



ITFL/SEC/2023-2024/AUG/10

26th August 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th 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 2022-2023 & Notice convening 14th Annual General Meeting

Ref.: Reg.30 and 34 of SEBI (LODR) Regulations, 2015

This is to inform that the 14th Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, 18th September 2023 at 11.00 A.M. IST through video conferencing/ other audio-visual means.

The Annual Report for the financial year 2022-2023 along with Notice convening the 14th 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 18th August 2023 through e-mail mode only and will be available in the website of the Company 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**

E. Elamugilan
Company Secretary & Compliance Officer

Encl.: As above



INDIAN
TERRAIN



ANNUAL REPORT
2022-23



NOTE FROM THE CHAIRMAN

Dear Shareholders,

As we celebrate, the unprecedented achievements of our space scientists in going to uncharted terrains and doing what no nation has done before, it tells a tale of a confident, emerging India and of a time that has come for our nation. Of exploring every terrain and setting audacious goals. The upcoming decade will be one where India will find its pride of place in the world.

It is against this backdrop that I am pleased to present the performance of your company for the past year and outline its future. The past year was unique in many ways. Your company crossed the milestone revenue of ₹500 Cr and this now sets the base for a strong growth trajectory in the years to come. This was a 50% growth over FY 2022 and in two years your company has more than doubled its revenues from the lows of the COVID impacted FY21. In addition, your company achieved an EBIDTA of ₹55 Cr and a ₹11 Cr PBT. In summary a healthy financial performance overall.

The first few months saw the complete opening of the economy and an immense retail boom which saw one of the highest growth rates for the industry and for your company as well. However, the dual challenges of decadal high inflationary pressures and the extraordinary rise of cotton prices had a dampening effect on consumption especially in the semi urban areas in the post festive period, the full effects of which continue to be seen till summer of this year.

The above notwithstanding, the fundamentals of the organized retail and underlying consumption story for India are strong and will only continue to grow over the next few years. With a rapid increase in retail penetration, a younger demographic which aspires for branded products and an increasing casualization of the wardrobe all augur well for the growth of your company.

We continue to see the positive effect of our strategic decisions on expanding direct to consumer retail through own stores, adding a total of 15,000 sqft of net retail space. Today we cover more than 250,000 sqft of retail space across 240 stores with a key thrust on the South – West corridor of India and covering more than 110 towns. The opportunity in the hinterland continues to be immense with aspiration and accessibility being constantly enhanced. It with an eye on this that we continue to

power ahead our retail expansion with an aim to add another 100,000 sqft of Exclusive retail store space covering 100 stores and reaching our brand to 175 towns across the country. In the next 3 years Retail will account for 55-60% of the company's turnover and this in turn will provide significant benefits of a direct consumer connect, ability to cross sell and upsell and create a sticky consumer segment.

We stand committed to building a sustainable planet with a deeper engagement through our partner FAIRTRADE and expanding the product portfolio. Furthermore, through use of several other sustainable raw materials, 15% our product range is now fully sustainable and in the next 3 years we will continuously be increasing this share to 25-30%. In addition, I am proud to state that your company has almost eliminated the use of virgin plastic in any of its products and packaging materials.

The Indian lifestyle retail landscape is uniquely challenged by the trilemma of Growth, Profitability and Cash Flows. Towards this your company has taken an approach of build and consolidate and is firmly focused on improving profitability and Cash Flows as a key goal for the next 2-3 years. After the strong growth of the past two years FY 24- 26 will see a strong focus on building a healthy cash flow business and towards this all-necessary steps are being taken.

As a pivotal step in this direction your company has decided to strategically keep its focus on the Core Menswear business only and significantly reduce exposure to the Boyswear business. There is immense untapped opportunity in the menswear segment and as we expand our retail and product footprint, we are well positioned to capture this. This decision will have minimal impact on revenues and profitability and will on the other hand release working capital and associated costs which can be better use to scale up the menswear business further.

The Other area of focus for growth will be E Commerce. As a young and digital India takes to newer technology adoption rapidly, E-Commerce through both marketplaces and brand webstore are poised to grow significantly. Your company is creating unique products with the desired fashion quotient to cater to this demographic and their demands, and this channel will see accelerated growth in the next few years.

