



ITFL/SEC/2020-2021/AUG/01

28<sup>th</sup> August, 2020

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai- 400 051

**Scrip Code - 533329**

**NSE Symbol: INDTERRAIN**

Dear Sir/Madam,

**Sub.: Annual Report for FY 2019-2020 & Notice convening 11<sup>th</sup> Annual General Meeting**  
**Ref.: Reg.30 and 34 of SEBI (LODR) Regulations, 2015**

This is to inform that the 11<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, 21<sup>st</sup> September, 2020 at 11.30 A.M. IST through video conferencing/ other audio visual means.

The Annual Report for the financial year 2019-20 along with Notice convening the 11<sup>th</sup> AGM of the Company is enclosed. The Annual Report along with the Notice of AGM has been dispatched to all the eligible shareholders as on the cut-off date 21<sup>st</sup> August, 2020 through e-mail mode only and will be available in the website of the Company [www.indianterrain.com](http://www.indianterrain.com)

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For **INDIAN TERRAIN FASHIONS LIMITED**

**Ravi B.S.G**

**Company Secretary & Compliance Officer**

**Encl.: As above**

*Authentically Indian*



IN  
SINCE  
2000

ANNUAL REPORT  
2019 - 20



## NOTE FROM THE CHAIRMAN

Dear Shareholders,

I write this note to you in the backdrop of what has been an industry and life changing event in our times. The COVID-19 pandemic which started in early part of the year in China and now is spreading across our country has altered the very fundamentals of business and life as we all knew it. Never before has such an event occurred which has threatened lives, livelihoods and ways of doing business and changed it for years to come.

Even before the Pandemic, the retail industry as we all know it and the Branded Apparel and Lifestyle segments in particular were faced with a series of challenges. The unabated discounting, lack of differentiation, rising costs and dwindling consumer spends was having a deep impact on brands and retailers. On the other hand the rising share of E-Commerce and digital penetration was providing newer opportunities. The past year was particularly challenging for Indian Terrain in that we too were deeply impacted by the above factors. The business models of the past which were wholesale led are clearly facing headwinds and had an impact on our performance.

With widening digital media reach, even the smallest towns in the country now have access to real time content from around the world and this is driving aspiration and intent to purchase. The future of retail lies in the Aspirations and resilience of BHARAT. With a vast Hinterland yearning for quality brands which resonate with their beliefs, Indian Terrain is well positioned to capture this sentiment.

A young demographic augurs well for the future of retail. This along with the trend of the casualization of the workplace and "Work from Home" concepts presents a strong and sustainable future market for Indian Terrain. As a specialist of the smart casuals genre and with our unique offerings, we are poised to capture this growing trend in the years to come.

Another significant trend is the emergence of the rapidly growing branded kids wear segment, and here too your company is well poised with its offering in Indian Terrain Boys. In the past year a series of changes to the product, price and positioning has driven rapid growth in this category and we are very excited for what the future holds.

As we emerge out of the pandemic a whole new landscape awaits us. This moment is a time for a re-awakening. It is also a unique opportunity wherein those who survive will thrive. While India's macro economic indicators remain strong and as consumption starts picking up, there continue to remain specific challenges and opportunities in the evolving retail and apparel market. The future belongs to those brands who have a SUSTAINABLE business model and to those who can build REACH and RELEVANCE.

We are accordingly accelerating the Pivot to a more "Direct to Consumer" model which will be driven by Exclusive and Controlled retail formats across the town classes and a stronger push into E-Commerce. With a Digital First Approach to business, the Company will invest into technologies to enable digitization across the gamut of activities – from design to marketing to selling to E-Retail.

It is 20 years to this date that I started this brand with a Name which resonates the very ethos of this land. Which captures the Authenticity, Resilience, Heritage, Passion, Grit, Innovativeness and Warmth of India and encompasses this in its guiding Motto SPIRIT of MAN. With a single minded belief to give the Indian Consumer a brand he could be proud of wearing and showcasing to the rest of the World. Today, we stand proudly somewhere along that journey, thanks to the countless consumers who believed in us, our vendor partners, our customers, you our shareholders and most of all my colleagues past and present.

As we build a future Indian Terrain 2.0 for the next twenty years we will continue to strive to build on this Spirit and make all of you our privileged shareholders proud. I am indeed grateful for your trust, faith and support.

Sincerely,

Venky Rajgopal  
Executive Chairman and Whole Time Director

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### Board of Directors

Mr. Venkatesh Rajagopal	Chairman & Whole Time Director
Mrs. Rama Rajagopal	Whole time Director
Mr. Charath Ram Narsimhan	Managing Director & CEO
Mr. N.K. Ranganath	Independent Director
Mr. Harsh Bahadur	Independent Director
Mr. Manoj Mohanka	Independent Director
Mr. Kalpathi S.Suresh	Independent Director
Mr. Vidyuth Venkatesh Rajagopal	Additional Director

(Appointed w.e.f. 25<sup>th</sup> June, 2020)

### Statutory Auditors

M/s. SRSV & Associates,  
T.Nagar, Chennai – 600017

### Internal Auditors

M/s. RVKS & Associates  
T.Nagar, Chennai – 600017

### Secretarial Auditors

M/s. BP & Associates  
Ashok Nagar, Chennai- 600083

### Banker

State Bank of India, Overseas Branch,  
Chennai – 600001.

### Registered Office

No. 208, Velachery Tambaram Road,  
Narayanapuram,  
Pallikaranai, Chennai - 600 100.  
Tel : 044-42279100  
CIN : L18101TN2009PLC073017  
[www.indianterrain.com](http://www.indianterrain.com)

### Registrar and Share Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park, L.B.S. Marg,  
Vikroli (West), Mumbai - 400 083.  
[www.linkintime.co.in](http://www.linkintime.co.in)

### Audit Committee

Mr. N.K. Ranganath	Chairman
Mr. Harsh Bahadur	Member
Mr. Manoj Mohanka	Member
Mr. Kalpathi S.Suresh	Member
Mr. Venkatesh Rajagopal	Member
Mr. Charath Ram Narsimhan	Member

### Stakeholders Relationship Committee

Mr. N.K. Ranganath	Chairman
Mr. Kalpathi S.Suresh	Member
Mr. Venkatesh Rajagopal	Member
Mr. Charath Ram Narsimhan	Member

### Nomination and Remuneration Committee

Mr. N.K. Ranganath	Chairman
Mr. Harsh Bahadur	Member
Mr. Manoj Mohanka	Member
Mr. Kalpathi S.Suresh	Member

### Corporate Social Responsibility Committee

Mrs. Rama Rajagopal	Chairperson
Mr. N.K. Ranganath	Member
Mr. Kalpathi S.Suresh	Member
Mr. Venkatesh Rajagopal	Member
Mr. Charath Ram Narsimhan	Member

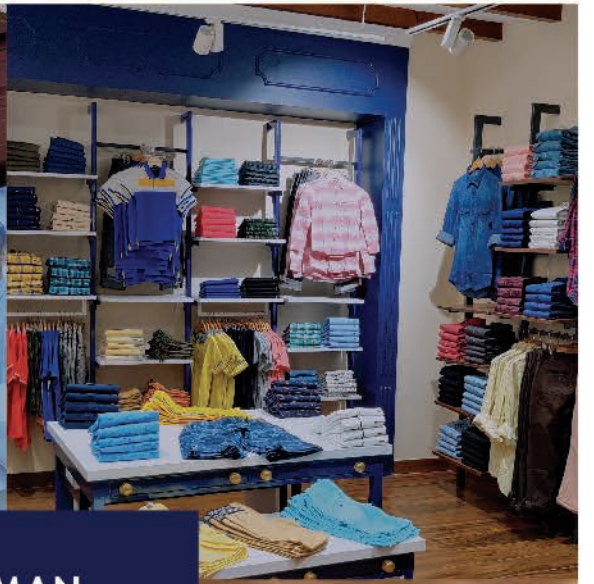
### Chief Financial Officer

Mr. S. Ramachandran  
(Appointed w.e.f. 25<sup>th</sup> June, 2020)

Mr. N. Nandakumar  
(Resigned w.e.f. 10<sup>th</sup> February, 2020)

### Company Secretary & Compliance Officer

Mr. Ravi B.S.G



**THE SPIRIT OF MAN  
GROWS STRONGER  
WHEN CHALLENGED.**

**CONVICTION**

We're scaling new heights,  
conquering new terrains.

New Stores in Ooty, Srinagar,  
Ganganagar and Siwan.

**COMMITMENT**

To provide a safe and secure  
shopping experience.

**INNOVATION**

Enhanced online shopping experience  
with a lighter, faster website.

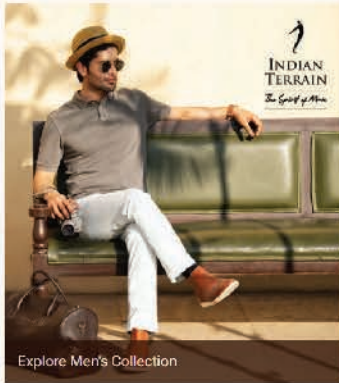
"Store to Door" Service  
a curated virtual catalog sent to  
customer via Whats App and the chosen  
Product is delivered to their doorstep.





BUY 2 GET 30% OFF | BUY 3 GET 40% OFF

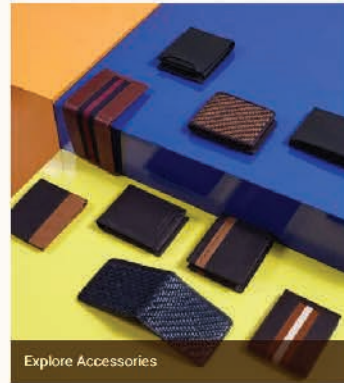
The new dress code for work from home...



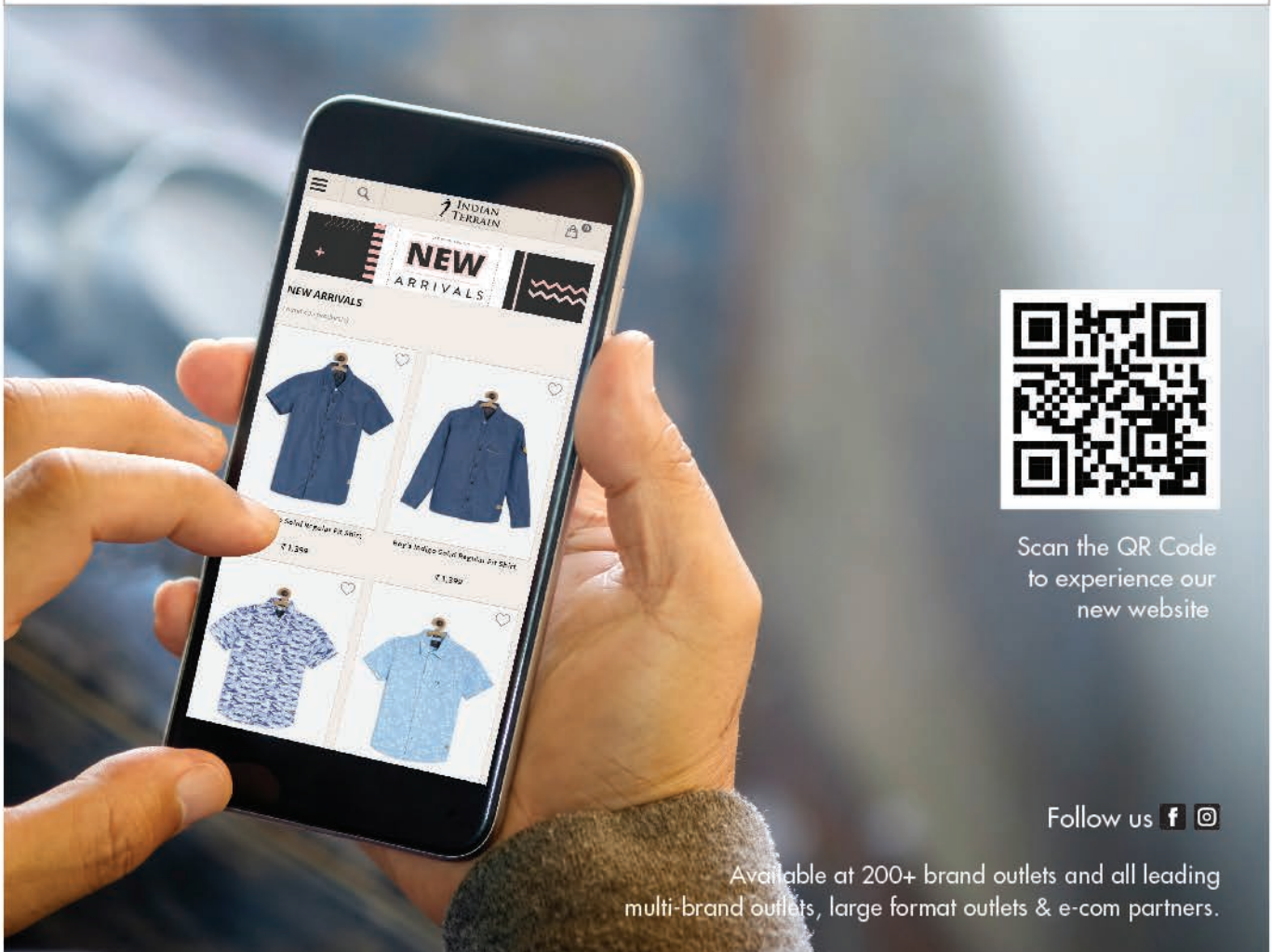
Explore Men's Collection



Explore Boy's Collection



Explore Accessories



Scan the QR Code to experience our new website

Follow us

Available at 200+ brand outlets and all leading multi-brand outlets, large format outlets & e-com partners.

## NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11<sup>th</sup> Annual General Meeting of Indian Terrain Fashions Limited will be held on Monday, 21<sup>st</sup> September, 2020 at 11.30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Rama Rajagopal (DIN: 00003565), who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and approve the appointment of Mr. Vidyuth Venkatesh Rajagopal (DIN : 07578471) as Director of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vidyuth Venkatesh Rajagopal (DIN: 07578471) who was appointed as an additional director of the Company by the Board of Directors with effect from 25<sup>th</sup> June, 2020 who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Charath Ram Narsimhan, Managing Director and CEO and/or Mr. Ravi B.S.G, Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be necessary to give effect to the above resolution."

4. To consider and approve the appointment of Mr. Vidyuth Venkatesh Rajagopal (DIN : 07578471) as Joint Managing Director of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the Company as approved by the Board of Directors, the approval of the members be and is hereby accorded for appointment of Mr. Vidyuth Venkatesh Rajagopal (DIN : 07578471) as Joint Managing Director of the Company for a period of 5 (five) years with effect from 25<sup>th</sup> June, 2020 as per the terms and conditions set out in the explanatory statement annexed to this notice, without any remuneration payable and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the members of the Company be and hereby authorise the Board of Directors of the Company to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors / Nomination and Remuneration Committee may consider appropriate in future and as may be considered and permitted or authorized in accordance with the provisions of the Act for the time being in force including any statutory modifications or enactment thereof, and/or any rules or regulations framed thereunder subject to the approval of the members of the Company.

RESOLVED FURTHER THAT in the case of absence or inadequacy of profits in any financial year during the tenure of the appointment, the total remuneration payable to him by way of Salaries, perquisites and other benefits shall be within the limits prescribed in Schedule V of the Act, including any statutory modifications thereto as may be applicable from time to time.

RESOLVED FURTHER THAT Mr. Charath Ram Narsimhan, Managing Director and CEO and/or Mr. Ravi B.S.G, Company Secretary be and are hereby severally authorized to do all such acts, deeds, things as may be necessary to give effect to the above resolution."

By Order of the Board  
For INDIAN TERRAIN FASHIONS LIMITED

sd/-

Ravi B.S.G

Company Secretary

Membership No.: A47890

Date: 21<sup>st</sup> August, 2020  
Place: Chennai

Registered Office :  
208, Velachery Tambaram Road, Narayanapuram,  
Pallikaranai Chennai - 600100  
CIN : L18101TN2009PLC073017  
Tel.: 044-42279100  
Email : response.itfl@indianterrain.com  
Website : www.indianterrain.com

## NOTES:

1. The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 08<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting (AGM) through VC/OAVM, without the physical presence of the Members at a common venue, due to the ongoing COVID-19 pandemic. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM mode only. In accordance with the MCA Circulars, Special Business under item no.3 and 4 as set out in the Notice are considered unavoidable in nature by the Board of Directors of the Company.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND SUCH A PROXY NEED NOT BE A MEMBER.** However, as per the permission granted by MCA and SEBI, the entitlement for appointment of proxy has been dispensed with for the AGM to be conducted in electronic mode till 31<sup>st</sup> December, 2020. Accordingly, the Attendance Slip and Proxy Form have not been annexed to this Notice of AGM.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act. In case of joint holders attending the AGM through VC/OAVM, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts, details and information in respect of Special Business under item no. 3 and 4 as set out in the Notice is annexed hereto.
5. The Register of Members and the Share Transfer books of the Company will remain closed from 15<sup>th</sup> September, 2020 to 21<sup>st</sup> September, 2020 (both days inclusive).
6. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical share members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, viz. Link in time India Private Ltd, C 101, 247 Park, L.B.S. Marg, Vikroli (West) Mumbai – 400 083.
7. Members are requested to contact the Company's Registrar & Share Transfer Agents, Link in time India Private Ltd for reply to their queries/ redressal of complaints, if any, or contact Mr. Ravi B.S.G, Company Secretary & Compliance Officer at the Corporate Office of the Company (Phone: (044) 4227 9241; Email: response.itfl@indianterrain.com).
8. The queries on the accounts and operation of the Company, if any, may please be sent to the Company at SDF-IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600045 or through email to response.itfl@indianterrain.com (marked to the attention of CS/CFO) at least 7 (seven) days prior to the date of AGM.
9. The Securities and Exchange Board of India (SEBI) vide its circular dated 20<sup>th</sup> April, 2018 has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrars and Share Transfer Agents.
10. In accordance with the provision of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in note no.17. The cut-off date for determining the eligibility to vote by electronic means shall be 14<sup>th</sup> September, 2020.
11. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide facility of voting through electronic means to all the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the AGM. The facility of voting through electronic voting system will be available during the AGM also. Members who have casted their vote by remote e-voting may attend the AGM, but shall not be able to vote electronically at the AGM. Such members will also not be allowed to change or cast vote again. The Company shall be providing the facility of voting through e-voting and members attending the AGM who have not already casted their vote by remote e-voting shall be able to exercise their right during the AGM.
12. In keeping with the Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.
13. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed





from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, the members are requested to take action to dematerialise the Equity Shares held promptly.

- 14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection.
- 15. The details under SEBI Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the AGM, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

**16. Important Shareholders Communication:**

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21<sup>st</sup> April, 2011 and Circular No.18/2011, dated 29<sup>th</sup> April, 2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Board's Report, Auditors Report etc.) to the shareholders through electronic mode, to their registered email addresses. In case you are desirous of having the digital version of the Annual Report, you may write to us at response.itfl@indianterrain.com or at the registered Office of the Company. The Annual report of the Company can be accessed at Annual Report category of Investor information in the website of Company www.indianterrain.com.

Electronic copy of the Notice of the 11<sup>th</sup> AGM and Annual Report for the financial year 2019-20 of the Company interalia indicating the process and manner of voting through electronic means is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes.

For members who have not registered their email address, physical copies of the Notice of the AGM and Annual Report for the financial year 2019-20 will not be sent due to the ongoing COVID-19 pandemic and as per the SEBI and MCA guidelines.

**17. Instructions for attending the AGM through VC/OAVM and Electronic Voting:**

- a. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 and Circular No. 20/2020 dated 05<sup>th</sup> May, 2020. The AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate the AGM through VC/OAVM.
- b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
- d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- e. Pursuant to MCA Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC/OAVM portal / e-voting portal.
- f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website

of the Company at www.indianterrain.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com.

- g. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08<sup>th</sup> April, 2020 and MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and MCA Circular No. 20/2020 dated 05<sup>th</sup> May, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- i. The voting period begins on 16<sup>th</sup> September, 2020 at 9.00 a.m.(IST) and ends on 20<sup>th</sup> September, 2020 at 5.00 p.m.(IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14<sup>th</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on "Shareholders" module.
- v. Now enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name> on which you choose to vote i.e, Indian Terrain Fashions Limited.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. **For Physical shareholders** - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company email id response.itfl@indianterrain.com or RTA email id rnt.helpdesk@linkintime.co.in
2. **For Demat shareholders** - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company email id response.itfl@indianterrain.com or RTA email id rnt.helpdesk@linkintime.co.in

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 6 (six) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at response.itfl@indianterrain.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at response.itfl@indianterrain.com. These queries will be replied by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the AGM.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**xx. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizers at [chandramouli@bpcorpadvors.com](mailto:chandramouli@bpcorpadvors.com) and to the Company at [response.itfl@indianterrain.com](mailto:response.itfl@indianterrain.com) if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14<sup>th</sup> September, 2020.
19. The Board of Directors has appointed BP & Associates, Practising Company Secretary, New No.74 (old No.62) Akshaya Flats, 3<sup>rd</sup> Floor, 12<sup>th</sup> Avenue, Ashok Nagar, Chennai- 83 as the Scrutiniser for conducting the voting process (Remote e-Voting and e-Voting at AGM) in a fair and transparent manner.
20. The Scrutiniser shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutiniser's Report for the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
21. The results shall be declared by the Chairman or by any person authorised by him in this regard on or before 23<sup>rd</sup> September, 2020. The result along with the Scrutiniser's report shall be placed on the Company's website [www.indianterrain.com](http://www.indianterrain.com) and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited & National Stock Exchange of India Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the result, explained as above.

**By Order of the Board  
For INDIAN TERRAIN FASHIONS LIMITED**

Date: 21<sup>st</sup> August, 2020  
Place: Chennai

sd/-  
Ravi B.S.G  
Company Secretary  
Membership No.: A47890



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Annexed to the Notice of 11<sup>th</sup> Annual General Meeting scheduled to be held on Monday, 21<sup>st</sup> September, 2020.

### Item No.2

At the 10<sup>th</sup> AGM of the Company held on 30<sup>th</sup> September, 2019, Mrs. Rama Rajagopal was re-appointed as Wholetime Director of the Company for a period of 5 (five) years w.e.f. 01<sup>st</sup> October, 2019 upto 30<sup>th</sup> September, 2024.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI), the details of Director seeking appointment / re-appointment at the Annual General Meeting are given below:

S.NO	CATEGORY	PARTICULARS
1.	Name of the Whole Time Director	Mrs. Rama Rajagopal (DIN: 00003565)
2.	Age	65 years
3.	Nationality	Indian
4.	Qualification	P.G. in Economics from University of Bangalore
5.	Expertise in specific functional areas	General Management and Administration
6.	Date of first appointment to the Board	29 <sup>th</sup> September, 2009
7.	Term of previous appointment	Re-appointed for 5 (five) years with effect from 01 <sup>st</sup> October, 2019 upto 30 <sup>th</sup> September, 2024
8.	Remuneration last drawn for the FY 2019-20	₹ 42.39 Lakhs (Includes value of perquisites of ₹ 0.39 Lakhs)
9.	Revised Remuneration sought to be paid	NA
10.	No. of Shares held	65,32,930 equity shares (17.22%) as on 30 <sup>th</sup> June, 2020
11.	Relationship	<b>Relationship with directors</b> <ul style="list-style-type: none"> <li>Spouse of Mr. Venkatesh Rajagopal</li> <li>Mother of Mr. Vidyuth Venkatesh Rajagopal</li> </ul> <b>Relationship with Manager</b> <ul style="list-style-type: none"> <li>NA</li> </ul> <b>Relationship with Key Managerial Personnel</b> <ul style="list-style-type: none"> <li>NIL</li> </ul>
12.	No of Board Meetings attended / held during the year FY 2019-20	3/5
13.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
14.	Chairpersonship/Membership in committees of other Entities	<b>Celebrity Fashions Limited</b> <ul style="list-style-type: none"> <li>Chairperson- Corporate Social Responsibility Committee</li> </ul>

### Item No.3 & 4

Mr. Vidyuth Venkatesh Rajagopal (DIN : 07578471) was appointed as an Additional Director of the Company as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors on and with effect from 25<sup>th</sup> June, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with rules thereunder who holds office upto the date of this AGM but is eligible for appointment as a Director subject to the approval of the members of the Company.

Further the Board was also pleased to consider the appointment of Mr. Vidyuth Venkatesh Rajagopal as Joint Managing Director of the Company and unanimously decided to elevate him as the Joint Managing Director of the Company for a period of 5 (five) years with effect from 25<sup>th</sup> June, 2020 without any remuneration payable subject to the approval of the members of the Company and shall not be liable to retire by rotation.

The Board of Directors of the Company be authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors / Nomination and Remuneration Committee of the Company at its discretion deem fit from time to time, so as not to exceed the limit specified in Sections 197 of the Companies Act, 2013 ("Act") read with Schedule V of the Act and the Rules made thereunder, and other applicable provisions, if any, (Including any statutory modification or re-enactment thereof for the time being in force) and/or any rules or regulations framed thereunder subject to the approval of the members of the Company.

