognised during the Period	0.02	0.10
Net Gratuity Cost	0.09	0.16
Actual Return on Plan Assets		
Expected Return on Plan Assets	0.02	0.01
Actuarial Gain / (Loss) on Plan Assets	-	-
Actual Return on Plan Assets	0.02	0.01
Reconciliation of present value of obligation and the fair value of the plan assets		
Opening Defined Benefit Obligation	0.22	0.09
Current Service Cost	0.08	0.06
Interest Cost	0.02	0.01
Actuarial (Gain) / Loss	0.02	0.10
Benefits Paid	(0.05)	(0.04)
Closing Defined Benefit Obligation	0.28	0.22
Opening Fair Value of Plan Assets	0.22	-
Expected Return on Plan Assets	0.02	0.01
Actuarial Gain / (Loss)	-	-
Employer Contributions	0.12	0.24
Benefits Paid	(0.05)	(0.04)
Closing Fair Value of Plan Assets	0.30	0.22
Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the Year	0.22	0.09
Interest Cost	0.02	0.01
Current Service Cost	0.08	0.06
Benefit Paid	(0.05)	(0.04)
Actuarial (gain) / loss on obligations	0.02	0.10
Liability at the end of the Year	0.28	0.22
Closing balances of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	0.22	-
Expected Return on Plan Assets	0.02	0.01
Employer Contributions	0.12	0.24
Benefits Paid	(0.05)	(0.04)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the Year	0.30	0.22
Actual Return on plan assets	0.02	0.01
Investment Details of Plan Assets		
Assets under Insurance Schemes	100%	100%
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	8.0%	8.0%
Estimated Rate of Return on Plan Assets	8.0%	8.0%
The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		



		Rs. In Crores	
Particulars	As at 31-Mar-13	As at 31-Mar-12	
30	EMPLOYEE STOCK OPTION SCHEME DETAILS (ESOP)		
	The Shareholders in the Annual General Meeting held on 30th September 2011, have approved the issue of 11,16,000 Options under the Scheme titled "Employee Stock Option Scheme (ESOP) 2011" to Key Managerial Executives of the Company. Each Option comprises one underlying Equity Share. The Details of the Scheme is provided in the Annexure to the Directors' Report.		
	The difference between the Fair Price of the Share underlying the Options on the date of grant and the exercise price of the Options (being the intrinsic value of the option) representing Stock Compensation expense is expensed over the Vesting Period.		
	ESOP Details as on the date of the Balance Sheet		
	Options Outstanding at the beginning of the Year	1,060,000	-
	Granted during the Year	-	1,116,000
	Vested during the Year	110,000	-
	Exercised during the Year	27,500	-
	Cancelled during the Year	331,500	56,000
	Options Outstanding at the end of the Year	701,000	1,060,000
31	OTHERS		
a	Aggregate Expenses		
	Electricity Expenses included under Power and Fuel	0.05	0.08
b	Earnings in Foreign Currency		
	Export of Goods - FOB Value	-	0.34
c	Expenditure in Foreign Currency		
	Traveling expenses	0.23	0.16
d	Value of Imports		
	Rawmaterials	1.98	2.37
	Capital Goods	-	-
e	Imported and Indegenious Consumption of Rawmaterials		
	Imported		
	-- Rs. In Crores	1.20	2.37
	-- % to Total	2.0%	4.0%
	Indigenous		
	-- Rs. In Crores	58.80	56.48
	-- % to Total	98.0%	96.0%

32 OTHER DISCLOSURES

Previous year figures have been regrouped, reworked and reclassified wherever necessary to conform to current year classification.