In the case of absence or inadequacy of profits in any financial year during the tenure of the appointment, the total remuneration payable to him by way of Salaries, perquisites and other benefits shall be within the limits prescribed in Schedule V of the Act, including any statutory modifications thereto as may be applicable from time to time.

Pursuant to provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013

(including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the above said terms require approval of shareholders of the Company in the general meeting by way of ordinary resolution. Accordingly, the resolutions set out at item no. 3 and 4 of the notice are recommended to be passed as an Ordinary resolution.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions at Item No. 3 and 4 of the Notice except Mr. Vidyuth Venkatesh Rajagopal being the appointee, Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal and their relatives.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI), the details of Director seeking appointment / re-appointment at the Annual General Meeting are given below:

S.NO	CATEGORY	PARTICULARS
1.	Name of the Director	Mr. Vidyuth Venkatesh Rajagopal (DIN: 07578471)
2.	Age	33 years
3.	Nationality	Indian
4.	Qualification	<ul style="list-style-type: none"> <li>Bachelor's Degree in Economics – Loyola College, Chennai</li> <li>Masters in Business Administration – Indian School of Business, Hyderabad</li> </ul>
5.	Expertise in specific functional areas	Business Development, Merchandising, Product Development, Retail Operations, Cluster Management and factory operations in Apparel manufacturing industry
6.	Date of first appointment to the Board	25 <sup>th</sup> June, 2020
7.	Term of previous appointment	NA
8.	Remuneration last drawn for the FY 2019-20	NA
9.	Proposed Remuneration sought to be paid	NA
10.	No. of Shares held	1,34,995 equity shares (0.36%) as on 30 <sup>th</sup> June, 2020
11.	Relationship	<b>Relationship with directors</b> <ul style="list-style-type: none"> <li>Son of Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal</li> </ul> <b>Relationship with Manager</b> <ul style="list-style-type: none"> <li>NA</li> </ul> <b>Relationship with Key Managerial Personnel</b> <ul style="list-style-type: none"> <li>NIL</li> </ul>
12.	No of Board Meetings attended / held during the year FY 2019-20	NA
13.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
14.	Chairpersonship / Membership in committees of other Entities	<b>Celebrity Fashions Limited</b> <ul style="list-style-type: none"> <li>Managing Director</li> <li>Member – Audit Committee</li> <li>Member – Stakeholders Relationship committee</li> <li>Member - Corporate Social Responsibility Committee</li> </ul>

By Order of the Board  
For INDIAN TERRAIN FASHIONS LIMITED

Date: 21<sup>st</sup> August, 2020  
Place: Chennai

sd/-  
Ravi B.S.G  
Company Secretary  
Membership No.: A47890

## BOARD'S REPORT

Dear Members,

The Directors hereby present the 11<sup>th</sup> Annual Report of the Company together with the Audited Financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL SUMMARY / HIGHLIGHTS

(₹ In Crores)

Particulars	For the Year ended	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Revenue	369.66	422.37
EBITDA	31.91	53.81
Finance costs	20.62	8.46
Depreciation	22.79	5.54
Earnings before tax	(11.50)	39.81
Current tax	-	13.89
Deferred tax	(1.16)	0.21
(Excess)/short fall of previous year	-	-
Net profit/(Loss)	(10.34)	25.71
Other comprehensive income for the year	-	(0.06)
Total comprehensive income for the year	(10.34)	25.65
Earnings per Share (in ₹)		
• Basic	(2.72)	6.78
• Diluted	(2.72)	6.78

### OVERVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company's revenue from operations for the FY 2020 was ₹ 369.66 Crores as against ₹ 422.37 Crores in the previous year. The operating margin was at 7.59% as against 12.03% in the previous year. The Gross EBITDA margin and other income was at 8.63% as against 12.74% in the previous year. The earnings before taxes for the year was - 3.11% and stood at ₹ (11.50) Crores and net loss was at ₹ (10.34) Crores. The total comprehensive income/loss was at ₹ (10.34) Crores as against ₹ 25.65 Crores in the previous year.

To avoid repetition of information, a detailed discussion on the performance of the Company is given in the Management Discussion and Analysis Report which forms part of this Board's report.

#### Impact of COVID-19 Pandemic :

In March 2020, the World Health Organization (WHO) declared COVID-19 as a global pandemic. Consequently, the Government of India declared nation-wide lockdown on 25<sup>th</sup> March, 2020, which impacted the business operations of the Company. The Company had shut down its warehouse and stores operation activities across its locations impacting the business and regular operations of the Company. The Company had taken and shall continue to take various steps to protect its customers and employees from the pandemic. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of certain assets, other intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future. The Company has resumed its business activities by reopening its warehouse and retail stores gradually, in line with guideline issued by the State and Central Government authorities.

### FINANCE AND ACCOUNTS

The financial statements are prepared in accordance with Indian Accounting Standards (IND AS) as required under the notification issued by the Ministry of Corporate Affairs (MCA) in the Official Gazette dated 16<sup>th</sup> February, 2015.

### CHANGES TO SHARE CAPITAL

During the year under review, there were no changes to the share capital of the Company.

### DIVIDEND

The Board of Directors with a view to conserve financial resources have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2020. Also, during the year, there were no unclaimed dividends which had to be transferred to IEPF by the Company.

### TRANSFER TO RESERVES

The Reserve at the end of the year 31<sup>st</sup> March, 2020 is at ₹ 208.53 Crores as against ₹ 222.09 Crores in the Previous Year.

### DISCLOSURE UNDER SECTION 67(3)(C) OF THE COMPANIES ACT, 2013

The disclosure with regard to voting rights not exercised directly by the employees of the Company as required under Section 67(3)(c) of Companies Act, 2013 read with rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not applicable to the Company.

### DEPOSITS

The Company has not accepted any deposits within the ambit of Section 73 of Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### CASH FLOW STATEMENT

In compliance with the provisions of Section 134 of Companies Act, 2013 and Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the financial year ended 31<sup>st</sup> March, 2020 forms part of this annual report.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties during the financial year were in the ordinary course of business and at Arm's length basis. The details of such transactions are disclosed in the notes to the accounts. The Company has framed a policy on Related Party Transactions which was amended with effect from 01<sup>st</sup> April, 2019 and the same is available in the Company's website [www.indianterrain.com](http://www.indianterrain.com).

The details of related party transactions pursuant to Section 134(3)(h) of Companies Act, 2013 is disclosed in Form No. AOC-2 as ANNEXURE-II

### CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis which forms part of this report are set out separately along with the Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance and Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as stipulated in Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### COMPLIANCE WITH CODE OF CONDUCT

The Company has framed a Code of Conduct for the Board of directors and Senior Management personnel of the Company which was amended with effect from 01<sup>st</sup> April, 2019. The Code of Conduct is available on the Company's website [www.indianterrain.com](http://www.indianterrain.com). The Board of Directors and senior management personnel have affirmed compliance with the Code of conduct as on 31<sup>st</sup> March, 2020.

As required under Regulation 34(3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration from Mr. Charath Ram Narsimhan, Managing Director and Chief Executive Officer of the Company to this effect is annexed to the report on corporate governance, which forms part of this annual report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors have adopted a policy on CSR as recommended by the CSR committee duly constituted and the said policy is available on the Company's website [www.indianterrain.com](http://www.indianterrain.com).

The composition and terms of reference of the CSR Committee is detailed in the Corporate Governance report forming part of this annual report. An update on the policy on Corporate Social Responsibility and activities of the Company is provided in ANNEXURE-V annexed to this annual report.

### ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower mechanism which was amended with effect from 01<sup>st</sup> April, 2019. This mechanism, inter alia, includes the following:

- the Directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct;
- providing adequate safeguards against victimization;
- providing direct access to the higher levels of supervisors and/or to the Chairman of the Audit Committee, in appropriate or exceptional cases.



The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all employees and directors is available in the Company's website, [www.indianterrain.com](http://www.indianterrain.com).

#### EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31<sup>st</sup> March, 2020 there were no pending options to be vested or exercised.

#### CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### RESIGNATION OF MR. P.S. RAMAN AS DIRECTOR OF THE COMPANY

Mr. P.S. Raman resigned from the Board as Director with effect from 07<sup>th</sup> November, 2019 due to his professional preoccupation. Mr. P.S. Raman confirmed that there are no other material reasons other than said reason.

##### APPOINTMENT OF MR. VIDYUTH VENKATESH RAJAGOPAL AS JOINT MANAGING DIRECTOR OF THE COMPANY

Mr. Vidyuth Venkatesh Rajagopal (DIN: 07578471) was appointed as an Additional Director of the Company by the Board of Directors with effect from 25<sup>th</sup> June, 2020 as recommended by the Nomination and Remuneration Committee and Audit Committee. Further, he was also designated as the Joint Managing Director of the Company and to hold office for a period of 5 (five) years with effect from 25<sup>th</sup> June, 2020 subject to the approval of the members of the Company.

##### CHIEF FINANCIAL OFFICER

Mr. S. Ramachandaran was appointed by the Board of Directors as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 25<sup>th</sup> June, 2020 as recommended by the Audit Committee and the Nomination and Remuneration Committee in accordance with Section 203 of Companies Act, 2013 in place of Mr. N. Nandakumar who has resigned w.e.f. 10<sup>th</sup> February, 2020.

##### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Ravi B.S.G is the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company.

##### DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from the Independent Directors of the Company confirming that they continue to meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, Regulation 25 and 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Director have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management personnel of the Company as on 31<sup>st</sup> March, 2020.

##### EXTRACT OF ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, an extract of the Annual Return in the prescribed Form MGT-9 is annexed as ANNEXURE- III. The annual return, forming part of the Annual Report of the Company is available in the Company's website [www.indianterrain.com](http://www.indianterrain.com).

##### NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

The Board of Directors met 5 (five) times for year ended 31<sup>st</sup> March, 2020 on 20<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, 09<sup>th</sup> January, 2020 and 10<sup>th</sup> February, 2020. The gap between the Board meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The particulars of meeting of all Committees held during the financial year ended 31<sup>st</sup> March, 2020 are disclosed in the Corporate Governance report forming part of this annual report.

##### AUDIT COMMITTEE

Pursuant to Section 177(8) of Companies Act 2013, the particulars relating to the composition and all other details about Audit Committee have been detailed in the Corporate Governance Report forming part of this annual report. During the year, all the recommendations of the Audit Committee were accepted by the Board.

##### NOMINATION AND REMUNERATION COMMITTEE POLICY

Pursuant to the amendments to the provisions of Section 178(4) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and remuneration committee policy was amended with effect from 01<sup>st</sup> April, 2019. The salient features of the Nomination and remuneration committee policy of the Company is as stated hereunder. 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.

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long term value creation for its stakeholders.

Particulars pertaining to the constitution of the Nomination and remuneration Committee and its terms of reference have been detailed in the Corporate Governance report forming part of this annual report.

The Nomination and Remuneration Committee Policy is available in the Company's website i.e., [www.indianterrain.com](http://www.indianterrain.com).

##### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provision of section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements forming part of this annual report.

##### MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

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

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of the Board as a whole, various Committees, Directors individually and the Chairman. Performance of the Board and Board committees were evaluated on various parameters such as structure, composition, quality, diversity, experiences, competencies, performance of specific duties and obligations, conduct of meetings, quality of decision making and overall board effectiveness.

The performance of the individual directors was evaluated on parameters, such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgment. The Chairman and Managing Director was evaluated on certain additional parameters, such as performance of the Company, leadership, relationships, communication, growth, recognition, achievements and awards received by the Company.

The statement including the manner in which the evaluation exercise was conducted, the observations of the Board and the proposed action to be taken based on the observation of the Board is included in the Corporate Governance report forming part of this annual report.

##### REPORT AS PER SECTION 134 READ WITH RULE 8 AND SUB RULE 5 OF COMPANIES ACCOUNTS RULES 2014

Change in nature of business, if any: NIL

Name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: Not Applicable.

##### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has not received any orders / notices from the regulators/ courts/ tribunals impacting the going concern status and future operations of the Company.

##### INTERNAL FINANCIAL CONTROLS

The Company has an adequate internal financial controls with reference to financial statements which commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee, Chairman of the Board and Managing Director. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal financial controls in the Company, its compliance with operating systems, accounting

procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. A report of auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of internal financial controls with reference to financial statements is annexed with the Auditors report.

During the year ended 31<sup>st</sup> March, 2020, such controls were tested and no reportable material weaknesses in the design or operation were observed. The Company has put in place adequate internal financial controls with reference to financial statements. The Audit Committee and Board of Directors of the Company were appraised on the performance of the internal financial controls.

#### MAINTENANCE OF COST RECORDS

The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the Company's product segment.

#### DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Pursuant to section 134(3)(n) of the Companies Act, 2013 the Company has framed Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. During the year under review, the Company has not identified any element of risk which may threaten the existence of the Company.

#### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibilities, the working of the Company, nature of the Industry in which the Company operates, business model, etc. The details of the familiarisation programme are explained in the Corporate Governance report and also available on the Company's website [www.indianterrain.com](http://www.indianterrain.com).

#### AUDITORS

##### STATUTORY AUDITORS

M/s. SRSV & Associates, Chartered Accountants, Chennai are the Statutory Auditors of the Company. The Statutory Auditors were appointed in the 10<sup>th</sup> Annual General Meeting of the Company to hold the office till the conclusion of the 15<sup>th</sup> Annual General Meeting.

The financial statements of the Company including its Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, notes and Schedules to the accounts for the financial year ended 31<sup>st</sup> March, 2020 have been audited by M/s. SRSV & Associates, Chartered Accountants. The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark on the financial Statements of the Company. The Independent Auditors' Report is enclosed with the financial statements in this annual report.

##### SECRETARIAL AUDITOR

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. BP & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/comments of the Board. The Secretarial Audit Report is annexed as ANNEXURE - IV forming part of this Annual Report.

##### INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) of the Companies Act 2013 and as recommended by the audit committee M/s. RVKS & Associates, Chartered Accountants, Chennai was re-appointed as the Internal Auditors of the Company for the financial year 2019-20 by the Board.

The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed every quarter in consultation with the Audit Committee. These audits are based on risk based methodology and inter alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the financial year for corrective action. The Audit Committee oversees the functions of the Internal Auditors.

##### LISTING FEE

The Equity shares of the Company are listed on the stock exchanges viz., BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Company has paid the applicable listing fees to the stock exchanges within the stipulated time.

#### PARTICULARS OF EMPLOYEES

The disclosure with respect to the remuneration of directors and employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as ANNEXURE-I to this report.

The statement containing such particulars of employees as required in terms of the provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours upto the date of Annual General Meeting and if any member is interested in obtaining such information, may write to the Company Secretary at the registered office of the Company in this regard.

#### BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report for the year ended 31<sup>st</sup> March, 2020 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as ANNEXURE-VI which forms part of this Annual Report.

#### DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company firmly provides a safe, supportive and friendly workplace environment - a workplace where our values come to life through the underlying behaviors. Positive workplace environment and a great employee experience are integral parts of our culture.

The Company has zero tolerance towards sexual harassment at work place. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at Work Place in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) had been set up to redress the complaints received from women regarding sexual harassment and discrimination at workplace. During the year ended 31<sup>st</sup> March, 2020, ICC did not receive any complaint pertaining to sexual harassment/discrimination at various work locations.

#### DISCLOSURE REGARDING FRAUDS

The Statutory Auditors of the Company has stated that there was no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the course of our audit in their Independent Auditors Report which forms part of this Annual Report. Hence, there is no requirement to report the same to Audit Committee or Board of Directors of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013 the directors on the basis of information made available to them, confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- f) the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively;

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.



## CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE

## A. Conservation of Energy:

Steps taken for conservation	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.
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipment	

## B. Technology absorption:

Efforts made for technology absorption	Not Applicable
Benefits derived	
Expenditure on Research & Development, if any	
Details of technology imported, if any	
Year of import	
Whether imported technology fully absorbed	
Areas where absorption of imported technology has not taken place, if any	

## C. Foreign Exchange Earning and Outgo:

Total Foreign exchange earned	: Nil
Total Foreign exchange outgo	: ₹ 44.07 Crores

## SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards i.e. SS-1 for 'Meetings of the Board of Directors' and SS-2 for 'General Meetings' which are prescribed by the Institute of Company Secretaries of India (ICSI) as per Companies Act, 2013.

## PERSONNEL

The employee relations have been very cordial during the financial year ended 31<sup>st</sup> March, 2020. The Board wishes to place on record its appreciation to all its employees 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 the Company comprises of young passionate driven professionals committed to achieve the organizational goals.

## ACKNOWLEDGEMENT

The directors place on record their high appreciation and contribution made every member of the Indian Terrain family. The Board places on record its appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, retailers, business partners, investors, regulatory and government authorities.

For and on behalf of the Board

Date: 25<sup>th</sup> June, 2020  
Place: Chennai

sd/-  
Venkatesh Rajagopal  
Executive Chairman & Whole Time Director  
(DIN: 00003625)

**ANNEXURE - I TO BOARD'S REPORT**
**PARTICULARS OF EMPLOYEES:**

A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-2020:

Name of Directors	Designation	Ratio to median remuneration
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	20.65 : 1
Mrs. Rama Rajagopal	Whole Time Director	12.05 : 1
Mr. Charath Ram Narsimhan	Managing Director & CEO	13.77 : 1

(b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-2020:

Name	Designation	% increase in remuneration in financial year 2019-2020
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	Nil*
Mrs. Rama Rajagopal	Whole Time Director	Nil
Mr. Charath Ram Narsimhan	Managing Director & CEO	Nil*
Mr. S. Ramachandaran (Appointed w.e.f 25 <sup>th</sup> June, 2020)	Chief Financial Officer	NA
Mr. N. Nandakumar (Resigned w.e.f 10 <sup>th</sup> February, 2020)	Chief Financial Officer	NA
Mr. Ravi B.S.G	Company Secretary & Compliance Officer	12.00%

\* Increase/ Decrease in variables pay not considered

(c) Percentage increase in the median remuneration of employees in the financial year 2019-2020: 8.00%

(d) The number of permanent employees on the rolls of the company: 337 Employees

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

The total remuneration of the Managerial Personnel of the Company increased by Nil and the average remuneration of the employees of the Company (other than managerial personnel) increased by 8.85%.

(f) The key parameters for any variable component of remuneration availed by the directors :

The variable component of remuneration availed by Executive directors is based on the percentage of net profits as per the Section 198 of Companies Act, 2013 as approved by the Shareholders.

(g) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2020.

Name	Designation	Nature of Employment	Remuneration (₹ in Lakhs)	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of shares held by the Employee as on 31 <sup>st</sup> March, 2020	Whether he is a Relative of a Director / Manager
Mr. Venkatesh Rajagopal	Whole Time Director	Full Time	*72.39	M.A., I.P.S., 42 years	29 <sup>th</sup> Sep, 2009	63	Celebrity Fashions Limited	12.51%	Yes
Mr. Charath Ram Narsimhan	Managing Director & CEO	Full Time	*48.28	B. Tech (IIT), PGDBM (IIM), 23 years	07 <sup>th</sup> Nov, 2005	48	Madura garments	1.98%	No

\*Managerial remuneration includes perquisites

For and on behalf of the Board

Date: 25<sup>th</sup> June, 2020  
Place : Chennai

sd/-  
Venkatesh Rajagopal  
Executive Chairman & Whole Time Director  
(DIN: 00003625)





## ANNEXURE -II TO BOARD'S REPORT

## FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

## 1) Details of contracts or arrangements or transactions not at arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

## 2. Details of material contracts or arrangements or transactions at arm's length basis.

S. No.	Particulars	Details
1	Name (s) of the related party	Celebrity Fashions Limited
2	Nature of Relationship	Mr. Venkatesh Rajagopal & Mrs. Rama Rajagopal, Directors of Indian Terrain Fashions Limited are also the Directors in Celebrity Fashions Limited
3	Nature of contracts/ arrangements/ transactions	Job work charges, purchase of fabrics, Washing charges, FOB Purchases, Sale of Fabrics and rental income
4	Duration of the contracts/ arrangements/transactions	Not Applicable
5	Salient terms of the contracts or arrangements or transactions including the value, if any	Upto Maximum of ₹ 40.00 Crores in any financial year
6	Date of approval by the Board	13 <sup>th</sup> November, 2014
7	Amount paid as advances, if any	NIL

For and on behalf of the Board

Date: 25<sup>th</sup> June 2020  
Place: Chennai

sd/-  
Venkatesh Rajagopal  
Chairman & Whole Time Director  
(DIN: 00003625)

## ANNEXURE-III TO BOARD'S REPORT

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2020 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	L18101TN2009PLC073017
ii.	Registration Date	:	29 <sup>th</sup> September, 2009
iii.	Name of the Company	:	INDIAN TERRAIN FASHIONS LIMITED
iv.	Category / Sub-Category of the Company	:	Company Limited by shares/ Non-Govt Company
v.	Address of the Registered office and contact details	:	208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai – 600 100 Phone: 044-42279100 E-mail: response.itfl@indianterrain.com Website: www.indianterrain.com
vi.	Whether listed company	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (west), Mumbai-400 083. Phone No: 022 49186000 Fax No: 022 49186060 E-mail: ishwar.suvarna@linkintime.co.in Website: www.linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Apparels	141-Manufacturing of Wearing Apparels	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable section
NOT APPLICABLE					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Shareholding of Promoter and Promoter Group</b>									
1) Indian									
• Individuals / Hindu Undivided Family	11136100	0	11136100	29.35	11416100	0	11416100	30.09	0.74
• Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
• Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
• Any Other (Specify)									
<b>Sub Total (A)(1)</b>	<b>11136100</b>	<b>0</b>	<b>11136100</b>	<b>29.35</b>	<b>11416100</b>	<b>0</b>	<b>11416100</b>	<b>30.09</b>	<b>0.74</b>
2) Foreign									
• Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
• Government	0	0	0	0	0	0	0	0	0
• Institutions	0	0	0	0	0	0	0	0	0
• Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
• Any Other (Specify)									
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>11136100</b>	<b>0</b>	<b>11136100</b>	<b>29.35</b>	<b>11416100</b>	<b>0</b>	<b>11416100</b>	<b>30.09</b>	<b>0.74</b>
<b>B. Public Shareholding</b>									
• Institutions									
• Mutual Funds / UTI	8326768	0	8326768	21.95	7599767	0	7599767	20.03	-1.92
• Venture Capital Funds	0	0	0	0	0	0	0	0	0
• Alternate Investment Funds	2605832	0	2605832	6.87	2605832	0	2605832	6.87	0
• Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
• Foreign Portfolio Investor	5427755	0	5427755	14.31	4554447	0	4554447	12.00	-2.30
• Financial Institutions / Banks	23247	0	23247	0.06	2619	0	2619	0.01	-0.05
• Insurance Companies	0	0	0	0	0	0	0	0	0
• Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
• Any Other (Specify)									
<b>Sub Total (B)(1)</b>	<b>16383602</b>	<b>0</b>	<b>16383602</b>	<b>43.18</b>	<b>14762665</b>	<b>0</b>	<b>14762665</b>	<b>38.91</b>	<b>-4.27</b>
Central Government/ State Government(s)/ President of India									
<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Non-Institutions									
• Individuals									
iii. Individual shareholders holding nominal share capital upto ₹ 1 lakh.	4439970	1425	4441395	11.71	4612400	1425	4613825	12.16	0.45
iv. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2983895	0	2983895	7.86	2822579	0	2822579	7.44	-0.43
• NBFCs registered with RBI	41910	0	41910	0.11	38738	0	38738	0.10	-0.01
• Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
• Any Other (Specify)									
Hindu Undivided Family	211816	0	211816	0.56	191049	0	191049	0.50	-0.05
Foreign Companies	1245140	0	1245140	3.28	1245140	0	1245140	3.28	0
Non Resident Indians (Non Repat)	96218	0	96218	0.25	106495	0	106495	0.28	0.03
Non Resident Indians (Repat)	162654	0	162654	0.43	191201	0	191201	0.50	0.08
Office Bearers	5876	0	5876	0.02	4	0	4	0	-0.02
Clearing Member	27460	0	27460	0.07	45776	0	45776	0.12	0.05
Bodies Corporate	1205234	0	1205234	3.18	2507728	0	2507728	6.61	3.43
<b>Sub Total (B)(3)</b>	<b>10420173</b>	<b>1425</b>	<b>10421598</b>	<b>27.47</b>	<b>11761110</b>	<b>1425</b>	<b>11762535</b>	<b>31.00</b>	<b>3.53</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>26803775</b>	<b>1425</b>	<b>26805200</b>	<b>70.65</b>	<b>26523775</b>	<b>1425</b>	<b>26525200</b>	<b>69.91</b>	<b>-0.74</b>
<b>Total (A)+(B)</b>	<b>37939875</b>	<b>1425</b>	<b>37941300</b>	<b>100</b>	<b>37939875</b>	<b>1425</b>	<b>37941300</b>	<b>100</b>	<b>0</b>
Non Promoter - Non Public									
(C1) Shares Underlying DRs									
Custodian/DR Holder	0	0	0	0	0	0	0	0	0
(C2) Shares Held By Employee Trust									
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
<b>Total (A)+(B)+(C)</b>	<b>37939875</b>	<b>1425</b>	<b>37941300</b>	<b>100</b>	<b>37939875</b>	<b>1425</b>	<b>37941300</b>	<b>100</b>	<b>0.00</b>



**b) Shareholding of Promoters**

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mrs. Rama Rajagopal	6252930	16.48	10.08	6532930	17.22	10.08	0.74
2	Mr. Venkatesh Rajagopal	4747115	12.51	10.08	4747115	12.51	10.08	0.00
3	Mr. Vidyuth Rajagopal	134995	0.36	0.00	134995	0.36	0.00	0.00
4	Mr. Rajagopalan K.A.	920	0.00	0.00	920	0.00	0.00	0.00
5	Mrs. Anjali Rajagopal	140	0.00	0.00	140	0.00	0.00	0.00
	<b>Total</b>	<b>11136100</b>	<b>29.35</b>	<b>20.15</b>	<b>11416100</b>	<b>30.09</b>	<b>20.15</b>	<b>0.74</b>

**(c) Change in Promoters' Shareholding**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	No of Shares	% of Total Shares of the Company
1	Mrs. Rama Rajagopal	6252930	16.48				6252930	16.48
				05 <sup>th</sup> July, 2019	Purchase	280000	6532930	17.22
					<b>At the end of the year</b>		6532930	17.22
2	Mr. Venkatesh Rajagopal	4747115	12.51	-	No Change	-	4747115	12.51
					<b>At the end of the year</b>		4747115	12.51
3	Mr. Vidyuth Rajagopal	134995	0.36	-	No Change	-	134995	0.36
					<b>At the end of the year</b>		134995	0.36
4	Mr. Rajagopalan K.A.	920	0.00	-	No Change	-	920	0.00
					<b>At the end of the year</b>		920	0.00
5	Mrs. Anjali Rajagopal	140	0.00	-	No Change	-	140	0.00
					<b>At the end of the year</b>		140	0.00

**(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	No of Shares	% of Total Shares of the Company
1	SBI CONSUMPTION OPPORTUNITIES FUND	3701827	9.76				3701827	9.76
	Transfer			29.11.2019		(1175369)	2526458	6.6
	Transfer			06.12.2019		1175369	3701827	9.76
	Transfer			10.01.2020		(5207)	3696620	9.74
	Transfer			17.01.2020		(179041)	3517579	9.27
	Transfer			24.01.2020		(3594)	3513985	9.26
	Transfer			31.01.2020		(2029)	3511956	9.26
	Transfer			07.02.2020		(2288)	3509668	9.25
	<b>AT THE END OF THE YEAR</b>						<b>3509668</b>	<b>9.25</b>
2	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA SMALL CAP FUND	3739390	9.86				3739390	9.86
	Transfer			26.07.2019		73	3739463	9.86
	Transfer			27.09.2019		(106975)	3632488	9.57
	Transfer			30.09.2019		(39764)	3592724	9.47
	Transfer			18.10.2019		(984)	3591740	9.47
	Transfer			08.11.2019		(1397)	3590343	9.46
	Transfer			15.11.2019		(36322)	3554021	9.37

	Transfer			22.11.2019		(212)	3553809	9.37
	Transfer			29.11.2019		(129033)	3424776	9.03
	Transfer			06.12.2019		(100)	3424676	9.03
	Transfer			03.01.2020		(11028)	3413648	9.00
	Transfer			07.02.2020		(31628)	3382020	8.91
	Transfer			14.02.2020		(42439)	3339581	8.80
	<b>AT THE END OF THE YEAR</b>						<b>3339581</b>	<b>8.80</b>
3	MALABAR INDIA FUND LIMITED	2893473	7.63				2893473	7.63
	<b>AT THE END OF THE YEAR</b>						<b>2893473</b>	<b>7.63</b>
4	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	1422731	3.75				1422731	3.75
	<b>AT THE END OF THE YEAR</b>						<b>1422731</b>	<b>3.75</b>
5	NEW VERNON PRIVATE EQUITY LIMITED	1245140	3.28				1245140	3.28
	<b>AT THE END OF THE YEAR</b>						<b>1245140</b>	<b>3.28</b>
6	EOS MULTI STRATEGY FUND LTD	940081	2.48				940081	2.48
	Transfer			29.11.2019		(100000)	840081	2.21
	<b>AT THE END OF THE YEAR</b>						<b>752141</b>	<b>1.98</b>
7	MALABAR VALUE FUND	709918	1.87				709918	1.87
	<b>AT THE END OF THE YEAR</b>						<b>709918</b>	<b>1.87</b>
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XIV	681008	1.79				681008	1.79
	Transfer			29.11.2019		(2821)	678187	1.79
	Transfer			13.12.2019		(1710)	676477	1.79
	Transfer			06.03.2020		(1259)	675218	1.78
	<b>AT THE END OF THE YEAR</b>						<b>675218</b>	<b>1.78</b>
9	Mr. AMITABH SURI	564742	1.49				564742	1.49
	<b>AT THE END OF THE YEAR</b>						<b>564742</b>	<b>1.49</b>
10	LIMIAR FUND (MASTER) LP	747138	1.97				747138	1.97
	Transfer			09.08.2019		(747138)	0	0
	<b>AT THE END OF THE YEAR</b>						<b>0</b>	<b>0</b>

**(e) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	Date of Increase/ decrease	Reason for Increase/ decrease	No. of Shares	No. of Shares	% of Total Shares of the Company
1	Mrs. Rama Rajagopal Wholetime Director	6252930	16.48				6252930	16.48
				05.07.2019	Purchase	280000	6532930	17.22
					<b>At the end of the year</b>		6532930	17.22
2	Mr. Venkatesh Rajagopal Chairman & Wholetime Director	4747115	12.51	-	No Change	-	4747115	12.51
					<b>At the end of the year</b>		4747115	12.51
3	Mr. Charath Ram Narsimhan Managing Director & CEO	1382332	3.64				1382332	3.64
				05.07.2019	Sale	(280000)	1102332	2.91
				27.09.2019	Sale	(350191)	752141	1.98
					<b>At the end of the year</b>	-	752141	1.98
<b>Key Managerial Personnel:</b>								
1	Mr. N. Nandakumar Chief Financial Officer (Resigned w.e.f 10 <sup>th</sup> February, 2020)	0	-	-	No Change	-	0	-
					<b>At the end of the year</b>	-	0	-
2	Mr. Ravi B.S.G Company Secretary & Compliance officer	0	-	13.09.2019	Purchase	1	1	0.00
					<b>At the end of the year</b>	-	1	0.00

Note: The Independent Directors did not hold any shares in the Company during the financial year ended 31<sup>st</sup> March, 2020.



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal amount	3117	156	0	3273
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3117</b>	<b>156</b>	<b>0</b>	<b>3273</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	1069	29	0	1098
<b>Net Change</b>	<b>(1069)</b>	<b>(29)</b>	<b>-</b>	<b>(1098)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal amount	4153	127	0	4280
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	33	-	-	33
<b>Total (i+ii+iii)</b>	<b>4186</b>	<b>127</b>	<b>0</b>	<b>4313</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Venkatesh Rajagopal (Chairman & Whole Time Director)	Mrs. Rama Rajagopal (Whole Time Director)	Mr. Charath Ram Narsimhan (Managing Director & CEO)	
1	Gross Salary	72.00	42.00	48.00	162.00
	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961				
	Value of Perquisites u/s 17(2) Income –tax Act,1961	0.39	0.39	0.28	1.06
	Profits in lieu of salary under section 17(3) Income-tax Act,1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>72.39</b>	<b>42.39</b>	<b>48.28</b>	<b>163.06</b>
	<b>Ceiling as per the Act</b>	<b>10% of net profits</b>			

B. Remuneration to other directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Independent Directors					Total Amount (In Lakhs)
		Mr. N.K. Ranganath	Mr. P.S. Raman**	Mr. Harsh Bahadur	Mr. Manoj Mohanka	Mr. K.S.Suresh	
1	Fee for attending Board/ Committee Meetings*	3.85	0.00	2.45	3.30	3.50	13.10
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, Please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>3.85</b>	<b>0.00</b>	<b>2.45</b>	<b>3.30</b>	<b>3.50</b>	<b>13.10</b>

\*Sitting fees is after TDS

\*\* Resigned w.e.f 07<sup>th</sup> November, 2019

S. No.	Particulars of Remuneration	Name of other Non-Executive Directors	Total Amount
2	Fee for attending Board/Committee Meetings	Nil	Nil
	Commission	Nil	Nil
	Others, Please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)		<b>13.10 Lakhs</b>
	Total Managerial Remuneration		<b>176.16 Lakhs</b>
	Overall Ceiling as per the Act		11% of net profits

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. N. Nandakumar (Resigned w.e.f 10 <sup>th</sup> Feb, 2020)	Mr. Ravi B.S.G	
1	Gross Salary Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	47.85	10.07	57.92
	Value of Perquisites u/s 17(2) Income –tax Act,1961	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission -as % of profit -others, Specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>47.85</b>	<b>10.07</b>	<b>57.92</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

 Date: 25<sup>th</sup> June, 2020  
 Place: Chennai

 sd/-  
 Venkatesh Rajagopal  
 Executive Chairman & Whole Time Director  
 (DIN: 00003625)



## ANNEXURE - IV TO BOARD'S REPORT

### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
INDIAN TERRAIN FASHIONS LIMITED,  
No. 208, Velachery Tambaram Road,  
Narayanapuram, Pallikaranai,  
Chennai – 600 100.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Terrain Fashions Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Indian Terrain Fashions Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 generally complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Indian Terrain Fashions Limited for the financial year ended on 31<sup>st</sup> March, 2020 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - g. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - h. Other laws applicable to the Company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the board meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following significant events have taken place:

#### 1) REAPPOINTMENT OF MRS. RAMA RAJAGOPAL AS WHOLE TIME DIRECTOR OF THE COMPANY:

Mrs. Rama Rajagopal (DIN: 00003565), reappointed as Whole Time Director of the Company for a period of 5 (five) years from 01<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2024 at the Board Meeting held on 13<sup>th</sup> August, 2019 and subsequently obtained member's approval on 30<sup>th</sup> September, 2019.

#### 2) APPOINTMENT OF M/S. SRSV & ASSOCIATES AS STATUTORY AUDITORS OF THE COMPANY:

M/s SRSV & Associates, Chartered Accountants, Chennai (F.R. No.015041S) was appointed as Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company.

#### 3) RESIGNATION OF MR. PATTABI SUNDAR RAMAN AS THE INDEPENDENT DIRECTOR OF THE COMPANY.

Mr. Pattabi Sundar Raman (DIN: 00003606) was resigned as Independent Director of the Company with effect from the closure of the business hours of 07<sup>th</sup> November, 2019.

#### 4) RESIGNATION OF MR. N. NANDAKUMAR AS CHIEF FINANCIAL OFFICER OF THE COMPANY.

Mr. N. Nandakumar resigned as Chief Financial Officer, effective from 10<sup>th</sup> February, 2020 due to personal reasons.

For BP & Associates  
Company Secretaries

sd/-  
Date: 25<sup>th</sup> June, 2020  
Place: Chennai

K. J. Chandra Mouli  
Partner  
M No: 25315  
CP No: 15708  
UDIN: A025315B000377722

### 'ANNEXURE A'

To  
The Members,  
INDIAN TERRAIN FASHIONS LIMITED,  
No. 208, Velachery Tambaram Road,  
Narayanapuram, Pallikaranai,  
Chennai – 600 100.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates  
Company Secretaries

Date: 25<sup>th</sup> June, 2020  
Place: Chennai

sd/-  
K. J. Chandra Mouli  
Partner  
M No: 25315  
CP No: 15708  
UDIN: A025315B00037722

### ANNEXURE- V TO BOARD'S REPORT

#### CORPORATE SOCIAL RESPONSIBILITY REPORT

##### 1) Company's Corporate Social Responsibility policy

The Company's philosophy on Corporate Social Responsibility (CSR) is to contribute to the social and economic development of the communities in which it operates, resulting in building a better and sustainable way of life for the society at large.

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company. The CSR Policy of the Company is available in the Company's website [www.indianterrain.com](http://www.indianterrain.com).

##### 2) Corporate Social Responsibility Committee

As per Section 135 of Companies Act, 2013, the board of directors at their meeting held on 13<sup>th</sup> August, 2019 had reconstituted the CSR committee consisting of following members.

- Mrs. Rama Rajagopal, - Chairperson of the Committee
- Mr. Venkatesh Rajagopal- Member
- Mr. N. K. Ranganath – Member
- Mr. K.S.Suresh – Member
- Mr. Charath Ram Narsimhan - Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

- 3) Average Net Profit of the Company for the last three years: ₹ 37.39 Crores
- 4) Prescribed CSR Expenditure (2% of the amount as in Item No.3) : ₹ 74.78 Lakhs
- 5) Details of CSR Spent during the Financial year:

- Total amount to be spent for the financial year: ₹74.78 Lakhs
- Total amount spent during the financial year : ₹6.79 Lakhs
- Amount unspent, if any: ₹67.99 Lakhs
- Manner in which the amount spent during the financial year is detailed below-

(₹ in Lakhs)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or program was undertaken	Amount Outlay (Budget) Project or programs wise	Amount spent on the programs or projects: (1) Direct expenditure on Projects or Programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount Spent: Direct or Implementing agency
1	Promote education and training of Special children	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Tamil Nadu	6.79	6.79	6.79	Directly to Swabodhini Charitable Trust, Chennai (a registered Charitable Trust)
Total spent				6.79	6.79		

- 6) The Company felt that activities and contributions done through a own trust will reach the community at large and the needy directly. Hence "Terrain Foundation" trust was registered on 19<sup>th</sup> February, 2020 with a sole objective of undertaking Corporate Social Responsibility (CSR) as per the CSR policy of the Company and Companies Act, 2013. The Company proposes to undertake more activities and contributions in the upcoming years through the said trust and always committed to corporate social responsibility.

- 7) We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and policy of the Company.

sd/-  
Venkatesh Rajagopal  
Member-CSR Committee  
(DIN: 00003625)

For and on behalf of Committee  
sd/-  
Rama Rajagopal  
Chairperson - CSR Committee  
(DIN: 00003565)





## ANNEXURE- VI TO BOARD'S REPORT

### BUSINESS RESPONSIBILITY REPORT

SEBI had extended the applicability of Business Responsibility Reporting to top 1000 listed entities by amending Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are reported as follows.

#### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L18101TN2009PLC073017
2	Name of the Company	INDIAN TERRAIN FASHIONS LIMITED
3	Registered address	208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai – 600 100, Tamil Nadu
4	Website	www.indianterrain.com
5	E-mail id	response.itfl@indianterrain.com
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	141-Manufacturing of Wearing Apparels
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Apparels and Accessories
	Total number of locations where business activity is undertaken by the Company	
9	a. Number of International Locations	Nil
	b. Number of National Locations	201+ EBOs, 485+ LFOs, 1400+ MBOs counters PAN India
10	Markets served by the Company – Local/ State/ National/ International/	National

#### SECTION B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	₹ 7.58 Crores
2	Total Turnover	₹ 369.66 Crores
3	Total Profit after taxes	₹ (10.34) Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company had contributed ₹ 6.79 Lakhs on CSR activities for the year ended 31 <sup>st</sup> March, 2020 which is 0.18% on the average net profits of the Company for the last three years calculated as per Section 198 of Companies Act, 2013
5	List of activities in which expenditure in 4 above has been incurred.	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

#### SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has not mandated the suppliers, distributors etc. to participate in the BR initiatives of the Company. But they are encouraged to adopt the initiatives and follow the concepts required for responsible businesses.

#### SECTION D : BUSINESS RESPONSIBILITY INFORMATION

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

S.No.	Particulars	Details
a)	DIN	06497859
b)	Name	Mr. Charath Ram Narsimhan
c)	Designation	Managing Director & CEO
d)	Telephone Number	044 – 4227 9100
e)	Email id	response.itfl@indianterrain.com

##### 2. b) Details of BR head

S.No.	Particulars	Details
a)	DIN	06497859
b)	Name	Mr. Charath Ram Narsimhan
c)	Designation	Managing Director & CEO
d)	Telephone Number	044 – 4227 9100
e)	Email id	response.itfl@indianterrain.com

**2. Principle-wise (as per National Voluntary Guidelines) BR policy/policies**
**a) Details of compliance (Reply in Y/N)**

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the well-being of all employees

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5: Businesses should respect and promote human rights

P6: Business should respect, protect and make efforts to restore the environment

P7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.indianterrain.com/investor-information#">https://www.indianterrain.com/investor-information#</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the working of this policy by an internal or external agency?	Evaluation of the working of the policies are evaluated internally and reviewed.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

S. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. Governance related to BR**

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The Company's BR performance shall be assessed annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	As per Reg. 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the BR report will be published on an annual basis as an annexure to the Board's report, as applicable.



**SECTION E : PRINCIPLE-WISE PERFORMANCE**

S.No	Principle 1	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	The policy covers the Company only. It does not extend to Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	For the financial year ended 31 <sup>st</sup> March, 2020, we have not received any complaints from shareholders / any other stakeholders as mentioned in the Corporate Governance report. The Company has a methodology for dealing with the complaints received from various stakeholders.

S.No	Principle 2	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company understands its responsibilities relating to social, environmental concerns, risks and opportunities and ensures fulfilment of obligations related to its products.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption basis and committed to environment protection.
3	Does the Company have procedures in place for sustainable sourcing (including transportation) ?	Yes
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes, wherever possible
5	Does the company have a mechanism to recycle products and waste?	Yes, wherever possible

S.No	Principle 3	
1	Total number of permanent employees as on 31 <sup>st</sup> March, 2020	337
2	Total number of employees hired on temporary/ contractual/ casual basis.	-
3	Number of permanent women employees.	41
4	Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management Employee association	Nil
6	What percentage of your permanent employees is members of this recognized employee association ?	Not Applicable
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year 31 <sup>st</sup> March, 2020	Nil
8	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year ? a) Permanent Employees b) Permanent Women Employees c) Casual/Temporary/Contractual Employees d) Employees with Disabilities	28% 2% Nil Nil

S.No	Principle 4	
1	Has the company mapped its internal and external stakeholders ? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	No
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	No

S.No	Principle 5	
1	Does the policy of the Company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Only the Company
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints were received for the financial year ended 31 <sup>st</sup> March, 2020



S.No	Principle 6	
1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Only the Company
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	No
3	Does the Company identify and assess potential environmental risks ? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No
6	Are the Emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	For the financial year ended 31 <sup>st</sup> March, 2020 the Company had not received show cause/ legal notices from CPCB/ SPCB

S.No	Principle 7	
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Retail Association of India, Confederation of Indian Industry, Cloth Manufacturing Association of India, Madras Management Association
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good ? Yes/No; if yes specify the broad areas	No

S.No	Principle 8	
1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	As part of its CSR initiatives, the Company has undertaken projects towards promotion of special education and livelihood enhancement as detailed in Annexure V to the Board's Report.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	NGOs and Trusts
3	Have you done any impact assessment of your initiative?	No
4	What is your company's direct contribution to community development projects. Amount in INR and the details of the projects undertaken	The Company has contributed ₹ 6.79 Lakhs as part of its share of CSR contribution for the financial year 2019-20 to promote education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

S.No	Principle 9	
1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	The Company has a system in place for dealing with customer feedback and complaints and they are provided multiple options to connect with the Company through various methods. All the complaints are appropriately addressed and resolved.
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Yes
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

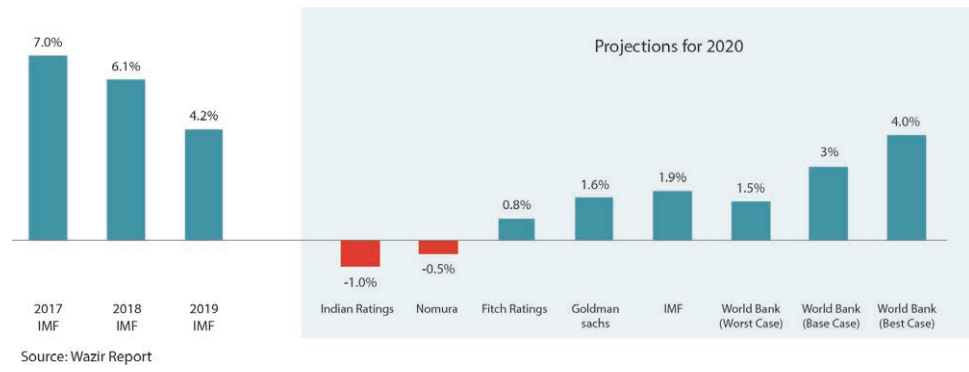
**MANAGEMENT DISCUSSION & ANALYSIS**

**Indian Economy**

India is a 6th largest consumer market driving 55-60% of its GDP and has been one of the fastest growing economies in comparison to other nations. The Indian economy has been witnessing a progressive slowdown over the past few years and quarters, one of the biggest setbacks was its 3rd quarter touching a 6 year low of 4.7%. This impact was witnessed with the GDP registering a growth of 5% in FY20 as compared to 6.8% in FY19. There were number of initiatives that were suggested to bring back growth and revive consumer sentiments however with the unprecedented birth of Novel Corona Virus all of those initiatives has been put to rest making recovery path difficult to navigate. The outbreak of Covid-19 has impacted and left many manufacturing sectors and industries severed.

Few of the industries like Entertainment (Multiplexes), Hospitality, Aviation and the tourism have faced loss of business and job cuts with the severity of the virus. Multiplexes stay shut as footfalls have declined crimping retail consumption. Travel restriction and hotel cancellations from business and leisure patrons have led to losses and closure of business operations. Consumer confidence has taken a hit which led to scepticism in their minds, so even as the unlocking begins deferment in their purchase decisions is inevitable.

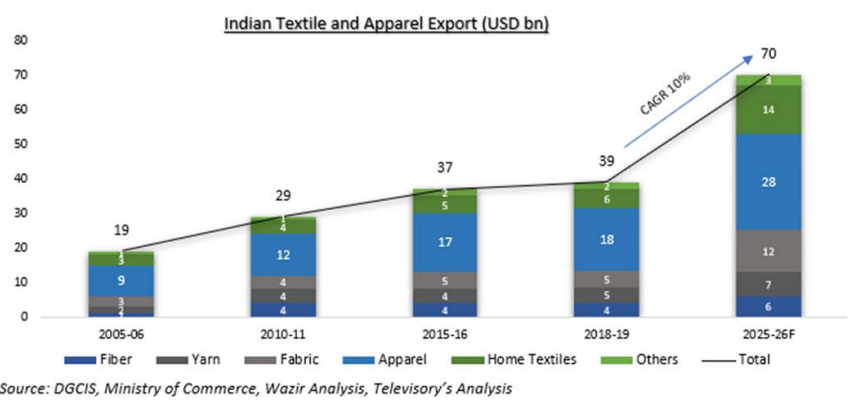
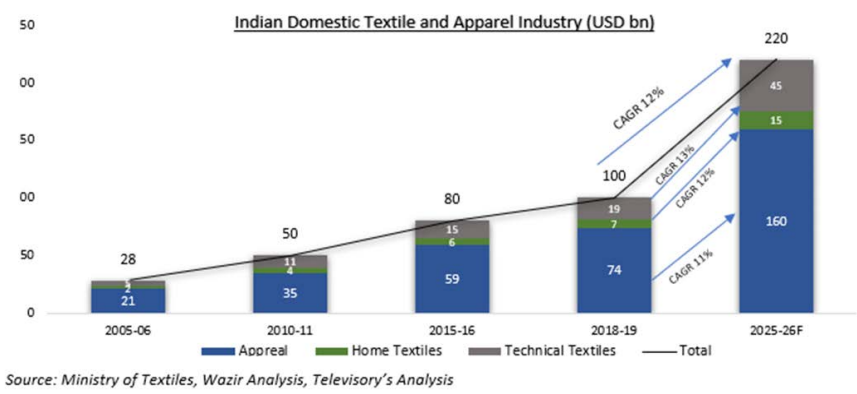
Given the current economic scenario and the growth challenges faced by the Indian business, GDP projections for India have seen a downward revision from several research and credit agencies. In all possibilities if the contagion continues to spread at a rampant pace first and second quarter GDP growth will remain subdued.



India is taking steps in the direction to contain and slower the spread of the virus and on the other hand is also looking to balance its economic activities without much disruption. The need of the hour at this moment will be a mix of monetary and fiscal policies measures to provide aid to business which in turn will revive demand gradually. These measures can include lowering the lending cost, extended credit facilities to the affected businesses, rescheduling of payment to banks, temporary suspension of bankruptcy code for industries like hotels, aviation and tourism, reduction in GST, Refunds of GST credit etc.