To be read with our report of even date

For Anil Nair & Associates
Chartered Accountants
Registration # 175S

For CNGSN & Associates
Chartered Accountants
Registration # 4915S

For and on Behalf of the Board
V Rajagopal
Chairman & Managing Director

G Anil
Partner
Membership # 22450

C N Gangadaran
Partner
Membership # 11205

Rama Rajagopal
Director

Chennai, 3rd May 2013

J. Manikandan
Company Secretary



Cashflow Statement for the year ending 31st March 2013

Sl. No.	Particulars	2012-13	2011-12
A	Cashflow from Operating Activities		
	Net Profit before Tax and before Extra-Ordinary Items	4.79	2.34
	Adjustments for:		
	Depreciation for the Year	1.47	0.91
	Depreciation for Sale of Assets	(0.83)	(0.37)
	Write down of MAT Credit Entitlement	-	(1.29)
	Deferred Employee Compensation Expenses	0.80	0.49
	Unrealised (Gain) / Loss on Exchange Differences	(0.03)	0.28
	Interest & Finance Charges paid	9.57	9.63
	Interest Income	(0.14)	(0.11)
		10.84	9.54
	Operating Profit before Working Capital Changes	15.63	11.87
	Adjustments for:		
	Decrease / (Increase) in debtors and other receivables	(6.60)	(18.67)
	Decrease / (Increase) in inventories	0.06	0.91
	Increase / (Decrease) in creditors and other payables	(2.44)	10.70
	Cash generated from Operations	6.65	4.80
	Income Taxes Refund / (Paid) (net)	(0.50)	(0.01)
	Net Cash from Operating Activities	6.15	4.79
B	Cashflow from Investing Activities		
	(Purchase) / Sale of Fixed Assets (net)	0.08	(0.73)
	Interest Received	0.14	0.11
	Net Cash (Used In) / from Investing Activities	0.22	(0.63)
C	Cashflow from Financing Activities		
	Share Capital	0.03	-
	Short Term Borrowings	4.04	10.31
	Term loan Receipts (Net)	(4.01)	(2.10)
	Interest and Finance Charges paid	(9.57)	(9.63)
	Net Cash (Used In) / from Financing Activities	(9.51)	(1.42)
	Net Increase in Cash and Cash Equivalents	(3.14)	2.75
	Cash and Cash Equivalents (Opening Balance)	5.88	3.13
	Cash and Cash Equivalents (Closing Balance)	2.74	5.88

Note:

- The above statement has been prepared on the basis of indirect method as stipulated in Accounting Standard 3
- Cash and Cash equivalents represents
 - Cash balances
 - Bank balances
 - Deposits held as Margin Money against Borrowings / Guarantees (Refer Note 16)

To be read with our report of even date

For Anil Nair & Associates
Chartered Accountants
Registration # 175S

For CNGSN & Associates
Chartered Accountants
Registration # 4915S

For and on Behalf of the Board
V Rajagopal
Chairman & Managing Director

G Anil
Partner
Membership # 22450

C N Gangadaran
Partner
Membership # 11205

Rama Rajagopal
Director

Chennai, 3rd May 2013

J. Manikandan
Company Secretary



Indian Terrain Fashions Limited

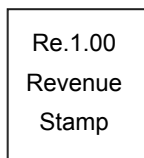
No. 208, Velachery, Tambaram Road, Narayanapuram, Pallikaranai, Chennai-600 100.

Proxy Form

Regd Folio No. /DP/ Client ID

I / Weof being a member / members of the Company hereby appoint of or failing him / her of as my / our proxy, to vote for me / us on my behalf at the Fourth Annual General Meeting of the Company to be held on Monday, the 23rd day of September 2013, at 11.00 A.M. at Corporate Office situated at SDF-IV& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 and at any adjournment thereof. Signed this day of 2012.

Signature



Notes : This form in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Indian Terrain Fashions Limited

No. 208, Velachery, Tambaram Road, Narayanapuram, Pallikaranai, Chennai-600 100.

ATTENDANCE SLIP

Regd Folio No. /DP/ Client ID

No.of Shares held

I certify that I am member / proxy for the member of the Company.I hereby record my presence at the Fourth Annual General Meeting of the Company at the Corporate Office situated at SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 at 11.00 A.M. on Monday,the 23rd day of September 2013

.....
Name of the Member / Proxy

.....
Signature of member / Proxy

Note : Please fill the Attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the Meeting.

Book Post

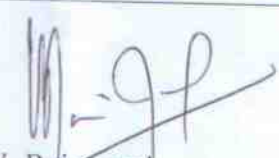





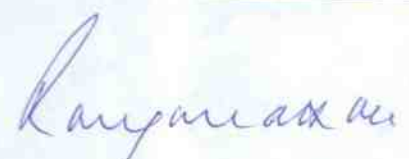
If undelivered please return to

Indian Terrain Fashions Limited

No.208, Velachery, Tambaram Road,
Narayanapuram, Pallikaranai, Chennai - 600 100.
Tel : +91 44 4343 2300 / 2000
Fax : +91 44 2262 2897

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchange

1	Name of the Company	Indian Terrain Fashions Limited
2	Annual financial statements for the year ended	31 st March 2013.
3	Type of Audit Observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by	
	(a) CEO / Managing Director	 V. Rajagopal
	(b) CFO	 Charath Narasimhan
	(c) Auditor of the Company	 G. Anil Partner Membership No: 22450 M/s Anil Nair & Associates 
		 C.N. Gangadaran Partner Membership No: 11205 M/s CNGSN & Associates 
	(d) Audit Committee Chairman	 N.K. Ranganath