**Apparel Industry Overview**

The Indian textile and apparel industry remains one of the key sectors as it contributes 2.3% (1) to India's GDP, 13% to the IIP and 12% to the export revenues. Textile and Apparel industry is second largest employer after agriculture providing employment to nearly 4.5 crores people and as per few sources this number is expected to reach 6 crores by 2020E. As per a research the domestic apparel market size is expected to touch \$160bn by 2026E while exports to be at \$28bn. This shows the potential for growth that Apparel industry is poised for.



A steady rise in the disposable income, favourable demographics, lower raw material and power cost along with aspirational value derived from the purchases of branded apparels and vast majority of middle class population bodes well for domestic demand of apparels. The growth is expected to touch \$160bn 11% CAGR in 2026E over a period of roughly 7 years.

#### Factors that can supplant the growth for the apparel and textile industry are

- 1) Demographic dividend with 50% of young average population in the age of 25-26 years and roughly 60% population below the age group of 35 years.
- 2) E-com platform era having a younger population age and working class in the mid-40 range shopping has shifted from the traditional way of Try and Buy to shopping on the go as several e-commerce platforms have emerged and developed.
- 3) Internet proliferation not only in the semi-urban regions but also rural India with sale of affordable smart phones and high speed internet data packages has made India an attractive investment destination.
- 4) Introduction of reforms like GST has slashed many layers of taxes making it easier for the producer and consumer.
- 5) Higher disposable income and per capita spends increase will give a fillip to the domestic consumption that can lead to increase in aspirational and discretionary spends like apparels, jewellery, footwear, automobile etc.

#### Onslaught of Covid-19- Textile industry hanging by the thread

On the 25<sup>th</sup> March, 2020 the Government of India has announced the 1st phase of the lockdown of 21 days to minimise the spread of the Covid-19 virus. Economic activities were halted and the domestic apparel market largely labour driven witnessed a complete stoppage to its business operations. The virus continues to derail many countries of their commercial activities and India has seen a rapid spread of the Covid-19 pandemic in India's leaving the apparel sector in doldrums. This has led to a subdued demand for apparels in the domestic as well as international market leaving growth pangs for these companies and adding to their woes in FY20. Thus making it a challenging year for growth and profitability.

The 7 export destinations of apparels which contribute to 50% of total apparel exports sales have fallen on account of this pandemic as countries resort to lockdowns and social distancing. To add further pain international buyers have now begun to defer shipments and also cancel orders. This has left companies to rethink on the survival in the market compelling them to make tough call like cost rationalisation measures like reduction in the employee base, pay cuts, re-negotiation on rental cost, capping other marketing and promo budgets etc.

Shipments deferment and order cancellation have led to the obsolescence of the apparels leading to heavy discount sales for inventory clear-ups and sometimes even write offs. In lot many cases the financial position of the companies are worsening specially for debt saddled companies which further mounts to high working capital needs inducing liquidity pressures. Keeping this in mind and providing a relief to the industry Reserve bank of India (RBI) announced 3 months deferment (moratorium) in March 2020 to ensure continuity to businesses entities on a case to case basis.

As one cannot predict with any accuracy as to when the virus will be contained, many pharmaceutical companies are having their vaccines tested in several phases, the scepticism in the minds of the customers still prevail as they continue their life back to being normal. This means keeping away from crowded places like malls and large store which gets maximum footfalls will lead to drop in the traditional retail sales, thus deferment in consumer discretionary spends will affect demand for the apparel segment in a large way.

From the supply end – the labour class skilled, un-skilled, semi-skilled who have returned to their home towns due to the pandemic, attracting them back to return to their jobs will be another challenge keeping all things equal as apparel units are labour and working capital intensive in nature.

#### Unlocking in Phases

As ministerial orders will be given to begin unlocking in a phased manner of malls and markets following precautionary measure like face masks and sanitisation will have to be maintained. Sales growth for many apparel companies is going to be slow paced with limited pickup in consumer spends. Apparels coming under the non-essential item has come with its own set of caveats i.e. the most usual way of an apparel shopper would be to have a trial before making the purchase and with Covid this will be a distant dream. Also in the wake of Covid, as people are adopting to the social distancing norms would only mean less of socialising, making shopping for apparels not too important. This also suggest that as footfalls in the apparel store remain limited the need for additional workforce will also be trimmed.

#### Company Overview

Indian Terrain is a one of the renowned heritage and Truly GLOBAL branded apparel retailer in India offering the Men Smart Casual category selling under the brand 'Indian Terrain'. ITFL operates within domestic borders with apparel offerings ranging from Shirts, Trousers, Shorts, and T-shirts. The apparel offerings are addressed towards millennial consumers balancing work and play with comfortable clothing while it also oversees the Boys wear segment with fashion accessories mainly belts, socks, wallet's and face masks. ITFL apparels are retailed through various channels across India which are Multi-branded Outlets (MBO), Exclusive brand outlets (EBO), Large formats stores (LFO) and E-commerce platforms.

Indian Terrain Fashions Ltd (ITFL) in a relatively limited span of time has attained a position of being one of the most renowned fashion brands among leading retailers.

ITFL is increasing its investments towards building stronger brand with the adoption of social media marketing, digital marketing and engagement with the end consumer to enhance and better serve its end users. This allows ITFL to stay relevant and in sync with the upcoming fashion trends.

ITFL brand philosophy "**Makes You Feel Good**" catalyses well addressing a younger generation of audiences and strengthening its visibility in the markets ITFL operates. This reiterates the passion for excellence and a hunger to strive to provide the best in class products

India emerges as most attractive destination for investments as disposable income grow, consumer spends shifts from cash to digital wallet platforms, the apparel segment throws open a huge growth opportunity to be addressed. Keeping this in mind the company made a conscious decision to have minimal capital investment business as it witnessed the availability of many apparel manufacturers available in India. This move would not only aid profitability but also keep the shareholders and stakeholder interest at the helm.

#### A Key and Focussed Approach

ITFL is a Pure-Play Company purely focussed with mens Men's wear and Boys wear. The Men's wear accounts for 2/3rd of its revenues which is a dominant portion of total revenues, 1/3rd revenues is drawn from Boys wear and balance from its ancillary division being accessories. The Men's wear is further divided into sub- segments which are Shirts, T-shirts, Trousers, and Shorts which are marketed through various store formats. It is positioned as a premium, smart casual brand targeting affluent men in the age group of 25-44 years who are adopting the ready to wear apparels in comparison to ready to stitch. ITFL has created a pool of loyal customer base through its various loyalty programmes which enable it to stay connected and keep customers in check with regards to fashion trendiness and customer satisfaction.

ITFL follows a hub and spoke distribution model for the supply of its apparel across the stores formats. This logistical flexibility is more effective and profitable ensuring better footprint reach and smooth delivery of bulk goods to the stores.

#### A recognised brand in the Men's Casual Wear

The Indian Terrain brand continues to remain focussed on catering to its target market with the concept of smart casuals. This has led it to differentiate itself in terms of its quality and design prints. Thus it has established its niche in the Men's segment with diverse range of apparel offerings with shirts, short, tees, trousers etc. ITFL with its design in-house

design and procurement capabilities has strictly followed a 3-4 months' time to market its new offerings. Targeting brand conscious audience and a male working population. Thus, positioning itself distinctly in comparison to the increasing competition in the ready-made garment (RMG) market.

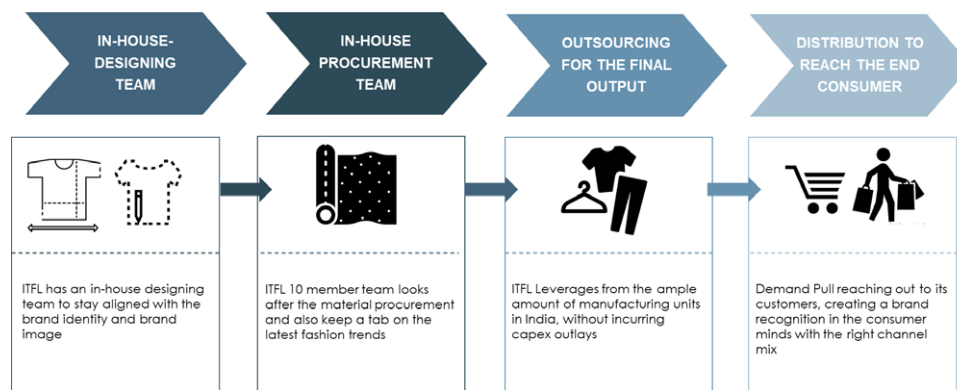
**Differentiated business model**

ITFL strength and pillar have and always been its employee workforce. This is the reason why it has continued to invest in quality human capital which will bring in multi-fold benefits.

The in-house procurement team ensure that material quality is met as per the highest standards that have been laid out and over the years this process has only got better. Knowing every nuance in the selection of the material has led to the expertise in this regard. Thus ensuring a smooth work from there on.

Once the material has been inspected and finalised the next important role that comes in the process is the designing. The In-house designing team is one of the key levers in the process, as it conceptualises and focuses on the upcoming fashion trends keeping in mind the contemporary designs with a quick and efficient way to reach the market. The team is young and dynamic comprising of 15 members and they are responsible for keeping the brand relevant and at the same time trendy with its audience.

Having an efficient in-house team for procurement and design with best in class fashion trends, ITFL has made a conscious decision to outsource the manufacturing of the final product given the flux of manufacturing units available in India. This helps the Company to keep capital expenditures to minimum and concentrate its efforts that will yield high profitability and sustainable returns to its stakeholders.



ITFL continues to remain capital light in nature maintaining strict quality checks and procedures thus ensuring that the final output matches with the expected standards communicated.

**Retail Store Formats**

Indian Terrain Fashions Limited retails its apparels and accessories in the Hinterland of India where aspirations is growing rapidly covering 200+ towns through four main mediums - a. Exclusive Brand Outlets (EBO), b. Large Store Format (LFO), c. Multi-Brand Outlet (MBO) and d. E-commerce

**a. Exclusive Brand Outlets (EBO)**

Under this particular store format ITFL employs a franchise based model with a single brand housed and showcased. The franchised model provides ITFL with upfront cash flows making store expansion scalable. All ITFL EBO's are either owned or operated by franchisees and includes 4 types of model i.e., Company Owned & Company Operated, Company Owned & Franchisee Operated, Franchisee Owned & Franchisee Operated and Exclusive factory outlets.

The FOFO is dominant model as it does not require any capex outlays. In FY20 it had 93 stores which were operational. ITFL aspires to deepen its geographic footprints and expand its EBO count from present 200 stores to 400+ stores by FY24E.

**b. Large Format Outlets (LFOs)**

Being one of the key drivers for its revenues and brand visibility ITFL retails via LFO's. Some of these LFO's are large well-known names in the market and having maximum footfalls in these store formats will give the ITFL brand a good amount of visibility despite the competing brands in the market.

**c. Multi-Brand Outlets (MBO)**

ITFL enjoys a strong relationship with MBO's and has been most sought after suppliers to such store formats. This gives ITFL the leverage of the strong brand that it command and thus create brand visibility in the minds of the end consumer.

**d. E-commerce**

ITFL has partnered with many known major E-com partners like Amazon, Flipkart, and Myntra etc. thus making ITFL apparel offerings available anytime and anywhere to the end consumer just by the few click of the phone or computer. As per a Forrester research conducted the number of online spender will touch 168mn with online spending touching \$75bn.

**Keeping our consumer- A customer oriented approach**

ITFL has been operational since over 2 decades and has serviced approximately 4-5mn customers till date. Response from the customers towards the brand has enabled it to command a premium compared to the un-organised brands apparel offerings. ITFL has its own membership program and it connects with its customer at the time of their purchases. This helps in it create stickiness with its customers with ensure repeat purchases and also aids the margin profile. This also helps ITFL in bringing down customer acquisition cost coupled with customer loyalty. ITFL has been continuously investing in developing an in-house customer analytics which in turns helps it to improve its retail store format offerings, keep inventory levels balanced, increase more store patrons and thus help in improving sales and profitability.

**Fuelling Growth with Store Expansion**

As a part of the longer term plan to capture growth opportunity in the organised retail space, ITFL anticipates to expand its reach of its own stores across tier 2 and 3 cities. This is because of the less strict lockdowns rules imposed as the impact of virus was limited thus giving confidence to the management decision. These decisions though longer term in nature help mitigate the effects of the virus they should not divert the focus from being economically viable.

ITFL is focussing on strategies like direct to consumers and strengthening the tie-ups with e-commerce partners like Amazon, Flipkart, Myntra etc. The fruition of such expansion plans will not only aid revenues for the future but also improve the profitability profile which in turn creates value for the shareholders.

#### Key Strengths of ITFL

- Experienced management team
- Asset Light business model
- Diversified vendors and long standing relationship for manufacturing of final output
- Focussed product portfolio on all season casual wear for Men's and Boyswear
- Pan India store presence across store formats and increasing presence in tier 2 & 3 cities across the country especially with "Own Retail"

#### Opportunities for ITFL

- The increasing trend of Casualization and our brand position within it provides ample opportunities for growth.
- Boyswear segment is fast becoming more branded and dearth of brands offers a unique opportunity for scale up.
- Unlikely that any new brands (local/regional/international) will come up in the next 18- 36 months
- Increasing Consumer appetite for "Made in India" brands

#### FY20 Business highlights

The outbreak of the novel coronavirus has led to a loss of major business days due to the lockdown imposed across the states in the month of March owing to which sales registered a decline of 13% YoY. This decline was accompanied with higher receivables and inventory build-up. Across Store formats MBO dipped 25% at ₹105 Crores, followed by drop in sales in the EBO+LFO format of 8% at ₹214 Crores.

Earnings before interest and taxes came in at ₹32 Crores in FY20 vs. ₹54 Crores in FY19 the fall was accounted with cost incurrence with a decline in turnover due to Covid pandemic.

Profit after taxes was ₹(10) Crores led by higher depreciation of ₹23 Crores and interest expense of ₹21 Crores on account of IND-AS 116 impact as per the regulatory financial reporting guidelines effective from 1<sup>st</sup> April, 2019.

#### Coping with the onset of Covid-19

The outbreak of the new pandemic is has impacted countries worldwide causing loss of lives, business depressions and unemployment. To avoid the spread of the virus many countries began to impose lockdown on the economic activities barring supplies of essential goods and services. This led to growth derailment amongst most labour intensive industries one of which this had a hard landing on the textile industry on the whole

Indian Terrain Fashions Limited have formed a risk mitigation plan in wake of Covid-19 and take control of the situation within the business operations. To keep the business operations on-going post the lockdown being lifted following are the practised followed.

1. Regular Sanitisation of the showrooms, offices and work stations
2. Mandatory wearing of mask and gloves for the Customers and employee to safeguard
3. Stand-by doctors being made accessible
4. Enabling work from home with security checks to avoid and data loss or theft
5. Cost rationalisation in operating expenses, wherever necessary

#### Preparing for a post Covid World

Indian Terrain aims in making few of its cost aligned to sales, thus helping it in cost rationalization during unprecedented times like these

- Faster conversion of Inventory to sales via various sales channels which enables further cash releases and conserve working capital
- As E-commerce has been growing faster and unaffected, Indian Terrain is expanding own digital presence [www.indianterrain.com](http://www.indianterrain.com) and E-commerce market places.
- Indian Terrain is objectively closing down high fixed costs EBOs which are unviable and 'Variablizing' the business
- Company is taking strong steps to shift from fixed rent cost model to revenue sharing model in proportion to the sales
- Reducing exposure to department stores and initiated steps to reduce Cost of Business. Focus on Tertiary sales in MBO's to align Inventory and Sales and keep Receivables under control.
- Cash conservation and minimizing new season purchases
- Increasing the "OWN RETAIL" EBO's footprints across Hinterland.

Even though we at Indian Terrain make every effort to wane the effects or keep the virus at bay we have seen the cascading effects of Covid-19 on the business front and expect sales to be slow for the near term. While it is difficult to quantify the impact of Covid we expect business operations to return back gradually to normal post the vaccine.

#### Future Outlook

- Expand the reach of Boys wear segment by scaling up the segment rapidly
- Increasing footprints across small towns, cities and geographies in India
- Enhance and improve retail and online presence
- Use of data and other digital tools to enhance the consumer engagement
- Focus on productivity improvement
- Launching new "Fair Trade Collaboration" collections for the collective march towards sustainability
- People and Technology investments to align with post Covid business world
- E-Commerce will be the thrust channels for the future (direct to consumer approach)
- Improvement towards sales conversion cycles
- Investment towards Brand Awareness and strengthening the brand positioning with new apparel offerings



**Key Risks**

- Delay in rollout of store in various cities
- Cost rationalisation of Stores incurring high rentals
- Inability to anticipate fashion trends
- Threat from –e-com players with higher discounting
- Increasing Consolidation in LFO Retail will increase their bargaining power and cost of business unlikely to come down sooner.
- Distribution (MBOs) struggling to keep pace and unlikely to be growth drivers and unable to reduce costs of business
- Distribution Cash to Cash cycle getting elongated
- E-commerce consolidation and Crowding with more brands and labels jumping into the same impacting profitability

Ratio	Unit	FY20	FY19	%Var	Reasons if variance is more than 25%
Return on Net Worth	%	-5%	11%	-143%	Return on Net Worth is lower in FY20 due to lower Profit After Tax
Debtors Turnover	times	1.5	1.8	-16%	-
Inventory Turnover (on cost of goods sold)	times	3.0	3.7	-18%	-
Interest Coverage Ratio	times	0.4	5.7	-92%	Interest coverage ratio is lower in FY20 due to lower PBIT
Current Ratio	times	2.5	2.6	-3%	-
Debt/Equity Ratio	times	0.57	0.14	297%	Increase in debt and decrease in Net Worth
Operating Profit Margin	%	8%	12%	-37%	Increase in operating expenses
Net Profit Margin	%	-3%	6%	-146%	Negative Profitability due to decline in operational performance

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2. <https://tfipost.com/2020/02/why-indias-textile-industry-is-hailing-union-budget-2020/>



## CORPORATE GOVERNANCE REPORT

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

Indian Terrain Fashions Limited considers Corporate Governance as a set of systems and practices to ensure that the affairs of the Company are being managed in a way which results in maximum accountability, transparency and fairness, in addition to sustainable corporate growth and a powerful medium to achieve the Company's goals of maximizing wealth of its shareholders and maximizing value for all its stakeholders.

The Company is always committed to achieve and maintain the highest standards of corporate governance. Over the years, governance processes and systems have been strengthened internally and corporate governance has been an integral part of the way business is done.

A sound corporate governance strengthens investors' trust and enables the Company to fulfill its commitment towards its customers, employees and the society at large. 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's philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision, internal controls, risk management system, high standard of safety, accounting fidelity and product quality. The Company has a strong legacy of fair and ethical governance practices. In addition to the above, an Independent Board with defined role and responsibilities, ethics / governance policies, audits, internal checks and balances, initiatives for internal controls and best Corporate Governance practices, etc.

### 2. BOARD OF DIRECTORS

The Board of Directors of the Company possess highest personal and professional ethics, integrity, values, provides leadership, strategic guidance and objective judgments 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 7 (seven) directors as on 31<sup>st</sup> March, 2020 with knowledge and experience in diverse fields and are 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 Chairman, Wholetime Directors and the Managing Director & Chief Executive Officer under the supervision and guidance of the Board.

### Board composition and category of Directors

During the financial year ended 31<sup>st</sup> March, 2020, composition of the Board and category of directors are as follows:

SI No	Name of Directors	DIN	Designation	Category
1	Mr. Venkatesh Rajagopal	00003625	Chairman & Whole time Director	Promoter, Executive and Non-Independent Director
2	Mrs. Rama Rajagopal	00003565	Whole time Director	Promoter, Executive and Non-Independent Director
3	Mr. Charath Ram Narsimhan	06497859	Managing Director & CEO	Executive and Non-Independent Director
4	Mr. N.K. Ranganath	00004044	Director	Non-Executive - Independent Director
5	Mr. Manoj Mohanka	00128593	Director	Non-Executive - Independent Director
6	Mr. Harsh Bahadur	00724826	Director	Non-Executive - Independent Director
7	Mr. Kalpathi S. Suresh	00526480	Director	Non-Executive - Independent Director
8	Mr. P.S. Raman*	00003606	Director	Non-Executive - Independent Director

\* Resigned from the Board w.e.f. 07<sup>th</sup> November, 2019

#### Note:

All the independent Directors of the Company have furnished necessary declaration at the time of their appointment and also every year that they qualify the conditions of their being independent. All such declarations are placed before the meeting of the Board.

The Board is constituted in the manner, which results in an optimum combination of Executive and Non-executive independent directors to maintain its independence and separate its functions of governance and management. The number of independent directors on the Board is more than half of its strength. Thus, the composition of the Board of Directors of the Company is in compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with applicable rules made there under.

### Attendance of Directors at Board meetings, last Annual General Meeting (AGM) and number of other Directorship(s) and Chairmanship(s) / Membership(s) of Committees of each Director in other companies

S. No.	Name of Directors	Attendance for meetings during financial year 2019-20		No. of Directorship in other Boards as on 31 <sup>st</sup> March 2020*	No. of Chairmanship/ Membership in other Committees of the Board**	
		Board meetings	Attendance at the last AGM		Membership	Chairmanship
1	Mr. Venkatesh Rajagopal	5/5	Yes	1	0	0
2	Mrs. Rama Rajagopal	3/5	No	1	0	0
3	Mr. Charath Ram Narsimhan	5/5	Yes	0	0	0
4	Mr. N.K. Ranganath	5/5	Yes	2	0	2
5	Mr. Manoj Mohanka	4/5	No	5	3	1
6	Mr. Harsh Bahadur	3/5	No	1	3	0
7	Mr. Kalpathi S. Suresh	4/5	No	3	2	0
8	Mr. P.S. Raman#	0/2	No	NA	NA	NA

# Resigned from the Board w.e.f. 07<sup>th</sup> November, 2019

\* The directorship held by the Directors, as mentioned above, includes the directorship held in Private Limited Companies (excluding Indian Terrain Fashions Limited).

\*\* Membership(s) / Chairmanship(s) of Audit Committees and Stakeholders Relationship Committees in all public limited companies (excluding Indian Terrain Fashions Limited) have been considered.

S. No.	Name of Directors	Directorship in Listed Entities		
		No. of Directorship in Listed entities Board as on 31 <sup>st</sup> March 2020	Name of Listed entity	Category of Directorship held
1	Mr. Venkatesh Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
2	Mrs. Rama Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
3	Mr. Charath Ram Narsimhan	0	NA	NA
4	Mr. N.K. Ranganath	1	Celebrity Fashions Limited	Independent Director
5	Mr. Manoj Mohanka	3	India Carbon Limited	Independent Director
			Titagarh Wagons Limited	Independent Director
			Celebrity Fashions Limited	Independent Director
6	Mr. Harsh Bahadur	1	Vaibhav Global Limited	Independent Director
7	Mr. Kalpathi S.Suresh	0	NA	NA

### Profile of the Directors

The brief profile of the Board of directors is given below.

#### Mr. Venkatesh Rajagopal (DIN: 00003625) - Chairman and Whole Time Director

Mr. Venkatesh Rajagopal is the Executive Chairman and Whole time Director of the Company. He holds B.A. Honors in Economics from Sri Ram College of Commerce, New Delhi and Master of Arts from Bangalore University. He has expertise knowledge in specific functional areas like Managerial, Financial, Marketing and Administration. He joined the Indian Police Service during the year 1979 and served the nation for a decade. During the year 1988, he quit the Indian Police Service and entered into the business of garment exports. He served as a Member of the Young President Organization, Madras Chapter. Mr. Venkatesh Rajagopal served as a Member of a Social Organization called Round Table for 8 years till 1998. He was associated in organizing the International conference of Round Tablers in 1996, in Chennai in the capacity as Vice Chairman of the conference.

#### Mrs. Rama Rajagopal (DIN: 00003565) - Whole time Director

Mrs. Rama Rajagopal, holds a Post Graduate Degree in Economics from Bangalore University. She has been the Executive Director of Indian Terrain Fashions Limited since 29<sup>th</sup> September, 2009.

#### Mr. Charath Ram Narsimhan (DIN: 06497859) – Managing Director & Chief Executive Officer

Mr. Charath Ram Narsimhan holds a Bachelor's degree from IIT and PGDBM (Finance) from IIM – Lucknow. Having over two decades of rich experience in garment industries, his expertise area includes Managerial, Financial, Commercial, Systems and Administration.

#### Mr. N.K. Ranganath (DIN: 00004044) – Independent Director

Mr. N.K. Ranganath is a mechanical engineer and holds a post graduate degree in Business Management from XLRI. He is the Managing Director of Grundfos Pumps India Private Limited. He has acquired valuable knowledge, experience and expertise in the field of sales, marketing, finance, production and human resource disciplines.

#### Mr. Manoj Mohanka (DIN – 00128593) - Independent Director

Mr. Manoj Mohanka holds a Master Degree in Strategic Marketing from National University of Ireland and Chevening Scholar from London School of Economics. He has more than 20 years of experience in Business Management and held various positions in Industry forums including President, Calcutta Chamber of Commerce, Co-Chairman, Economic Affairs Committee of FICCI (Eastern Region), Committee Member of Indo-Italian Chamber of Commerce, Young President Organization, Kolkata. He is also a guest Lecturer at Indian Institute of Technology (IIT) at Kharagpur.

#### Mr. Harsh Bahadur (DIN – 00724826) - Independent Director

Mr. Harsh Bahadur holds a Master Degree in History from St. Stephens College, Delhi University and Master of Business Administration from Boston University. He has more than 30 years of rich experience in retail, branded FMCG and Music, Sportswear, Business services and jewelry industries. He is also a senior advisor at PricewaterhouseCoopers (PWC). Mr. Bahadur also advises Private Equity Funds and has evaluated Companies in the automobile servicing, branded food and e-commerce sectors.

#### Mr. Kalpathi Subramanian Suresh (DIN – 00526480) – Independent Director

Mr. Kalpathi S Suresh (Chairman and CEO of Kalpathi Investments Private Limited, Chennai) is an extremely successful entrepreneur, an active venture capitalist, angel investor, and businessman. He started off his entrepreneurial journey in 1991 with SSI Ltd, which was one of India's leading IT Training Firms, with a bold initiative to launch high end short term IT training courses, a concept that was unheard of in the Indian market. Mr. Suresh has been credited with successfully completing India's largest cross-border acquisition in the early 2000's & was instrumental for SSI Ltd being the first software company to list on the London Stock Exchange.

An active alumnus of IIT Madras (BTEE – 1986), Mr. Suresh is often an invited speaker at IIT Madras, number of societies and large corporations to talk on entrepreneurship. As the president of IIT Alumni Club, Suresh played a stellar role in developing the IIT Alumni Club into a globally present facility for all IITians under the aegis of PanIIT.

Mr. Suresh is an avid runner and six star finisher having completed the London, New York, Berlin, Chicago, Tokyo and the Boston marathon.

#### Number of Board meetings held

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative date of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of Board meeting is given well in advance to all the Directors. Usually, the meetings of the Board are held in Chennai. The Agenda of the Board and Committees meetings is set by the Company Secretary in consultation with the Chairman, Managing Director & CEO and Chief Financial Officer of the Company. The notice and agenda are sent as per the provisions and secretarial standards prior to the date of the meeting. The Agenda for the Board and Committee meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take appropriate decisions.

During the financial year ended 31<sup>st</sup> March, 2020, 5 (five) board meetings were held on 20<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, 09<sup>th</sup> January, 2020 and 10<sup>th</sup> February, 2020. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

#### Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, in the capacity of Secretary of the Committees, assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

#### Disclosure of relationship between the Directors inter-se

None of the Board members are related to each other except Mrs. Rama Rajagopal being the spouse of Mr. Venkatesh Rajagopal.

#### Details of shares and convertible instruments held by non- executive directors

None of the Independent directors hold any equity shares in the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Company has not issued any convertible instruments.

#### Familiarization Programme of Independent Director

The Independent directors are provided with necessary documents, reports, internal policies, documents and brochures enabling them to familiarize with the Company's systems, procedures and practices. During every meeting of the Board and committees, periodical presentations are made on the business updates, strategies, performances and related risks involved. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company [www.indianterrain.com](http://www.indianterrain.com).



**Chart / matrix setting out the skills/expertise/competence of the Board of directors**

The following core skills/expertise/competencies have been identified by the Board of directors for the Company to function effectively:

SI. NO	NAME OF THE DIRECTORS	SKILLS/EXPERTISE/COMPETENCIES
1.	Mr. Venkatesh Rajagopal	Apparel & Textile Industry Domain, Entrepreneur, Board Service, Business Strategy, Corporate Planning and functional areas like Managerial, Financial, Marketing and Administration.
2.	Mrs. Rama Rajagopal	Entrepreneur, Business and Corporate and Planning.
3.	Mr. Charath Ram Narsimhan	Business Strategy, Apparel & Garment Industry Domain, Managerial, Financial, Commercial, Systems and Administration.
4.	Mr. N.K. Ranganath	Board Service, Business Strategy, Corporate Planning and expertise in sales, marketing, finance, production and human resource disciplines.
5.	Mr. Manoj Mohanka	Strategic Marketing, Business Management, Business Strategy and Corporate Planning.
6.	Mr. Harsh Bahadur	Business Strategy, Corporate Planning and expertise in sales, marketing and Administration.
7.	Mr. Kalpathi S.Suresh	Entrepreneur, Board Service, Business Strategy and Corporate Planning.

**Independence of Independent Directors**

The Company has received declarations from the Independent Directors of the Company confirming that they continue to meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, Regulation 25 and 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, in the opinion of the Board, the independent directors fulfill the conditions specified in the above-mentioned regulations and are independent of the management.

**Resignation of independent director and reasons thereof**

Mr. P.S. Raman resigned from the Board as Director with effect from 07<sup>th</sup> November, 2019 due to his professional preoccupation. Mr. P.S. Raman confirmed that there are no other material reasons other than said reason.

**Access to information and updation to Board of Directors**

The required information as enumerated in Part - A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board of Directors for discussions and consideration at Board meetings. The Board also reviews significant strategic, financial, operational aspects and compliance matters in the meetings. The schedule for the meetings of the board are fixed after taking into account the convenience of all the directors and sufficient notice is given to them in this regard.

**3. COMMITTEES OF THE BOARD**

In compliance with the statutory requirements, the Board has constituted various committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee with specific terms of reference and scope. The Objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their terms of reference. The compositions of the Board committees are available on the Company's website www.indianterrain.com and are also stated herein.

**i) AUDIT COMMITTEE**

**Brief description of terms of reference**

The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors, and notes the processes and safeguards employed by each of them. The audit committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law. All possible measures is taken by the audit committee to ensure the objectivity and independence of the independent auditors.

The role of the Audit Committee and information to be reviewed by the audit committee in accordance with the Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly

financial results are placed before the audit committee for its review, suggestions and recommendation(s), before forwarding the same to the Board. The Committee also reviews the management discussion and analysis of financial conditions, results of operations and related party transactions. All recommendations made by the audit committee during the year were accepted by the Board of Directors.

**Composition of the Committee**

The Company comprises of a well qualified and independent Audit Committee. The committee consists of 04 (four) Independent directors namely Mr. N.K. Ranganath - Chairman, Mr. Harsh Bahadur, Mr. Manoj Mohanka and Mr. K.S. Suresh and 02 (two) Executive non-independent director namely Mr. Venkatesh Rajagopal and Mr. Charath Ram Narsimhan as the members during the year ended 31<sup>st</sup> March, 2020. All the members of the Committee possess excellent financial and accounting knowledge and exposure.

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and the rules made there under and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Meetings and attendance during the financial year**

The Committee met 04 (four) times on 20<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 10<sup>th</sup> February, 2020 during the financial year ended 31<sup>st</sup> March, 2020.

S. No	Name of the Members of Audit Committee	Designation	No of Meeting Attended
1	Mr. N.K. Ranganath	Chairman	4/4
2	Mr. Harsh Bahadur	Member	3/4
3	Mr. Manoj Mohanka	Member	4/4
4	Mr. Kalpathi S.Suresh	Member	4/4
5	Mr. Venkatesh Rajagopal	Member	4/4
6	Mr. Charath Ram Narsimhan	Member	4/4
7	Mr. P.S. Raman*	Member	0/2

\* Resigned from the Board w.e.f. 07<sup>th</sup> November, 2019

The Company Secretary acts as the Secretary to the Committee. Mr. N.Nandakumar – Chief Financial Officer and Mr. R.Venkatkrishnan, Partner of M/s. RVKS & Associates, Internal Auditors of the Company are regular invitees to the meeting. The internal auditors reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the Company's Annual General Meeting held on 30<sup>th</sup> September, 2019 to answer the shareholders' queries.

**ii) NOMINATION AND REMUNERATION COMMITTEE**

**Brief description of terms of reference**

The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 and Part D (Point A) of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition of the Nomination and remuneration committee**

The Nomination and Remuneration Committee consists of 04 (four) independent directors as its members viz., Mr. N.K.Ranganath being the Chairman of the committee, Mr. Harsh Bahadur, Mr. Manoj Mohanka and Mr. Kalpathi S.Suresh as its members for the financial year ended 31<sup>st</sup> March, 2020.

**Meetings and attendance details during the financial year**

The Committee met 1 (one) time on 13<sup>th</sup> August, 2019 during the financial year ended 31<sup>st</sup> March, 2020.

S. No.	Name of the Members of Nomination and Remuneration committee	Designation	No of meeting Attended
1	Mr. N.K. Ranganath	Chairman	1/1
2	Mr. Harsh Bahadur	Member	0/1
3	Mr. Manoj Mohanka	Member	1/1
4	Mr. Kalpathi S.Suresh	Member	1/1
5	Mr. P.S. Raman*	Member	0/1

\* Resigned from the Board w.e.f. 07<sup>th</sup> November, 2019

The Chairman of the Committee was present at the Company's Annual General Meeting held on 30<sup>th</sup> September, 2019 to answer the shareholders' queries.

(₹ in Lakhs)

Pursuant to Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the role of Nomination and Remuneration Committee in brief is as follows:

- 1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- 2) To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- 3) To devise a policy on Board diversity;
- 4) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and/or removal;
- 5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 6) To recommend / review remuneration of the Whole-time Director(s), based on their performance and defined assessment criteria;
- 7) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- 8) recommend to the Board, all remuneration, in whatever form, payable to senior management.

#### Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. Their criteria provide for certain parameters like attendance at meetings, preparedness and contribution at Board Meetings, interpersonal skills etc. which are used by the Committee and/or the Board while evaluating the performance of each Director.

#### Remuneration to Directors

##### Policy on Remuneration and details of remuneration paid

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

The Managing Director and Whole-time Director are paid remuneration as per the terms duly approved by the Nomination and Remuneration Committee, the Board of Directors and the members at the general meeting. Remuneration to the Executive directors is periodically reviewed and as decided by the Nomination and Remuneration Committee, revisions if any in the remuneration are recommending to the Board for their approval and subject to the approval of the shareholders.

#### Remuneration to Non-executive Directors

The Non-Executive Directors do not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the Board and Committee meetings. The details of sitting fees paid to Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2020 is given below. The Executive Directors are not eligible for sitting fees.

Name of the Non-Executive Director	Sitting Fee paid for Board and Committee meetings (In ₹)
Mr. N.K. Ranganath	3,85,000
Mr. Harsh Bahadur	2,45,000
Mr. Manoj Mohanka	3,30,000
Mr. Kalpathi S.Suresh	3,50,000
Mr. P.S. Raman	Nil
<b>TOTAL</b>	<b>13,10,000/-</b>

The roles and responsibilities of the non-executive independent directors have undergone qualitative changes in the affairs of the Company.

#### Disclosure with respect to Remuneration paid to Executive Directors

The Company pays remuneration by way of salary, perquisites, commission and allowances to the Managing Director and Executive Directors of the Company. The details of remuneration package of the executive directors are summarized below under major groups during the year ended 31<sup>st</sup> March, 2020.

Name of the Director	Salary	Commission	Retirement Benefits	Total
Mr. Venkatesh Rajagopal	72.39	Nil	Nil	72.39
Mrs. Rama Rajagopal	42.39	Nil	Nil	42.39
Mr. Charath Ram Narsimhan	48.28	Nil	Nil	48.28
<b>Total</b>	<b>163.06</b>	<b>Nil</b>	<b>Nil</b>	<b>163.06</b>

The Nomination and Remuneration Committee considered various parameters during his tenure of office which, inter alia, includes, the increased scale of operations of the Company and increased involvement of the Chairman, Wholtime Director and Managing Director in to the day to day operations for the overall growth of the Company especially in respect of exploring new domestic markets, deeper penetration of existing markets, enhancing brand value through various initiatives, financial growth of the Company, etc.

The said remuneration is within the limit and meaning of the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 ("Act") read with Schedule V of the Act and the Rules made there under, and other applicable provisions, if any, including any statutory modifications or enactments thereof or any other law and pursuant to Articles of Association of the Company.

In addition to the above, the Executive Directors shall be entitled to suitable Mediciam policy for hospitalization and reimbursement of all actual medical expenses for themselves and their family to the extent not reimbursed under Mediciam policy. They shall be entitled to telephone, fax and other communication facilities at their residence at company's cost. They are entitled to a car fully maintained by the Company with drivers for company's purpose. 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. But they will not be entitled to any sitting fee for attending the meetings of the Board or of any Committees thereof.

#### Details of service contracts, notice period, severance fees

The appointment of Executive Directors is in accordance with the resolution passed by the Board of directors and the shareholders of the Company. The Company does not have provisions for payment of severance fees.

During the year ended 31<sup>st</sup> March, 2020, none of the Executive and Non-Executive Directors were issued/ granted employee stock options of the Company.

#### iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

##### Constitution of the Committee and attendance

The Committee met 1 (one) time on 10<sup>th</sup> February, 2020 during the financial year ended 31<sup>st</sup> March, 2020. The Stakeholders' Relationship Committee has been constituted with the following members.

S. No.	Name of the Members of Stakeholders' Relationship Committee	Designation	No of Meetings Attended
1	Mr. N.K. Ranganath	Chairman	1/1
2	Mr. Kalpathi S.Suresh	Member	1/1
3	Mr. Venkatesh Rajagopal	Member	1/1
4	Mr. Charath Ram Narsimhan	Member	1/1
5	Mr. P.S. Raman*	Member	NA

\* Resigned from the Board w.e.f. 07<sup>th</sup> November, 2019

The Chairman of the Committee was present at the Company's Annual General Meeting held on 30<sup>th</sup> September, 2019 to answer the shareholders' queries.

#### Name and designation of Compliance Officer

Mr. Ravi B.S.G is the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company.

#### Brief description and term of reference

Pursuant to Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Committee oversees and reviews the redressal of investors' grievances pertaining to transfer of shares and dematerialization, re-materialization, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Company is in compliance with the SCORES mechanism which has been initiated by SEBI for processing the investor complaints in a centralized web based redressal system and online redressal of all the shareholders complaints.



**Status of Shareholders complaints/grievances**

The following were the status of Shareholders complaints during the financial year ended 31<sup>st</sup> March, 2020.

S. No	Particulars	*Number of Complaints
1	Number of investor complaints pending at the beginning of the year	0
2	Number of investor complaints received during the year	0
3	Number of investor complaints disposed off during the year	0
4	Number of investor complaints remaining unresolved at the end of the year	0

\*Based on the quarterly investors grievance report submitted to the stock exchanges pursuant to Regulation 13 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2020.

**iv) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee was constituted in compliance with the requirements of the Listing Regulations. Business Risk Evaluation and Management (BRM) is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The Committee consists of Mr. Venkatesh Rajagopal being the Chairman, Mrs. Rama Rajagopal and Mr. Charath Ram Narsimhan as Members.

The objectives and scope of the Risk Management Committee broadly comprises:

- a) Oversight of risk management performed by the executive management;
- b) Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- c) Reviewing risks and evaluates treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- d) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure and potential impact analysis and mitigation plan.

**v) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013 and the Committee has formulated a policy on Corporate Social Responsibility.

During the financial year ended 31<sup>st</sup> March, 2020 the Corporate Social Responsibility committee met 1 (one) time on 13<sup>th</sup> August, 2019.

The committee consists of following members.

S. No.	Name of the Members of Corporate Social Responsibility	Designation	No of Meetings Attended
1	Mrs. Rama Rajagopal	Chairperson	0/1
2	Mr. Venkatesh Rajagopal	Member	1/1
3	Mr. Charath Ram Narsimhan	Member	1/1
4	Mr. N.K. Ranganath	Member	1/1
5	Mr. Kalpathi S.Suresh	Member	1/1

Mr. Ravi B.S.G, Company Secretary and Compliance Officer is the Secretary to the Committee.

The terms of reference of CSR Committee shall, inter-alia, include the following:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time".

**vi) INDEPENDENT DIRECTORS MEETING:**

During the financial year ended 31<sup>st</sup> March, 2020, the Independent Directors met on 10<sup>th</sup> February, 2020 without the presence of the Executive Directors and management personnel of the Company. Such meetings are conducted to enable Independent Directors to inter alia to discuss:

1. Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole.
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The directors were satisfied with the evaluations. Mr. N.K. Ranganath, Mr. Harsh Bahadur. Mr. Manoj Mohanka and Mr. Kalpathi S.Suresh were present for the meeting.

**4. GENERAL MEETINGS**

**Location and time, where last three annual general meetings held**

Location	Date	Time	Special resolutions passed at previous three Annual General Meetings (AGM)
SDF- IV & C2, 3 <sup>rd</sup> Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Monday, 30 <sup>th</sup> September, 2019	11.30 A.M	No special resolution was passed
SDF- IV & C2, 3 <sup>rd</sup> Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Tuesday, 25 <sup>th</sup> September 2018	11.30 A.M	Special resolutions were passed for the re-appointment of Independent Directors – Mr. N. K. Ranganath, Mr. Manoj Mohanka, Mr. Harsh Bahadur and Mr. P.S. Raman.
SDF- IV & C2, 3 <sup>rd</sup> Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Friday, 25 <sup>th</sup> September 2017	11.30 A.M	No special resolution was passed

There was no extra ordinary general meeting held during the last three years.

The Company has not passed any ordinary/special resolution during previous year ended 31<sup>st</sup> March, 2020 through postal ballot.

**5. MEANS OF COMMUNICATION**

**Quarterly results**

The Company's quarterly financial results are announced within 45 (forty five) days of the close of the quarter and the audited annual financial results are announced within 60 (sixty) days from the close of the financial year as per the requirements of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. The aforesaid financial results are intimated to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after the approval of the Board of directors and are simultaneously displayed on our website [www.indianterrain.com](http://www.indianterrain.com).

**Newspapers wherein results normally published:**

The Company's quarterly and annual audited financial statements are published in daily newspapers, viz. Business Standard (English daily) and Tamil Murasu (vernacular newspaper).

**Official New releases & Presentations made to Investors**

A Company as and when press releases are made, the same are intimated to the stock exchanges and displayed on our website [www.indianterrain.com](http://www.indianterrain.com). Also financial results, Shareholding pattern, Policies, Investor presentations, Newspaper advertisements, other updates and other general information which is required to be disclosed pursuant to Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company [www.indianterrain.com](http://www.indianterrain.com).

**Website**

The website of the Company [www.indianterrain.com](http://www.indianterrain.com) contains a separate dedicated section "Investor Information" where all the investors information is available including the Company's Annual Report.

**Annual Report**

The Annual Report containing the Audited Financial Statements, Board's Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis report forms part of the Board's report. The Annual Report is displayed on the Company's website [www.indianterrain.com](http://www.indianterrain.com) in a downloadable form.

**Exclusive E-mail Id**

The Company has dedicated response.itfl@indianterrain.com as the exclusive email id for addressing the shareholders queries/grievances.

**6. GENERAL SHAREHOLDER INFORMATION:**
**Annual General Meeting and Book Closure**

The Corporate governance report forming part of the Board's report was taken on record by the Board of directors at their meeting held on 25<sup>th</sup> June, 2020 and the date, time and venue of the 11<sup>th</sup> Annual general meeting was not finalized in the said meeting. Therefore schedule of the annual general meeting and date of book closure have not been provided.

**Financial Year :** 1<sup>st</sup> April to 31<sup>st</sup> March

**Calendar of financial year ended 31<sup>st</sup> March, 2020**

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31<sup>st</sup> March, 2020 were held on the following dates:

First Quarter Results	13 <sup>th</sup> August, 2019
Second Quarter and Half yearly Results	11 <sup>th</sup> November, 2019
Third Quarter Results	10 <sup>th</sup> February, 2020
Fourth Quarter and Annual Results	25 <sup>th</sup> June, 2020

Tentative Calendar for financial year ending 31<sup>st</sup> March, 2021

The tentative month of meeting of Board of Directors for consideration of quarterly/ Half yearly/Annually financial results for the financial year ending 31<sup>st</sup> March, 2021 are as follows:

First Quarter Results	August, 2020
Second Quarter and Half yearly Results	November, 2020
Third Quarter Results	February, 2020
Fourth Quarter and Annual Results	May, 2020

**Dividend payment date :** Not Applicable

**Listed on Stock Exchange:**

BSE Limited The National Stock Exchange of India Limited  
Phiroze Jeejeebhoy Towers, Exchange Plaza, G Block, Bandra-Kurla  
Dalal Street, Mumbai – 400 001 Complex, Bandra (East), Mumbai – 400 051

**Stock Code :** BSE - Stock Code - 533329  
NSE – Stock Code - INTERRAIN

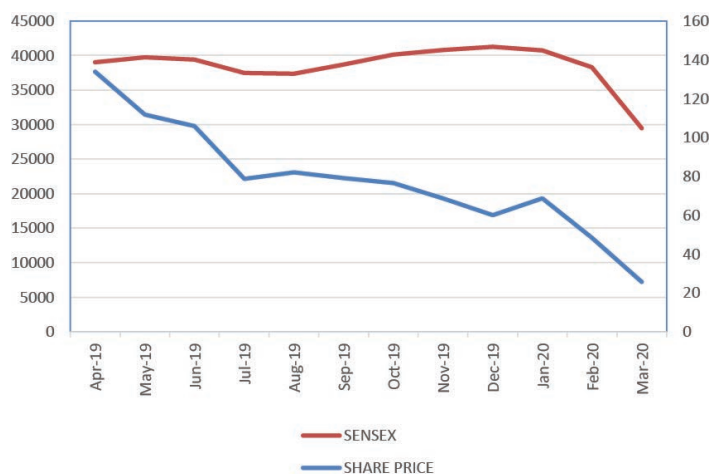
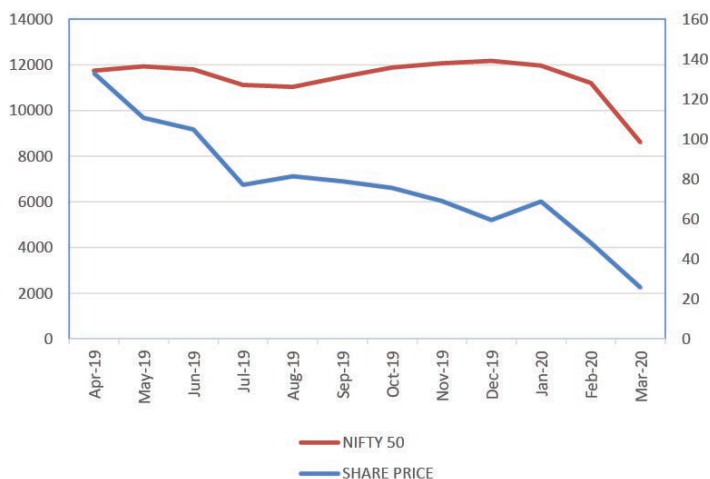
**ISIN :** INE611L01021

The Annual listing fees for the financial year have been paid to the above Stock exchanges where the shares of the Company are listed.

**Market price data- high, low during each month in the previous financial year**

Share price in (₹)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-19	148.00	130.00	31693	145.95	128.90	1,21,662
May-19	137.00	102.40	447176	139.00	102.00	2,09,838
Jun-19	114.50	100.00	335674	115.00	102.05	1,07,233
Jul-19	108.00	75.15	34717	107.05	76.00	1,69,297
Aug-19	92.85	66.10	223697	93.00	65.95	7,69,600
Sep-19	99.00	74.00	38237	99.05	71.35	7,43,431
Oct-19	83.00	67.10	42194	80.00	67.50	1,63,835
Nov-19	81.95	62.45	482654	77.80	62.25	13,12,420
Dec-19	70.00	55.10	29562	69.85	56.70	1,30,595
Jan-20	74.00	58.20	56645	76.40	58.25	6,43,810
Feb-20	71.05	46.30	94845	71.05	45.85	3,57,394
Mar-20	54.00	24.90	46327	54.90	23.15	3,91,279

**Performance in comparison to broad-based indices**
**(i) BSE –SENSEX**

**(ii) NSE NIFTY 50**

**Registrar and Share Transfer Agents :**

Link Intime India Private Limited  
C 101, 247 Park, L.B.S.Marg, Vikhroli (West),  
Mumbai - 400083.  
Tel: +91 22 4918 6270  
Fax: +91 22 4918 6060  
E-mail: ishwar.suvarna@linkintime.co.in  
Website: www.linkintime.co.in

**Share Transfer System**

The majority of Company's equity shares i.e., 99.99% are in demat format. These shares can be transferred through the depositories viz., i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) without the Company's involvement.

The Board has delegated the powers to approve share transfers, transmissions, rematerialisation by constituting a Stakeholders Relationship Committee. Transfer of shares in physical form is processed within 15 days from the date of receipt of transfer request, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company for approval. 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 regulations.

Pursuant to Regulation 40(9) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company obtains certificates from the Practicing Company Secretary on a half yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificate so received is submitted to both stock Exchanges where the shares of the company are listed.



### Distribution of Shareholding :

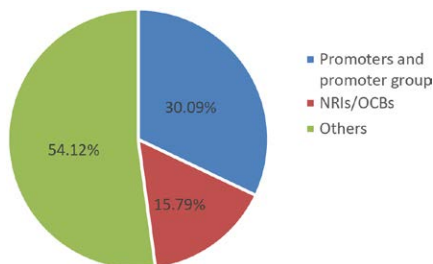
Distribution of Shareholding as on 31<sup>st</sup> March, 2020 is as under:

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-500	9512	83.71	1000309	2.64
501-1000	770	6.77	594990	1.56
1001-2000	519	4.56	765616	2.01
2001-3000	210	1.84	530726	1.39
3001-4000	79	0.69	279602	0.73
4001-5000	55	0.48	253971	0.66
5001-10000	95	0.83	684197	1.80
Above 10000	122	1.07	33831889	89.16
<b>Grand Total</b>	<b>11362</b>	<b>100</b>	<b>37941300</b>	<b>100</b>

Shareholding Pattern as on 31<sup>st</sup> March, 2020 :

Category	No. of Shares	Percentage
<b>Promoter and promoter group</b>		
Promoter and promoter group	11416100	30.09
<b>Subtotal (A)</b>	<b>11416100</b>	<b>30.09</b>
<b>NRI/OCBs</b>		
Foreign Company	1245140	3.28
Foreign Nationals	0	0.00
Non Resident Indians	191201	0.50
Foreign Portfolio Investor	4554447	12.00
<b>Subtotal (B)</b>	<b>5990788</b>	<b>15.79</b>
<b>Others</b>		
Clearing Members	45776	0.12
Private Corporate Bodies	2507728	6.61
Mutual Funds	7599767	20.03
Public	7436404	19.60
Others (HUF, NNB)	2944737	7.76
<b>Subtotal (C)</b>	<b>20534412</b>	<b>54.12</b>
<b>Total (A+B+C)</b>	<b>37941300</b>	<b>100.00</b>

### Graphical Representation of the Shareholding pattern



### Dematerialization of shares and liquidity as on 31<sup>st</sup> March, 2020

Particulars	No of Shares	% to Capital
National Securities Depository Limited	23140350	60.99
Central Depository Services (India) Limited	14799525	39.01
<b>Subtotal -Demat (A)</b>	<b>37939875</b>	<b>99.99</b>
<b>Subtotal -Physical (B)</b>	<b>1425</b>	<b>0.00</b>
<b>Total (A+B)</b>	<b>37941300</b>	<b>100.00</b>

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories.

The Company's equity shares are frequently traded at the BSE Limited and The National stock exchange of India limited.

### Outstanding Debt/ 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 as on date.

### Commodity price risk or foreign exchange risk and hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated 15<sup>th</sup> November, 2018.

### Commodity risks faced by the listed entity during the year and how they have been managed: Not Applicable

**Plant locations:** The Company does not have any inhouse manufacturing facilities as on date. The warehouse facility of the Company is situated at Thiruvancheri Village, Tambaram Taluk, Kanchepuram District.

### Address for correspondence:

#### Registered Office

Indian Terrain Fashions Limited  
No.208, Velachery Tambaram Road,  
Narayanapuram, Pallikaranai,  
Chennai 600 100

#### Corporate Office

SDF - IV & C2, 3rd Main Road,  
MEPZ - SEZ, Tambaram, Chennai 600 045.  
Tel: +91 44 4227 9100 (Board)  
: +91 44 4227 9241 (Direct)

Email : response.itfl@indianterrain.com

### Contact details of Designated Official for assisting & handling Investor Grievances

Mr. Ravi B.S.G

Company Secretary & Compliance Officer  
INDIAN TERRAIN FASHIONS LIMITED  
SDF-IV & C2, 3rd Main Road  
MEPZ-SEZ, Tambaram, Chennai-600 045  
Tel : +91 44 4227 9100 (Board)  
+91 44 4227 9241 (Direct)

E-mail : ravi.bsg@indianterrain.com/ response.itfl@indianterrain.com

### Credit ratings obtained by the entity

The details of credit rating obtained by the Company during the financial year 2019-2020 is as follows:

A. Name of credit rating agency: ICRA Limited

B. Whether there is any revision in credit rating: Yes. The credit rating of the Company was revised vide ICRA Limited Report dated 05<sup>th</sup> February, 2020.

C. Credit rating:

Type of instrument	Rating
Long term rating	[ICRA] A- (Stable)
Short term rating	[ICRA] A2+

### 7. OTHER DISCLOSURES:

During the year, the Company had not entered into any transaction of a material nature with any of the related parties which may have potential conflict with the interest of the Company. The transactions of purchase/sale of finished goods, raw materials and job work with related parties have been made in the ordinary course of business and at arm's length.

The Company has already taken approval from the shareholders for a contract value upto a maximum of ₹40.00 Crores in any financial year towards related party transactions on washing charges, FOB purchases, License purchase, Lining fabrics, cartons transfers and rental income.

The Related Party Disclosure – Details of Transactions with Promoter/ Promoter group Including 10% or more shareholding in the Company.

S.No	Name of the Party	Transaction Details
1.	Mr. Venkatesh Rajagopal	Celebrity Fashions Limited - washing charges, FOB purchases, License purchase, Lining fabrics, cartons transfers and rental income.
2.	Mrs. Rama Rajagopal	



The above transaction with Celebrity Fashions Limited is on prevailing market conditions, carried at arm's length basis. However, in absence of any specific definition the of term 'ordinary course of business', as a matter of prudence the Company took approval of the shareholders for the above mentioned transaction. The Register of Contracts containing transactions, in which Directors are interested, is placed before the board regularly. There is no such transaction which has potential conflict with the interests of the company at large.

The Policy on dealing with Related Party Transactions is put up on website of the Company [www.indianterrain.com](http://www.indianterrain.com)

**Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**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](http://www.indianterrain.com). All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31<sup>st</sup> March, 2020. The annual report contains a declaration to this effect signed by the Managing Director & CEO.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Consequent upon the amendments made to the PIT regulations vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, revised Codes of Fair Disclosure and Conduct ("the Code") which in turn contains Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices and made effective from 1<sup>st</sup> April, 2019.

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 Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**CERTIFICATES FROM PRACTISING COMPANY SECRETARIES AND CHARTERED ACCOUNTANTS**

- Pursuant to Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by M/s. SRSV & Associates, Chartered Accountants.
- Pursuant to Clause 10 (i) of Part C under Schedule V of the Listing Regulations, the Company has received a certificate from M/s. BP & Associates, Practising Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority are annexed to this report.

**Whistle Blower Policy/Vigil Mechanism**

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors / employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may make protected disclosures concerning financial or accounting matters, in writing to the Chairman of the Audit Committee of the Company, as soon as possible but not later than thirty consecutive days after becoming aware of the same.

The Chairman of the Audit Committee of the Company shall finalise and submit the report and submit it to the Audit Committee for further action.

**Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has fully complied with all the mandatory requirements and has adopted certain non - mandatory requirements as prescribed in Part E of the Schedule II to the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are as follows:

- The Company has appointed separate person to the post of Chairman and Managing Director.
- The internal auditor may report directly to the audit committee.
- The Company's financial statements have been accompanied with unmodified opinion both on quarterly and yearly basis.

The Company has no subsidiary. Hence the requirement of Policy for determining 'material' subsidiaries does not arise. The Policy on dealing with related party transactions is available on our Company's website.

The Company has complied all the requirement of corporate governance report of sub paras (2) to (10) above, with reasons thereof.

The Company has complied with the Corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

**Details of utilization of funds raised through preferential allotment or qualified institutional placement**

The Company did not raise any funds through preferential allotment or qualified institutional placement that are unutilised.

**Total fees paid to the statutory auditors for the FY 2019-20** (₹ in Crores)

S. No	Name of Auditors	Description of Service	Amount
1	M/s. SRSV & Associates	Statutory Audit	₹ 0.03

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

Sl. No	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	0
2	Number of complaints disposed of during the financial year	0
3	Number of complaints pending as on end of the financial year	0

**Disclosures with respect to demat suspense account/ unclaimed suspense account:**

Particulars	No. of Shareholders	No. of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2019	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2020	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31 <sup>st</sup> March, 2019 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of INDIAN TERRAIN FASHIONS LIMITED

1. This certificate is issued in accordance with our engagement letter dated 7<sup>th</sup> October, 2019.
2. We, SRSV & Associates, the Statutory Auditors of INDIAN TERRAIN FASHIONS LIMITED have examined the compliance of conditions of corporate governance by INDIAN TERRAIN FASHIONS LIMITED ('the Company') for the year ended 31<sup>st</sup> March, 2020 as stipulated in Regulations 17- 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the stock exchange.

### Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the 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 statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31<sup>st</sup> March, 2020.
6. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" and Guidance Note on Certification of Corporate Governance" both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on Use

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For SRSV & Associates  
Chartered Accountants  
F.R. No. 0150415

Sd/-

V. Rajeswaran  
Partner

Date: 25<sup>th</sup> June, 2020  
Place: Chennai

Membership No.020881  
UDIN:20020881AAAADZ8843

## COMPLIANCE WITH CODE OF CONDUCT

This is to confirm that the Company has adopted the Code of Conduct for its Board of directors and Senior Management Personnel and designated persons as per the code. The Code of Conduct is available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2020, received from the Senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors, including Company Secretary and Chief Financial Officer as on 31<sup>st</sup> March, 2020.

For Indian Terrain Fashions Limited

Date: 25<sup>th</sup> June, 2020  
Place: Chennai

Sd/-  
Charath Ram Narsimhan  
Managing Director & CEO  
(DIN: 06497859)

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
Indian Terrain Fashions Limited,  
No. 208, Velachery Tambaram Road,  
Narayanapuram, Pallikaranai,  
Chennai – 600 100.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of INDIAN TERRAIN FASHIONS LIMITED having CIN : L18101TN2009PLC073017 and having registered office at No. 208, Velachery Tambaram Road, Narayanapuram, Pallikaranai , Chennai -600100 (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No	Name of Director	DIN	Date of Appointment in Company*
1	Mr. Venkatesh Rajagopal	00003625	29/09/2009
2	Mrs. Rama Rajagopal	00003565	01/10/2013
3	Mr. Ranganath Nugehalli Krishna	00004044	20/09/2010
4	Mr. Kalpathi Subramanian Suresh	00526480	28/05/2018
5	Mr. Harsh Bahadur	00724826	27/06/2011
6	Mr. Manoj Mohanka	00128593	13/12/2011
7	Mr. Charath Ram Narsimhan	06497859	08/08/2018

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BP & Associates  
Company Secretaries

Sd/-  
K. J. Chandra Mouli  
Partner

Date: 25<sup>th</sup> June, 2020  
Place: Chennai

M No: 25315  
CP No: 15708

UDIN: A025315B000377722

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INDIAN TERRAIN FASHIONS LIMITED

#### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

##### OPINION

We have audited the accompanying Standalone Financial Statements of **INDIAN TERRAIN FASHIONS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

##### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### EMPHASIS OF MATTER

We draw attention to Note No. 43 to the Standalone Financial Statements, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company's operations and results as assessed by management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

##### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<p><b>A) Contingent Liability:</b></p> <p>Assessment of Provisions for taxation, litigations and claims:</p> <p>As of 31<sup>st</sup> March 2020, Indian Terrain Fashions Limited had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 0.52 Crs. These provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various forums. Refer Note No. 41 (i) in Financial Statements.</p>	<p>Our procedures included, but were not limited to the following:</p> <p>Obtain details of completed Tax Assessments and Demands for the year ended 31<sup>st</sup> March 2020 from the Management.</p> <p>Assessed the adequacy of Tax Provisions by reviewing correspondence with the Tax Authorities.</p> <p>Assessed the view of the External Advisors regarding the likely outcome and magnitude of and exposure to the relevant litigation and claims</p> <p>Our Internal Experts also considered Legal precedence and other rulings in evaluating Management's position on these uncertain tax positions.</p> <p>Our audit procedure did not identify any material discrepancies with respect to Contingent Liabilities.</p>
<p><b>B) Existence and impairment of Trade Receivables</b></p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the Company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition. Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>As at 31<sup>st</sup> March 2020, an amount of ₹ 251.38 Crs is classified as "Receivables considered good and unsecured."</p> <p>Refer Note No. 7 of the Financial Statements.</p> <p>In calculating the Expected Credit Loss as per Ind AS 109 – "Financial Instruments", the Company has also considered the estimation of probable future customer default and has taken into account an estimation of possible effect from the pandemic relating to Covid-19.</p>	<p>We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Assessed the appropriateness of the disclosures made in Note No. 7 to the Financial Statements.</p> <p>Our Audit Procedures did not identify any material discrepancies with respect to Trade Receivables.</p>



<p><b>C) Recoverability of Indirect Tax Receivables</b></p> <p>As at 31<sup>st</sup> March 2020, Other Non-Current Assets in respect of balances with Government Authorities includes VAT Recoverable amounting to ₹ 0.12 Crs which are pending adjudication.</p> <p>Refer Note No. 4 to the Financial Statements.</p>	<p>Our procedures included, but were not limited to the following:</p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
<p><b>D) Inventory</b></p> <p>Management judgment is required to establish the carrying value of inventory particularly in relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.</p> <p>The judgment reflects that inventory is held to support Company's operations which results in the Company holding inventory for extended periods before utilization.</p>	<p>Physical Verification of Inventory was not conducted on 31<sup>st</sup> March 2020 owing to lock down, accordingly necessary Alternative Audit Procedures have been conducted to conclude that inventory is free of material misstatements. With respect to the Net Realizable value of Inventory the Company has provided Management Representations that there is no significant impact on account of Covid as all contracts are based on fixed prices.</p> <p>Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records</p> <p>Based on the audit procedure performed, no material discrepancies were identified.</p>
<p><b>E) Adoption of IND AS 116 – Leases</b></p> <p>As described in Note 2A to the financial statements, the Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 2A of financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>• Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116).</li> <li>• Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business.</li> <li>• Evaluated the reasonableness of the discount rates applied in determining the lease liabilities.</li> </ul> <p>Upon transition as at 1<sup>st</sup> April, 2019:</p> <ul style="list-style-type: none"> <li>• Evaluated the method of transition and related adjustments.</li> <li>• Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> </ul> <p>On a statistical sample, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>• Evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> <li>• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.</li> </ul>

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (here in after referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in the Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note No. 41 (i) to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2020;
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company for the year ended 31<sup>st</sup> March, 2020;

**For SRSV & Associates  
Chartered Accountants  
ICAI Firm Registration No. 0150415**

**V. Rajeswaran  
Partner**

**Place: Chennai  
Dated: 25<sup>th</sup> June 2020**

**Membership No. 020881  
UDIN No.:20020881AAAADY5788**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Indian Terrain Fashions Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets to the best of our knowledge and on the basis of available information.
  - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
  - (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification. However as on 31<sup>st</sup> March 2020 the physical verification was not conducted owing to Covid 19 lock down, the Company has employed necessary cut off procedures in this regard. Accordingly, necessary alternative Audit Procedures have been conducted to conclude that inventory is free of material misstatement.
- iii. In our opinion and according to the information and explanations given to us the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. (Consequently, matters referred in clause iii(a), iii(b) and iii(c) of paragraph 3 of Companies (Auditors Report) Order 2016 are not applicable).
- iv. In our opinion and according to the explanations given to us there are no loans, investments, guarantees and securities provided by the Company as specified under Sections 185 and 186 of the Companies Act, 2013. Therefore, the provisions of the paragraph 3(iv) of the order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, and hence reporting under clause (v) of the Order is not applicable.
- vi. To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the products/services manufactured/rendered by the Company.
- vii. In respect of statutory dues:



- (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.
- (b) As at 31<sup>st</sup> March 2020 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

(₹ in Lakhs)

Name of the Statute	Nature of Dues	Forum Where the Dispute is Pending	Period to which the amount relates	Amount
Central Excise Act 1944	Excise Duty	The Commissioner of Central Excise, Chennai	February, 2013	51.82

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution and banks. There are no loans from Government nor the Company issued any debentures during the year.
- ix. To the best of our knowledge and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised.
- x. In our opinion and according to the information and explanations given to us, no audit by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause (xiv) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause (xv) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi) of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For SRSV & Associates  
Chartered Accountants  
ICAI Firm Registration No. 015041S

V. Rajeswaran  
Partner

Place: Chennai  
Dated: 25<sup>th</sup> June 2020

Membership No. 020881  
UDIN No.:20020881AAAADV5788

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date)

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

We have audited the internal financial controls over financial reporting of INDIAN TERRAIN FASHIONS LIMITED ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRSV & Associates  
Chartered Accountants  
ICAI Firm Registration No. 015041S

V. Rajeswaran  
Partner

Place: Chennai  
Dated: 25<sup>th</sup> June 2020

Membership No. 020881  
UDIN No.:20020881AAAADV5788



INDIAN  
TERRAIN



**WHEN THE SPIRIT OF MAN  
DEFINES HIS STYLE.**



INDIAN  
TERRAIN





**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(₹ in crores)

	Notes	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	51.14	50.20
Other intangible assets	2	2.36	3.27
Other intangible assets under development		-	-
Right of Use Assets	2A	74.99	-
<b>Financial assets</b>			
i) Loans	3	11.45	13.22
Deferred Tax Assets	16		
Other non-current assets	4	0.81	0.99
<b>Total non-current assets</b>		<b>140.75</b>	<b>67.68</b>
<b>Current assets</b>			
Inventories	5	76.78	68.44
<b>Financial assets</b>			
i) Investments	6	21.06	30.07
ii) Trade receivables	7	251.38	240.06
iii) Cash and cash equivalents	8	0.98	5.47
iv) Bank Balances other than Cash & Cash Equivalents	9	1.68	2.36
v) Loans	10	2.07	2.05
Current Taxes		3.17	-
Other current assets	11	5.42	2.14
<b>Total current assets</b>		<b>362.54</b>	<b>350.59</b>
<b>Total Assets</b>		<b>503.29</b>	<b>418.27</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	7.59	7.59
<b>Other Equity</b>			
i) Share Premium	13	76.71	76.71
ii) Retained Earnings		123.81	137.37
iii) Capital Reserve		8.01	8.01
<b>Total equity</b>		<b>216.12</b>	<b>229.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	14	0.78	1.58
ii) Lease Liability	14A	67.83	-
iii) Loans		-	-
iv) Other Financial Liabilities	15	20.74	16.91
Deferred tax liability	16	0.63	3.96
Others Non-Current liability		-	0.76
<b>Total non-current liabilities</b>		<b>89.98</b>	<b>23.21</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	17	41.53	31.17
ii) Lease Liability	14A	12.32	-
iii) Trade payables	18		
(a) Total outstanding dues to micro and small enterprises		15.31	13.90
(b) Total outstanding dues other than micro and small enterprises		90.32	73.39
iv) Other financial liabilitiesvw	19	34.19	29.53
Customer Loyalty Program	20	1.08	1.27
Current Tax Liabilities		-	9.93
Short Term Provisions	21	2.44	1.65
Other Payables	22	-	4.54
<b>Total current liabilities</b>		<b>197.19</b>	<b>165.38</b>
<b>Total liabilities</b>		<b>287.17</b>	<b>188.59</b>
<b>Total equity and liabilities</b>		<b>503.29</b>	<b>418.27</b>

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statement

**For SRSV & Associates**  
 Chartered Accountants  
 ICAI Firm Reg No.015041S

 sd/-  
 V. Rajeswaran  
 Partner  
 Membership No.020881

 sd/-  
 Ravi. B.S.G  
 Company Secretary

 sd/-  
 S. Ramachandran  
 Chief Financial Officer

 sd/-  
 Charath Ram Narsimhan  
 Managing Director & CEO  
 (DIN: 06497859)

**For and on Behalf of the Board**

 sd/-  
 V. Rajagopal  
 Chairman & Whole Time Director  
 (DIN: 00003625)

 sd/-  
 Rama Rajagopal  
 Whole Time Director  
 (DIN: 00003565)

 Chennai, 25<sup>th</sup> June, 2020



**PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

₹ in crores (except per shares data)

	Notes	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>Income</b>			
Revenue from operations	23	369.66	422.37
Other income	31	3.85	2.98
<b>Total Income</b>		<b>373.51</b>	<b>425.35</b>
<b>Expenses</b>			
Cost of materials consumed	24	1.90	1.85
Purchase of Finished Goods	24	238.62	239.46
(Increase) / Decrease in Inventories of Finished Goods, Work-In-Progress & Bought-Out Goods	25	(8.38)	10.68
Garment Processing Costs	26	1.13	2.24
Employee Benefits Expense	27	21.65	27.78
Other Expenses	28	86.68	89.54
<b>Total Expenses</b>		<b>341.60</b>	<b>371.54</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>		<b>31.91</b>	<b>53.81</b>
<b>Less:</b>			
Depreciation and amortisation expense	29	22.79	5.54
Finance Costs	30	20.62	8.46
<b>Profit / (Loss) Before Tax</b>		<b>(11.50)</b>	<b>39.81</b>
<b>Income tax expense</b>			
Current tax	33	-	13.89
Deferred tax		(1.16)	0.21
(Excess) / Short Provision of previous years			
<b>Total Tax Expense</b>		<b>(1.16)</b>	<b>14.10</b>
<b>Profit / (Loss) for the Year</b>		<b>(10.34)</b>	<b>25.71</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains / (losses) on defined benefit plans		-	(0.09)
Income Tax effect	32	-	0.03
<b>Other Comprehensive Income for the Year</b>		<b>-</b>	<b>(0.06)</b>
<b>Total Comprehensive Income for the Period</b>		<b>(10.34)</b>	<b>25.65</b>
Earnings per equity share nominal value of share ₹ 2/- (31 <sup>st</sup> March, 2018 ₹ 2/-)	35		
Basic in ₹ per share		(2.72)	6.78
Diluted in ₹ per share		(2.72)	6.78

Summary of Significant Accounting Policies  
The accompanying notes are an integral part of the financial statements

1

For SRSV & Associates  
Chartered Accountants  
ICAI Firm Reg No.015041S

For and on Behalf of the Board

sd/-  
V. Rajagopal  
Chairman & Whole Time Director  
(DIN: 00003625)

sd/-  
V. Rajeswaran  
Partner  
Membership No.020881

sd/-  
Ravi. B.S.G  
Company Secretary

sd/-  
S. Ramachandran  
Chief Financial Officer

sd/-  
Charath Ram Narsimhan  
Managing Director & CEO  
(DIN: 06497859)

sd/-  
Rama Rajagopal  
Whole Time Director  
(DIN: 00003565)

Chennai, 25<sup>th</sup> June, 2020

**STATEMENT OF CASH FLOWS**

(₹ in crores)

	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	(11.50)	39.81
Adjustments for		
Depreciation and amortisation expense	22.79	5.54
Deferred Revenue	(0.19)	0.39
Interest on fair valuation of security deposits	(0.76)	(0.31)
Gain on termination of leases	(1.14)	
Income from sale of investments	(1.50)	(2.10)
Interest income	(0.25)	(0.29)
Finance costs	20.62	8.46
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(11.32)	(61.40)
(Increase) in inventories	(8.34)	12.14
Increase in trade payables	18.33	3.65
Increase/(decrease) in other financial liabilities	8.45	5.23
Increase in other payables and provisions	(3.74)	(0.69)
(Increase) in other financial assets	(1.52)	(3.65)
(Increase)/decrease in other non-current assets	0.20	0.64
(Increase)/decrease in other current assets	(3.28)	0.05
<b>Cash generated from operations</b>	<b>26.85</b>	<b>7.46</b>
Income taxes paid	12.93	2.80
<b>Net cash inflow from operating activities</b>	<b>13.92</b>	<b>4.66</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (net)	(6.82)	(9.80)
(Purchase)/ Sale of Investments	9.00	(30.07)
Loans to employees	(0.02)	0.11
Income from Mutual funds	1.50	2.10
Interest received	0.25	0.29
<b>Net cash outflow from investing activities</b>	<b>3.91</b>	<b>(37.37)</b>
<b>Cash flows from financing activities</b>		
Share Capital	-	-
Share Premium	-	-
Short Term Borrowings	10.36	(3.38)
Long Term Borrowings (net)	(0.60)	(0.57)
Repayment of lease liabilities	(11.46)	
Interest paid	(20.62)	(8.46)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(22.32)</b>	<b>(12.41)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4.49)</b>	<b>(45.12)</b>
Cash and cash equivalents at the beginning of the financial year	5.47	50.59
<b>Cash and cash equivalents at end of the year</b>	<b>0.98</b>	<b>5.47</b>

The accompanying notes are an integral part of the financial statements

**Notes**

- The cashflow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows
- Purchase of property, plant and equipment / intangible assets include movement of capital work-in-progress and intangible assets under development

 For SRSV & Associates  
 Chartered Accountants  
 ICAI Firm Reg No.015041S

For and on Behalf of the Board

 sd/-  
 V. Rajeswaran  
 Partner  
 Membership No.020881

 sd/-  
 Ravi. B.S.G  
 Company Secretary

 sd/-  
 S. Ramachandran  
 Chief Financial Officer

 sd/-  
 Charath Ram Narsimhan  
 Managing Director & CEO  
 (DIN: 06497859)

 sd/-  
 V. Rajagopal  
 Chairman & Whole Time Director  
 (DIN: 00003625)

 sd/-  
 Rama Rajagopal  
 Whole Time Director  
 (DIN: 00003565)

 Chennai, 25<sup>th</sup> June, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

a) Equity Share Capital	No. of Shares	₹ In Crs
As at 1 <sup>st</sup> April, 2018	37,941,300	7.59
Changes in equity share capital during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>37,941,300</b>	<b>7.59</b>
As at 1 <sup>st</sup> April, 2019	37,941,300	7.59
Changes in equity share capital during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>37,941,300</b>	<b>7.59</b>

## b) Other Equity (Refer Note 12)

(₹ in crores)

	Reserves and surplus (Note 13)			
	Share Premium	Capital reserve	Retained earnings	Total
As at 1 <sup>st</sup> April, 2018	76.71	8.01	111.72	196.44
Profit for the year			25.71	25.71
Other comprehensive income (Refer Note 32)			(0.06)	(0.06)
<b>As at 31<sup>st</sup> March, 2019</b>	<b>76.71</b>	<b>8.01</b>	<b>137.37</b>	<b>222.09</b>
As at 1 <sup>st</sup> April, 2019 (as originally presented)	76.71	8.01	137.37	222.09
Impact of adoption if Ind AS 116 (Refer: note 12)			(3.23)	(3.23)
Restated balance at 1 <sup>st</sup> April, 2019	76.71	8.01	134.14	218.86
Profit for the year			(10.34)	(10.34)
Other comprehensive income (Refer Note 32)			-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>76.71</b>	<b>8.01</b>	<b>123.81</b>	<b>208.53</b>

The accompanying notes are an integral part of the financial statements

For SRSV & Associates  
Chartered Accountants  
ICAI Firm Reg No.015041S

For and on Behalf of the Board

sd/-  
V. Rajagopal  
Chairman & Whole Time Director  
(DIN: 00003625)

sd/-  
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Membership No.020881

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Managing Director & CEO  
(DIN: 06497859)

sd/-  
Rama Rajagopal  
Whole Time Director  
(DIN: 00003565)

Chennai, 25<sup>th</sup> June, 2020

## SIGNIFICANT ACCOUNTING POLICIES

### COMPANY OVERVIEW

Indian Terrain Fashions Limited ('the Company') is a public limited company in incorporated in India. The company's equity shares are listed on BSE and NSE. The registered office is located at Chennai.

#### 1. Significant accounting policies

##### 1.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. Up to the year ended 31<sup>st</sup> March, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended 31<sup>st</sup> March, 2018 are the first financial statements under Ind AS. Refer Note 39 for an explanation of transition from previous GAAP to Ind AS and its impact on financial position and financial performance. The date of transition to Ind AS is 1<sup>st</sup> April, 2016.

##### 1.2 Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The financial statements are presented in INR and all value are rounded to the nearest Crore (₹ 00,00,000) except when otherwise indicated.

##### The principal accounting policies are set out below:

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### 1.3 Going concern

The board of directors have considered the financial position of the Company at 31<sup>st</sup> March 2020 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

##### 1.4 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

##### Significant Estimates

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation- Refer Note - 39

Estimation of revenue to be recognised on sale of loyalty points- Refer Note - 1.5.3 and Note 20

They are based on historical experience and other factors, including expectations of future events that may have a financial impact and that are believed to be reasonable under the circumstances.

Recognition of deferred tax asset -Refer Note 16

##### 1.5 Revenue recognition

The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

##### 1.5.1 Sale of goods

Revenue from sale of products is recognised when the products are delivered to the dealer / customer or when delivered to the carrier, when risks and rewards of ownership pass to the dealer / customer, as per terms of contract.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It excludes Value Added Tax, and Goods and Services Tax as applicable.

##### 1.5.2 Income from service

Income from services is accounted over the period of rendering of services.

##### 1.5.3 Revenue Recognition - Loyalty Points

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

##### 1.6 Foreign currencies

##### 1.6.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the company's functional and presentation currency.

##### 1.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

##### 1.7 Employee Benefits

##### 1.7.1 Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### 1.7.2 Other long term employee benefit

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

##### 1.7.3 Post employment obligation

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, and
- Defined contribution plans such as provident fund.

##### Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess



is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### Defined benefit plan:

The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India ('LIC'). The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

#### 1.7.4. Bonus plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation

#### 1.8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### 1.8.1. Current tax

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

##### 1.8.2. Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### 1.8.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

#### 1.9. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of 1<sup>st</sup> April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a prorata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives. Company has

ascertained and adopted the useful life of the asset as mentioned in the schedule II of Companies Act, 2013. The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

Additional depreciation is being provided to the extent required during the year of sale of assets. Assets, for which the estimated useful life is completed, have been removed from gross block and accumulated depreciation.

#### 1.10. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Intangible assets are amortised over its estimated useful life of 5 years on straight line basis.

##### 1.10.1. Deemed cost on transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1<sup>st</sup> April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### 1.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### 1.12. Inventories

Inventories are valued at the lower of cost and net realizable value.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity. Raw materials are valued at first in first out. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 1.13. Provisions and contingencies

**Provisions:** Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### 1.14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

#### 1.15. Financial assets

##### 1.15.1. Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

#### Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain or losses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### 1.15.2. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

#### 1.15.3. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

#### 1.15.4. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
  - Financial assets measured at fair value through other comprehensive income
- Expected credit loss are measured through a loss allowance at an amount equal to :
- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
  - full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

#### 1.15.5 Interest Income recognition on financial assets

Interest income from debt instruments is recognized using the effective interest rate method.

#### 1.16 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

#### 1.17. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

#### 1.18. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 1.19. Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### 1.20. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Company has only a single reportable segment.

#### 1.21. Leases

Till 31<sup>st</sup> March 2019, Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rents are payable as per the agreed terms.

From 1<sup>st</sup> April, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.



To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 1.22. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

#### 1.23. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are recognised in the profit or loss over the period necessary to match them with the costs. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

#### 1.24. Earning Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be antidilutive.

#### 1.25. Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

#### 1.26 Accounting for Corporate Social Responsibility

The Company is required to contribute to Corporate Social Responsibility according to section 135 of the Companies Act, 2013. Accounting for the said contributions are made in accordance with the Guidance Note issued by Institute of Chartered Accountants of India (ICAI).

#### 1.27. New standards and amendments

##### Ind AS 115, Revenue from contracts with customers

- a. It deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. The new standard is mandatory for financial years commencing on or after 1<sup>st</sup> April, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
- b. The company is in the process of evaluating the impact of the standard.

#### Amendments to Ind AS 40 Investment property - Transfers of investment property

- a. The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property.
- b. The company doesn't have any investment property accordingly no impact is envisaged

#### Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

- a. The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.
- b. The company is in the process of evaluating the impact of the standard

#### Notification of Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

- a. The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.
- b. The company has assessed the impact of the above the notification and concluded there no impact on the above

#### Ind AS 116 Leases

The company adopted Ind AS 116 Leases standard, the impact of adoption has been disclosed as part of note.

#### Other amendments effective

Adoption of amendments to Ind AS 12 - Income Taxes, Ind AS 19 - Employee Benefits, Ind AS 23 - Borrowing Costs and Ind AS 109 - Financial Instruments, didn't have an impact on the financial statements.

#### 1.28 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

The numbers presented throughout the financial statements may not add up precisely to the totals and absolute figures.



**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**
**2. PROPERTY, PLANT AND EQUIPMENT**

(₹ in crores)

	Freehold land	Buildings	Plant and equipment	Electrical Installation	Office Equipments	Computers*	Vehicles	Furniture & Fixtures	Total Tangible Assets	Computer Software	Total Non-Tangible Assets	Intangibles under development	Total
<b>As at 1<sup>st</sup> April, 2018</b>	8.22	6.77	1.27	0.57	0.76	1.22	1.48	32.08	52.37	4.20	4.20	-	56.57
Additions	-	-	0.46	0.73	0.14	0.40	0.85	6.91	9.50	0.74	0.74	-	10.24
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	0.66	-	0.66	-	-	-	0.66
<b>As at 31<sup>st</sup> March, 2019</b>	8.22	6.77	1.73	1.30	0.90	1.62	1.67	38.99	61.20	4.95	4.95	-	66.15
<b>As at 1<sup>st</sup> April, 2019</b>	8.22	6.77	1.73	1.30	0.90	1.62	1.67	38.99	61.20	4.95	4.95	-	66.15
Transferred on account of Ind AS 116	-	-	-	-	-	-0.48	-	-	-0.48	-	-	-	(0.48)
Additions	-	-	-	0.61	-	0.13	-	6.04	6.78	0.10	0.10	-	6.88
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	-	0.16	0.16	-	-	-	0.16
<b>As at 31<sup>st</sup> March, 2020</b>	8.22	6.77	1.73	1.91	0.90	1.27	1.67	44.88	67.34	5.04	5.04	-	72.38
As at 1 <sup>st</sup> April, 2018	-	0.44	0.16	0.03	0.13	0.38	0.57	4.91	6.62	0.73	0.73	-	7.36
Additions	-	0.23	0.11	0.08	0.17	0.27	0.15	3.60	4.60	0.94	0.94	-	5.54
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	0.22	-	0.22	-	-	-	0.22
<b>As at 31<sup>st</sup> March, 2019</b>	-	<b>0.66</b>	<b>0.27</b>	<b>0.11</b>	<b>0.30</b>	<b>0.66</b>	<b>0.50</b>	<b>8.50</b>	<b>11.00</b>	<b>1.67</b>	<b>1.67</b>	-	<b>12.67</b>
As at 1 <sup>st</sup> April, 2019	-	0.66	0.27	0.11	0.30	0.66	0.50	8.50	11.00	1.67	1.67	-	12.67
Transferred on account of Ind AS 116	-	-	-	-	-	-0.14	-	-	-0.14	-	-	-	(0.14)
Additions	-	0.23	0.12	0.17	0.18	0.25	0.18	4.27	5.39	1.01	1.01	-	6.40
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	-	0.04	0.04	-	-	-	0.04
<b>As at 31<sup>st</sup> March, 2020</b>	-	<b>0.89</b>	<b>0.39</b>	<b>0.27</b>	<b>0.48</b>	<b>0.76</b>	<b>0.68</b>	<b>12.72</b>	<b>16.20</b>	<b>2.68</b>	<b>2.68</b>	-	<b>18.88</b>
Carrying amount as on 31 <sup>st</sup> March, 2019	8.22	6.11	1.46	1.19	0.59	0.97	1.17	30.49	50.20	3.27	3.27	-	53.47
Carrying amount as on 31 <sup>st</sup> March, 2020	8.22	5.88	1.34	1.63	0.42	0.51	0.99	32.15	51.14	2.36	2.36	-	53.50

(₹ in crores)

**2A - Right to use assets**
**As at 31<sup>st</sup> March, 2020**

	Particulars	Computer	Building	Total
Gross Block				
On transition to Ind AS 116		0.48	63.62	64.10
Additions during the year		-	32.89	32.89
(Deletions during the year)		-	(6.20)	(6.20)
Closing Balance during the year		0.48	90.31	90.79
Amortisation				
Additions				
Opening balance transferred from PPE on transition to Ind AS 116		0.14	-	0.14
Amortisation for the year		0.08	16.31	16.39
(Deletions during the year)		-	(0.73)	(0.73)
Closing Balance during the year		0.22	15.58	15.80
Closing Balance during the year		0.26	74.73	74.99

The company has generally Computer servers, leased warehouses, showrooms across the country, the lease period, ranges from 2-9 years, lease terms included for workings is the non-cancellable period and expected lease term

Some showroom lease contain variable payment terms that are linked to sales generated from that store. Variable lease payments ranges from 10% to 12% of sales. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Company has exercised the option of short term leases and low value asset exemption.

**Extension and termination options**

Extension options has been included in a number of showroom leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail stores, the following factors are normally the most relevant:

- If there are significant penalties to terminate or not extend, the Company is typically reasonably certain to extend.
- If the leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend.
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised, or the Company becomes obliged to exercise or not exercise. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Variable lease payment

Rent Expenses (refer note: 28)

Expense relating to variable lease payments not included in the measurement of lease liabilities 4.75

The total cash outflow for leases for the year ended 31<sup>st</sup> March, 2020 was ₹ 24.47

**Transition to Ind AS 116**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1<sup>st</sup> April, 2019. Ind AS 116 replaces Ind AS 17 – Leases. The Company has applied Ind AS 116 using the modified retrospective approach with cumulative effect of initial application recognised in retained earnings at 1<sup>st</sup> April, 2019. The comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 17.

In adopting Ind AS 116, the Company has applied the below practical expedients:

The company has not reassessed whether a contract is, or contains, a lease as per the definitions of Ind AS 116 at the date of initial application.

The company applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The company relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review as per Ind AS 36 Impairment of assets.

The Company has treated the leases with remaining lease term of less than 12 months as "short term leases".

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The company used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Effective 1<sup>st</sup> April, 2019, the company has adopted Ind AS 116 "Leases" and applied the Standard to its leases retrospectively and has recognised the effect of the cumulative adjustment (net of taxes) of ₹ 3.23 Crores in the opening balance of retained earnings, on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, comparatives for the period prior has not been restated.

The adoption of the Standard has resulted in recognising "Right-of-use asset" of ₹ 63.62 crores and a corresponding "Lease liability" of ₹ 66.17 crores as at the date of initial application. In addition company transferred computers acquired on finance lease from Property, plant and equipment (PPE) to Right-of-use asset. Hence computers reduced by ₹ 0.48 crores and accumulated deprecation decreased by ₹ 0.14 crores and correspondingly net ROU increased by ₹ 0.34 crores

Weighted average incremental borrowing rate as at 1<sup>st</sup> April, 2019 is 10.90 %. The company has considered the lease payments pertaining to extension periods and cancellable periods for computing lease liability on transition to Ind AS 116, the difference between future minimum lease rental commitments as at 31<sup>st</sup> March, 2019 compared to the lease liability as accounted as at 1<sup>st</sup> April, 2019 is on this account.

Lease liability recognised as at 1<sup>st</sup> April, 2019

Of which are:

Current lease liabilities	2.93
Non-current lease liabilities	63.24
<b>Total</b>	<b>66.17</b>

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>3. Loans</b>		
Loans considered good - secured	-	-
Loans considered good - Unsecured	-	-
Security Deposits	11.45	13.22
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	11.45	13.22
Less : Loss allowance	-	-
<b>Total</b>	<b>11.45</b>	<b>13.22</b>
<b>4. Other non-current assets</b>		
Capital advances	0.69	0.82
Balances with government authorities	0.12	0.17
<b>Total</b>	<b>0.81</b>	<b>0.99</b>
<b>5. Inventories</b>		
Raw Materials	0.02	0.02
Trims and Packing Materials	-	0.05
Work-in-Progress	-	-
Finished Goods / Bought-out Goods	76.76	68.38
<b>Total</b>	<b>76.78</b>	<b>68.44</b>
<b>6. Investments</b>		
Investments in mutual funds		
Unquoted		
At fair value through profit and loss		
Aditya Birla Sun Life Money Manager - Growth - Direct	17.04	30.07
SBI Magnum Ultra Short Duration Fund - Direct - Growth	4.02	-
<b>Total</b>	<b>21.06</b>	<b>30.07</b>
<b>7. Trade receivables</b>		
Receivables considered good - secured	-	-
Receivables considered good - unsecured	251.38	240.06
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	251.38	240.06
Less : Loss allowance	-	-
<b>Total</b>	<b>251.38</b>	<b>240.06</b>
No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.		
Trade receivables are unsecured and non-interest bearing with credit terms ranging from 45 to 120 days.		
<b>8. Cash and cash equivalents</b>		
Balances with banks		
Current Accounts	0.93	5.43
Cash on hand	0.05	0.03
<b>Total</b>	<b>0.98</b>	<b>5.47</b>
For the purpose of Statement of cash flows, Cash and cash equivalents comprises of above balances		
<b>9. Bank Balances</b>		
Fixed Deposits with Bank	1.68	2.36
The above deposits are being held as margin money under lien to bank for borrowings / bank guarantee		
Interest accrued on Fixed Deposits	-	-
<b>Total</b>	<b>1.68</b>	<b>2.36</b>
<b>10. Loans</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	-	-
Loans and advances to employees	2.07	2.05
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	2.07	2.05
Less : Loss allowance	-	-
<b>Total</b>	<b>2.07</b>	<b>2.05</b>

Loans and advances to employees includes a sum of ₹ 2 Crores advanced to Mr. Charath Ram Narasimhan when he was a employee of the Company and not a member of the board. Mr. Charath Ram Narsimhan was appointed as Managing Director of the Company on 08.08.2018. (refer note 38)

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019		
<b>11. Other Current assets</b>				
Prepaid expenses	1.02	1.63		
Advances to Suppliers	0.96	0.50		
Tax Receivable - GST	3.44			
<b>Total</b>	<b>5.42</b>	<b>2.14</b>		
<b>12. Equity share capital</b>				
<b>Authorised Share Capital</b>				
As at 31 <sup>st</sup> March 2019	60,000,000	12.00		
Increase during the year	-	-		
As at 31 <sup>st</sup> March 2020	60,000,000	12.00		
<b>Issued, Subscribed and Paid-up Capital</b>				
	No. of Shares	₹ In Crs		
As at 31 <sup>st</sup> March 2019	37,941,300	7.59		
Increase during the year	-	-		
As at 31 <sup>st</sup> March 2020	37,941,300	7.59		
<b>i) Terms and rights attached to equity shares</b>				
The company has one class of equity shares having a par value of ₹ 2 each				
Each shareholder is eligible for one vote per share held				
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders				
<b>ii) Shares of the company held by holding / ultimate holding company / subsidiaries / associates - NIL</b>				
<b>iii) Details of shareholders holding more than 5% shares</b>				
<b>Name of Shareholder</b>	<b>As at 31<sup>st</sup> March, 2020</b>		<b>As at 31<sup>st</sup> March, 2019</b>	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Venkatesh Rajagopal	4,747,115	12.51%	4,747,115	12.51%
Mrs. Rama Rajagopal	6,532,930	17.22%	6,252,930	16.48%
SBI Consumption Opportunities Fund	3,509,668	9.25%	3,701,827	9.76%
Reliance Small Cap Fund	3,339,581	8.80%	3,739,390	9.86%
Malabar India Fund Limited	2,893,473	7.63%	2,893,473	7.63%
<b>iv) Shares allotted for consideration other than cash - NIL in last 5 years</b>				
<b>v) The Shareholders of the Company approved the sub-division of each equity share having a face value of ₹ 10/- each into five equity shares having a face value of ₹ 2/- each through postal ballot on 1<sup>st</sup> December, 2015. The record date for the sub-division was 22<sup>nd</sup> December, 2015. All shares and per share information in the finance statements reflect the effect of sub-division for each of period presented.</b>				
<b>13. Other Equity</b>				
Share Premium		76.71		76.71
Retained earnings		123.81		137.37
Capital Reserve		8.01		8.01
<b>Total</b>		<b>208.53</b>		<b>222.09</b>
<b>a) Share Premium</b>				
As at the beginning of the year		76.71		76.71
Proceeds received during the year		-		-
<b>As at the end of the year</b>		<b>76.71</b>		<b>76.71</b>
<b>b) Retained earnings</b>				
As at the beginning of the year		137.37		111.72
Lease Liability		(3.23)		
Profit for the Year		(10.34)		25.71
Other Comprehensive Income (Refer Note 31)		-		(0.06)
<b>As at the end of the year</b>		<b>123.81</b>		<b>137.37</b>
<b>c) Capital Reserve</b>				
As at the beginning of the year		8.01		8.01
Additions / (Utilisation)				
<b>As at the end of the year</b>		<b>8.01</b>		<b>8.01</b>
<b>Nature of Reserves</b>				
<b>i) Retained Earnings - Company's cumulative earnings since its formation less distribution</b>				
<b>ii) Share Premium - represents the premium received on issue of equity shares. The reserves is utilised in accordance with the provisions of Companies Act, 2013</b>				
<b>iii) Capital Reserve - Capital Reserve was created out the demerger in 2010-11</b>				

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>14. Borrowings</b>		
<b>Non-Current</b>		
<b>Secured</b>		
i) Term Loans from Banks	0.05	0.07
ii) From Others	(0.00)	0.02
iii) Finance Lease Obligations		0.22
<b>Unsecured</b>		
i) From Others	0.74	1.27
<b>Total</b>	<b>0.78</b>	<b>1.58</b>

- a) Secured Term loan from ICICI Bank Limited amounting to ₹ 0.07 crs (Previous Year ₹ 0.09 Crs) represents the vehicle loan availed which carries interest rate of 8.30% p.a. This loan is repayable in 60 monthly instalments from the date of the loan. The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

The maturity profile and rate of interest of the above term loans from banks are as set out below:

Term Loan from Bank	Rate of Interest	2020-21	2021-22	2022-23
ICICI Bank Limited	8.30%	0.02	0.03	0.02

- b) Secured Term loan from others represents:

**Loan from Kotak Mahindra Prime Limited (Secured)**

Vehicle loan Outstanding from Kotak Mahindra Prime Limited Amounting to ₹ 0.02 Cr ( Previous Year 0.05 Cr) which carries interest rate of 10% p.a. This loan is repayable in 60 monthly instalments from the date of the loan.

The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

The maturity profile and rate of interest of the above term loan is as set out below:

Term Loan from Bank	Rate of Interest	2020-21
Kotak Mahindra Prime Ltd	10.00%	0.02

- c) Finance lease obligations

Finance lease obligations represents the finance lease of Computer Server and Network Equipment availed from Hewlett Packard Financial Services (HPFS). The lease obligations and the finance charge are as mentioned below:

Term Loan from Bank	Rate of Interest	2020-21	2021-22	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.10	0.11	0.03

- d) Loan from Hewlett Packard Financial Services India Private Limited (HPFS) (Unsecured)

Unsecured loan from others represents the unsecured loan availed from HP Financial Services

The loan was availed towards funding of Software licenses and development. The loan is repayable in 20 Quarterly instalments and carries an interest rate of 10.8%

The maturity profile and rate of interest of the above term loan is as set out below:

Term Loan from Bank	Rate of Interest	2020-21	2021-22	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.53	0.59	0.16

- e) Current Maturities of Long Term Borrowings (considered in Note 19)

Total Long Term Loans	1.60	2.20
<b>Considered under Current Liabilities</b>		
ICICI Bank Limited - Vehicle Loan	0.02	0.02
Finance Lease Obligations from HPFES		0.09
Unsecured Loan from HPFES	0.53	0.47
Kotak Mahindra Prime Ltd - Vehicle Loan	0.02	0.03
<b>Total current maturities of long term borrowings</b>	<b>0.57</b>	<b>0.62</b>

- 14A Lease Liability - 116

Non Current	67.83	-
Current	12.32	
<b>Total Lease Liability</b>	<b>80.15</b>	<b>-</b>

15. Non-current

Security deposits received	20.74	16.91
<b>Total other non-current financial liabilities</b>	<b>20.74</b>	<b>16.91</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(₹ in crores)

		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>16</b>	<b>Deferred Tax - (liabilities) / asset</b>		
	<b>The balance comprises temporary differences attributable to:</b>		
	Depreciation	(5.10)	(4.86)
	Provision for employee benefits	1.27	0.90
	Right of use asset	(26.11)	-
	Lease liability	27.92	-
	Others	1.39	-
	<b>Net deferred tax (liabilities) / asset</b>	<b>(0.63)</b>	<b>(3.96)</b>

**Movement in deferred tax (liabilities) / asset**

	Depreciation	Provision for employee benefits	Right of use asset	Lease liability	Others	MAT Credit	Total
At 1 <sup>st</sup> April, 2018	(4.29)	0.51			(0.00)	2.41	(1.37)
(Charged)/credited:							
- to profit or loss	(0.57)	0.39	-	-	-	-	(0.18)
- to other comprehensive income							-
- (Debited) / Credited to Current tax payable						(2.41)	(2.41)
<b>At 31<sup>st</sup> March, 2019</b>	<b>(4.86)</b>	<b>0.90</b>	<b>-</b>	<b>-</b>	<b>(0.00)</b>	<b>-</b>	<b>(3.96)</b>
(Charged)/credited:							
On transition to Ind AS 116 - credited to retained earnings	-	-	(22.23)	23.12	1.27	-	2.16
- to profit or loss	(0.24)	0.37	(3.88)	4.80	0.12	-	1.17
- to other comprehensive income		-					-
- (Debited) / Credited to Current tax payable						-	-
<b>At 31<sup>st</sup> March, 2020</b>	<b>(5.10)</b>	<b>1.27</b>	<b>(26.11)</b>	<b>27.92</b>	<b>1.39</b>	<b>-</b>	<b>(0.63)</b>

Significant Estimate

<b>17. Borrowings</b>		
<b>Current</b>		
Loans Repayable on Demand		
Cash Credit from State Bank of India (Secured)	41.53	31.17
<b>Total</b>	<b>41.53</b>	<b>31.17</b>

Cash Credit availed from State Bank of India is secured by charge over the stocks, receivables and other current assets the Company.

The loan is further secured by the following collaterals:

- i) Hypothecation of plant & machinery
- ii) Equitable Mortgage over land and building situated at 70/2 & 70/3A, Agaram Road, Thiruvanchery, Chennai - 600 073
- iii) Pledge of Promoters Shares in the Company to an extent of 76,46,450 Equity Shares and
- iv) Personal guarantee of the promoters

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Current borrowings	41.53	31.17
Lease liabilities	80.15	
Non-current borrowings	0.78	1.58
<b>Net debt</b>	<b>122.46</b>	<b>32.75</b>

Net debt as at 1 <sup>st</sup> April, 2017	Non-current borrowings	Current borrowings
Net debt as at 1 <sup>st</sup> April, 2017	0.06	35.06
Cash flows	2.19	1.91
Interest paid	(0.03)	(2.42)
<b>Net debt as at 31<sup>st</sup> March, 2018</b>	<b>2.22</b>	<b>34.55</b>
Cash flows	(0.38)	(0.45)
Interest paid	(0.26)	(2.93)
<b>Net debt as at 31<sup>st</sup> March, 2019</b>	<b>1.58</b>	<b>31.17</b>
Cash flows	1.00	13.92
Interest paid	(0.21)	(3.56)
<b>Net debt as at 31<sup>st</sup> March, 2020</b>	<b>0.78</b>	<b>41.53</b>

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>18. Trade payables</b>		
Trade Payable ( Refer Note below)		
Dues to Micro and Small Enterprises **	15.31	13.90
Dues to enterprises other than Micro and Small Enterprises	78.47	60.88
Amount Due to related parties (Refer Note 38)	11.85	12.52
	<b>105.63</b>	<b>87.30</b>
Trade payable are non-interest bearing and are settled generally as per the agreed terms		
<b>Note : DUES TO MICRO AND SMALL ENTERPRISES</b>		
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	15.31	13.90
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
<b>19. Other financial liabilities</b>		
Current maturities of long term borrowings (Refer Note 14)	0.57	0.62
Salaries, Wages and Other benefits payable	2.46	3.01
Accrued Expenses	31.16	25.90
<b>Total</b>	<b>34.19</b>	<b>29.53</b>
<b>20. Customer Loyalty Program</b>		
As at the beginning of the year	1.27	0.89
Deferred during the year	1.31	1.89
Less:- Released to the Statement of Profit and Loss	1.50	1.52
<b>As at the end of the year</b>	<b>1.08</b>	<b>1.27</b>
<b>Significant estimate</b>		
Revenue recognition – Loyalty points		
The Company estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.		
<b>21. Short Term Provisions</b>		
Provision for unavailed leave	0.95	0.56
Provision for Gratuity (Refer Note 39)	1.49	1.09
<b>Total</b>	<b>2.44</b>	<b>1.65</b>
<b>22. Other Payables</b>		
Withholding and Other Taxes payables	-	4.54
<b>Total</b>	<b>-</b>	<b>4.54</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>23. Revenue from Operations</b>		
Sale of goods	368.16	420.86
Revenue from redemption of loyalty points (Refer Note 20)	1.50	1.52
<b>Total</b>	<b>369.66</b>	<b>422.37</b>

23.1 Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

23.2 The operations of the Company relate to only one segment viz., Apparels and Accessories. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

23.3 Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

23.4 Reconciliation of revenue with contract price

		Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
1.	Contract price	460.30	485.81
2.	Adjustments :		
	Discounts	(90.64)	(63.43)
	Customer loyalty programme	(1.50)	(1.52)
3.	Revenue from operations as per Statement of Profit and loss	368.16	420.86

23.5 Significant judgements

(a) Timing of satisfaction of performance obligations.

There are no significant judgements made by the Company in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract.

(b) Transaction price and the amounts allocated to performance obligations.

Sale of apparels and accessories

Revenue from sales is recognised based on the transaction price, adjusted for variable consideration in the form of volume discounts, loyalty points, penalty on delay in delivery of goods and marketing expenses. A liability is recognised for expected variable consideration payable to customers in relation to sales made until the end of the reporting period.

Customer loyalty Programme

The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of likelihood of redemption, based on past experience.

The stand-alone selling price of product sold is estimated on the basis of retail price. Discounts are not considered as they are only given in rare circumstances

23.6 There is no impact on the retained earnings as on the date of adoption of the standard. There is no effect on any financial statement line item due to application of this standard and there is no requirement to disclose the same.

**24. Cost of Material Consumed**

(a) **Raw material consumed**

Raw materials at the beginning of the year	0.06	1.52
Add: Purchases	1.86	0.39
Less: Inventory at the end of the Year	0.02	0.06
<b>Cost of Raw material consumed</b>	<b>1.90</b>	<b>1.85</b>

(b) **Purchases of Bought-Out goods**

Purchases of Bought-Out goods	238.62	239.46
<b>Total Purchases of Bought-out Goods</b>	<b>238.62</b>	<b>239.46</b>

**25. (Increase) / Decrease in inventories of finished goods, work-in-progress and bought-out goods**

<b>Opening Inventory</b>		
Work-in-progress	-	1.07
Finished goods / Bought-out goods	68.38	77.99
	68.38	79.06
<b>Closing Inventory</b>		
Work-in-progress	-	-
Finished goods / Bought-out goods	76.76	68.38
	76.76	68.38
<b>(Increase) / Decrease</b>	<b>(8.38)</b>	<b>10.68</b>



NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>26. Garment Processing Costs</b>		
Subcontracting and other Garment Processing Costs	1.13	2.24
<b>Total</b>	<b>1.13</b>	<b>2.24</b>
<b>27. Employee Benefits Expense</b>		
Salaries, wages and bonus	19.70	24.75
Contribution to Provident and Other funds	0.68	1.55
Gratuity Expense (Refer Note 39)	0.40	0.28
Staff welfare expenses	0.87	1.20
<b>Total</b>	<b>21.65</b>	<b>27.78</b>
<b>28. Other Expenses</b>		
Advertisement	23.39	18.77
Auditor's Remuneration	0.05	0.06
Bad Debts	-	-
Books, Periodicals & Subscriptions	0.32	0.46
Communication Expenses	0.80	0.68
Consultancy Charges	2.94	4.15
Corporate Social Responsibility	0.07	0.09
Distribution Costs	5.72	6.09
Entertainment & Sales Promotion Expenses	4.30	7.08
Insurance	0.60	0.63
Other Miscellaneous Expenses	14.44	7.68
Rent, Rates and Taxes	9.72	20.81
Remuneration to Directors	1.63	2.65
Selling Commission	12.64	10.39
Selling Expenditure	2.14	3.12
Showroom Maintenance	2.32	1.47
Loss on foreign exchange translation	1.50	-
Traveling & Conveyance	4.12	5.40
<b>Total</b>	<b>86.68</b>	<b>89.54</b>
<b>Details of Auditors' Remuneration:</b>		
<b>Payments to Statutory Auditor:</b>		
For Audit Fee (including Limited Review Fee)	0.03	0.05
For Tax Audit	0.01	0.01
For Other Services	-	-
For Reimbursement of Expenses	0.04	0.00
	<b>0.04</b>	<b>0.05</b>
<b>Payments to Secretarial Auditor:</b>		
For Audit Fee	0.01	0.01
For Other Services	-	-
For Reimbursement of Expenses	0.01	0.01
	<b>0.01</b>	<b>0.02</b>
<b>Payment towards Corporate Social Responsibility</b>		
Swabodhini Charitable Trust, Chennai (Special Children Education)	0.07	0.04
Rotary Club of Madras South Trust (Paediatric Heart Surgery)	-	0.05
Rally for Rivers (Save Water Campaign)	-	-
Rotary Club of Madras East Trust (Skill Development)	-	-
	<b>0.07</b>	<b>0.09</b>
<b>29. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (Refer Notes - 2)	5.39	4.60
Amortisation of right of use asset (Refer - 2A)	16.39	-
Amortisation of intangible assets (Refer Note 2)	1.01	0.94
<b>Total</b>	<b>22.79</b>	<b>5.54</b>
<b>30. Finance Cost</b>		
Interest Expense on Working Capital & Others	9.16	6.52
Interest Expense on lease liabilities	9.05	-
Other Borrowing Costs	2.41	1.94
<b>Total</b>	<b>20.62</b>	<b>8.46</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>31. Other income</b>		
Gain on Sale of Investments	1.50	2.10
Gain on termination of leases	1.14	
Interest income earned on financial assets that are not designated at fair value through profit or loss		
Interest income	0.25	0.29
Unwinding of discount on Security deposits	0.76	0.41
Gain on foreign exchange translation		0.03
Miscellaneous income	0.21	0.14
<b>Total</b>	<b>3.85</b>	<b>2.98</b>
<b>32. Other Comprehensive Income</b>		
Remeasurement gains / (losses) on defined benefit plans (net of tax)	-	(0.09)
<b>Total</b>	<b>-</b>	<b>(0.09)</b>
<b>33. Income tax expense</b>		
The major components of income tax expense for the years 2019 and 2018 are :		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	13.89
Adjustments for current tax of prior periods		-
<b>Total current tax expense</b>	<b>-</b>	<b>13.89</b>
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	-	-
(Decrease)/Increase in deferred tax liabilities	(1.16)	0.21
<b>Total deferred tax expense/(benefit)</b>	<b>(1.16)</b>	<b>0.21</b>
<b>Income tax expense</b>	<b>(1.16)</b>	<b>14.10</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit before income tax expense	(11.50)	39.81
<b>Tax at the Indian tax rate of 34.944% (March, 2018 - 34.608%)</b>	<b>(4.02)</b>	<b>13.91</b>
Tax effects of amounts which are not deductible (taxable) in calculating taxable income :		
Corporate social responsibility expenditure	0.02	0.03
Due to change in tax rate	-	-
Deferred tax not created	0.32	0.32
Other	(0.16)	(0.16)
<b>Income tax expense</b>	<b>(3.83)</b>	<b>14.10</b>
<b>35. Earnings per share</b>		
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.		
Earnings Per Share (EPS) is calculated as under:		
Profit / (Loss) as per the Statement of Profit and Loss (A)	(10.34)	25.71
Weighted average number of equity shares for calculation of Basic EPS (B)	37,941,300	37,941,300
<b>Basic EPS (In ₹) (A/B)</b>	<b>(2.72)</b>	<b>6.78</b>
Weighted average number of equity shares outstanding for calculation of Basic EPS	37,941,300	37,941,300
Weighted average number of potential equity shares	-	-
Weighted average number of equity shares outstanding for calculation of Diluted EPS (C)	37,941,300	37,941,300
<b>Diluted EPS (In ₹) (A/C)</b>	<b>(2.72)</b>	<b>6.78</b>
<b>Nominal Value of Shares (In ₹)</b>	<b>2.00</b>	<b>2.00</b>

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

## 34. Fair value measurements

(₹ in crores)

## Financial instruments by category

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Financial assets</b>		
<b>Amortised Cost</b>		
Security deposits	11.45	13.22
Trade receivables	251.38	240.06
Cash and cash equivalents	0.98	5.47
Other bank balances	1.68	2.36
Loans and advances to employees	2.07	2.05
<b>Fair Value through Profit and Loss</b>		
Mutual Funds	21.06	30.07
<b>Total financial assets</b>	<b>288.63</b>	<b>293.22</b>
<b>Financial liabilities</b>		
<b>Amortised Cost</b>		
Borrowings	42.88	33.36
Trade payables	105.63	87.30
Salaries and wages	2.46	3.01
Security Deposits	20.74	16.91
Accrued Expenses	31.16	25.90
<b>Total financial liabilities</b>	<b>202.88</b>	<b>166.48</b>

All financial assets and liabilities are held under amortised cost

## (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of foreign currency option contracts is determined using Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

Fair value of financial assets (Mutual Funds) are measured at Fair Value  
Fair value of Other financial assets and liabilities held at amortised cost

The carrying amounts of trade receivables, trade payables, cash and cash equivalent, other financial liabilities, are considered to be the same as their fair values, due to their short-term nature.

The carrying value of borrowings, security deposits paid and received approximate to fair value.

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**
**36. Financial risk management**

(₹ in crores)

The company's activities expose it to market risk, liquidity risk and credit risk.

**(A) Credit risk**

Company faces credit risk from cash and cash equivalents, deposits with banks and financial institutions and unsecured trade receivables. The company doesn't face any credit risk with other financial assets

**Credit risk management**

Credit risk on deposit is mitigated by the depositing the funds in reputed public sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. Historical trends showed as at the transition date and 31<sup>st</sup> March 2017 company had no significant credit risk.

**(B) Liquidity risk**

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

**i) Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Fixed Rate</b>		
Expiring within one year (cash credit facility)	(0.03)	4.33

The credit facilities may be drawn at any time by the Company. Subject to the continuance of satisfactory credit ratings, the loan facilities may be withdrawn at any time by the Bank

**ii) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is insignificant.

**Contractual maturities of financial liabilities**

	31 <sup>st</sup> March, 2020			31 <sup>st</sup> March, 2019		
	Maturing within 1 year	Maturing after 1 year	Total	Maturing within 1 year	Maturing after 1 year	Total
<b>Non-derivatives</b>						
Borrowings						
Trade payables	105.63	-	105.63	87.30	-	87.30
Salaries and wages	2.46	-	2.46	3.01	-	3.01
Security Deposits	-	20.74	20.74	-	16.91	16.91
Accrued Expenses	31.16	-	31.16	25.90	-	25.90
Cash Credit from Bank	41.53	-	41.53	31.17	-	31.17
Lease Liabilities	19.10	84.51	103.61	-	-	-
Current Year Long Term Borrowings	0.57	1.58	2.15	0.62	2.22	2.83
<b>Total non-derivative liabilities</b>	<b>200.45</b>	<b>106.83</b>	<b>307.29</b>	<b>147.99</b>	<b>19.13</b>	<b>167.12</b>

**(C) Market risk**

The only risk that the company faces with respect to market risk is fluctuation in foreign currency movements against INR

**Foreign currency risk**

The company activities exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The company's significant exposure to foreign currency risk at the end of the reporting period expressed in INR Crores, are as follows

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Financial liabilities</b>		
Trade payables		
Exposure to foreign currency risk (liabilities)	12.05	6.85
<b>Net exposure to foreign currency risk</b>	<b>12.05</b>	<b>6.85</b>

The fluctuations in foreign currency exchange rates does not have a significant impact on the Company's profitability.


**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**
**37. Capital Risk management**

(₹ in crores)

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain an optimal gearing ratio. The gearing ratios were as follows:

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Net debt	41.90	27.89
Total equity	216.12	229.68
<b>Net debt to equity ratio</b>	<b>19.4%</b>	<b>12.1%</b>

**Loan covenants**

Under the terms of borrowings, the company is required to comply with the following financial covenants:

Minimum Current Ratio of 2.58

The company has complied with the above covenant throughout the year

**38. Related party transactions**

**Related Parties with whom transactions have taken place during the year:**

**Key Managerial Personnel:**

Mr. V. Rajagopal

Mrs. Rama Rajagopal

Mr. Charath Ram Narasimhan

**Relatives of Key Managerial Personnel**

Mr. Vidyuth Venkatesh Rajagopal (Appointed as Additional Director w.e.f 25<sup>th</sup> June, 2020)

Ms. Anjali Rajagopal

**Enterprises under Control or Significant Influence of Key Managerial Personnel / Relatives of Key Managerial Personnel**

M/s Celebrity Fashions Limited

Others

ITFL Employees Gratuity Fund\*\*

Transactions carried out with Related Parties during the Year	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Managerial Remuneration	1.63	2.65
Salaries - Anjali Rajagopal	-	0.11
Job work Charges, Material Purchases and Rental Income - Celebrity Fashions Limited	23.84	16.94

Outstanding Balances	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Payable as Managerial Remuneration	0.07	0.07
Loan given to Mr. Charath Ram Narasimhan (Managing Director & CEO)	2.00	2.00
Trade Payables - Celebrity Fashions Limited	11.85	12.52

\* Loans and advances to employees includes a sum of ₹ 2.00 Crores advanced to of the Company Mr. Charath Ram Narasimhan when he was a employee of the Company and not a member of the board. Mr. Charath Ram Narsimhan was appointed as Managing Director of the Company on 08.08.2018. (refer note 10)

\*\* Transaction and balances with Gratuity fund has been disclosed in Note 39

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**
**39. Employee benefit plans**

(₹ in crores)

**Defined benefit plans**
**Gratuity**

Particulars	For the year Ended	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Present Value of obligations at the beginning of the year</b>	1.17	1.06
Current service cost	0.33	0.23
Interest Cost	0.07	0.07
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from demographic assumption changes	(0.12)	(0.01)
- Actuarial gains and losses arising from change in financial assumption	(2.14)	0.23
- Actuarial gains and losses arising from experience adjustment	2.25	(0.12)
Benefits paid	(0.07)	(0.28)
<b>Present Value of obligations at the end of the year</b>	<b>1.50</b>	<b>1.17</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of year</b>	0.08	0.34
Interest Income	-	0.01
Actuarial gain/loss	-	-
Contributions from the employer	-	-
Benefits Paid	(0.07)	(0.28)
<b>Fair Value of plan assets at the end of the year</b>	<b>0.01</b>	<b>0.08</b>
<b>Amounts recognized in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	1.50	1.17
Fair value of plan assets at end of the year	(0.01)	(0.08)
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>1.49</b>	<b>1.09</b>
<b>Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	0.33	0.23
Net Interest Expense	0.07	0.05
<b>Net Cost in Profit or Loss</b>	<b>0.40</b>	<b>0.28</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from demographic assumption changes	(0.12)	(0.01)
- Actuarial gains and losses arising from change in financial assumption	(2.14)	0.22
- Actuarial gains and losses arising from experience adjustment	2.25	(0.12)
Return on plan assets	-	-
<b>Net Cost in Other Comprehensive Income</b>	<b>(0.00)</b>	<b>0.09</b>
<b>Assumptions</b>		
Discount rate	6.6%	7.5%
Expected rate of salary increases	5%	5.00% to 12.00%
Expected rate of attrition	28.7%	28.7%
Average age of members	29.42	29.42
Mortality (IALM (2006-2008) Ultimate)		

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

## Sensitivity Analysis

Impact on change in assumptions on liability

(₹ in crores)

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Discount rate		
- 1% increase	1.40	1.10
- 1% decrease	1.61	1.24
Salary growth rate		
- 1% increase	1.60	1.24
- 1% decrease	1.40	1.11
Attrition rate		
- increase of 1% of attrition rate	1.49	1.17
- decrease of 1% of attrition rate	1.51	1.17
Mortality rate		
- increase of 10% of mortality rate	1.50	1.17

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age :

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**Risk exposure**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

**Changes in bond:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

**Significant Estimates**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes.

**NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(₹ in crores)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Other disclosures</b>		
<b>40. Commitments</b>		
<b>(a) Capital commitments</b>		
<b>Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:</b>		
Property, plant and equipment	2.45	1.44
Intangible assets under development	-	-
<b>41. Contingent liabilities</b>		
i) Claims against Company not acknowledged as Debts, being demands from Commissionerate of Central Excise on availing Input Credit of Service Tax. Based on the advise of its legal counsels and interpretation of the relevant regulations governing the levy of Excise Duty, the Company is of the opinion that the issues raised in the demand notice are unlikely to be sustained. Accordingly no provision has been made for such demands. During the year the Company has paid the tax amount under Sabka Vishwas Scheme.	0.52	1.97
ii) Guarantees given by Banks and Counter Guaranteed by the Company	0.41	0.38
iii) On account of Letters of Credit issued by Bankers on behalf of the Company	7.79	0.58
iv) Bill Discounting	16.40	0.00

**42. Segment Information**

Chief Operating Decision Makers (CODM) evaluates the company's performance and allocate resources based on the analysis of various performance indicators of the company as a single unit. Therefore there is single reportable segment for the company.

**43. Impact of lockdown due to COVID-19 situation**

The outbreak of COVID-19 across globe and India has resulted in pandemic. The Central Government has imposed nation wide lockdown from 23<sup>rd</sup> March 2020 to prevent the spread. The Company had shut down warehouse / stores operational activities across its locations, impacting the business during the quarter.

The Company has taken and shall continue to take various steps to protect employees from pandemic. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, right of use asset other intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

The Company has resumed its business activities by reopening its warehouse and retail stores on a gradual basis in line with the guidelines issued by the State / Central Government authorities.

The accompanying notes are an integral part of the financial statements

For SRSV & Associates  
Chartered Accountants  
ICAI Firm Reg No.015041S

sd/-  
Rama Rajagopal  
Whole Time Director  
(DIN: 00003565)

For and on Behalf of the Board  
sd/-  
V. Rajagopal  
Chairman & Whole Time Director  
(DIN: 00003625)

sd/-  
V. Rajeswaran  
Partner  
& CEO Membership No.020881

sd/-  
S. Ramachandran  
Chief Financial Officer

sd/-  
Ravi. B.S.G  
Company Secretary

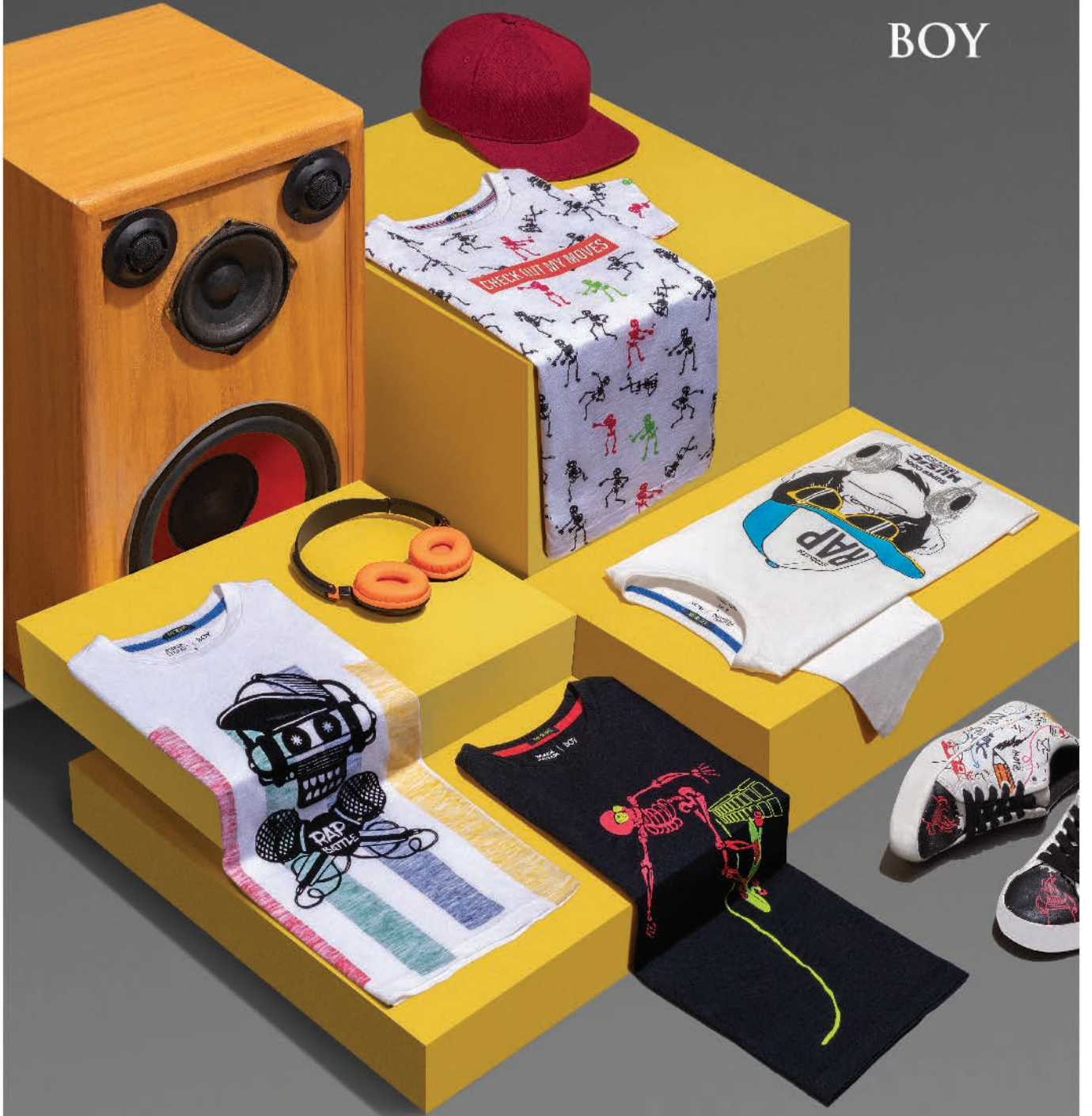
sd/-  
Charath Ram Narsimhan  
Managing Director  
(DIN: 06497859)

Chennai, 25<sup>th</sup> June, 2020



INDIAN  
TERRAIN

BOY



*Dressing up a younger ferrain.*

  
INDIAN  
TERRAIN

BOY





INDIAN  
TERRAIN