As I conclude I must say that the best of intentions will come undone if not executed seamlessly and with velocity and for both of this to happen needs a committed and energized team. I am indeed proud of the entire team of Indian Terrain which has passionately and diligently helped build this brand to where it is today.

We are on the cusp of a strong consumption cycle in this country and well positioned to capitalize on the same. However, a clear lens for us will be quality of growth and consequently a strong focus on profitability and cash flow. We are here today because of your unwavering support as shareholders and for that I am immensely grateful and as we look ahead to a brighter future I look forward to your presence in this exciting journey.

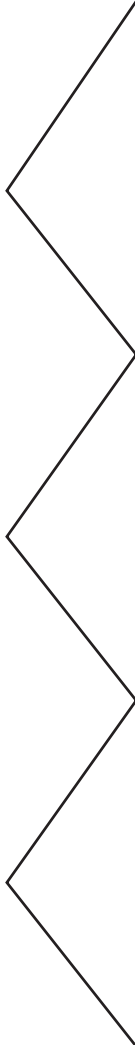
Sincerely,

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	Non-Executive Director
Mr. Charath Ram Narsimhan	Managing Director & CEO
Mr. Vidyuth Venkatesh Rajagopal	Joint Managing Director
Mr. N.K. Ranganath	Independent Director
Mr. Harsh Bahadur	Independent Director
Mr. Manoj Mohanka	Independent Director
Mr. Kalpathi S.Suresh	Independent Director
(Tenure Expired w.e.f 27th May, 2023)	
Mrs. Nidhi Reddy	Independent Director

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. M. Thiyagarajan

Company Secretary & Compliance Officer

Mr. E. Elamugilan

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
Teynampet, Chennai- 600018

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

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



NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th Annual General Meeting of the shareholders of Indian Terrain Fashions Limited will be held on Monday, 18th September, 2023 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023 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 APPROVE REAPPOINTMENT OF MR. VENKATESH RAJAGOPAL (DIN: 00003625) AS EXECUTIVE CHAIRMAN AND WHOLE TIME 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, if any, of 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 reappointment of Mr. Venkatesh Rajagopal (DIN: 00003625) as Executive Chairman and Whole time Director of the Company for a period of 03 (three) years with effect from 08th August, 2023 as per the terms and conditions including remuneration set out in the explanatory statement annexed to the notice and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the members of the Company be and hereby authorize the Board of Directors/ Nomination and Remuneration Committee, 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 and permitted or authorized as per the provisions the Act for the time being in force including any statutory modification(s) or re-enactment thereof.

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

RESOLVED FURTHER THAT the Board of Directors of the Company and/or 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 APPROVE REAPPOINTMENT OF MR. CHARATH RAM NARSIMHAN (DIN: 06497859), MANAGING DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass with or without modification, 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 reappointment of Mr. Charath Ram Narsimhan (DIN: 06497859) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company for a period of 03 (three) years with effect from 08th August, 2023 as per the terms and conditions including remuneration set out in the explanatory statement annexed to the notice and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the members of the Company be and hereby authorize the Board of Directors/ Nomination and Remuneration Committee, 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 and permitted or authorized as per the provisions the Act for the time being in force including any statutory modification(s) or re-enactment thereof

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

RESOLVED FURTHER THAT the Board of Directors of the Company and /or 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."

5. TO AUTHORISE THE CHANGE IN ADDRESS OF REGISTERED OFFICE

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

"RESOLVED THAT Pursuant to provisions of Sections 12 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 and includes any other applicable provisions, including amendments thereto for the time being in force, the consent of the members be and is hereby accorded for shifting of registered office of the Company from its present location at 208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai- 600100 to "Survey No 549/2 & 232 Plot No.4, Thirukkachiur & Sengundram Industrial Area Singaperumal Koil, Post, Chengalpattu, Tamil Nadu 603204", which is under the jurisdiction of Maraimalai Nagar Police Station

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Company Secretary be and are hereby severally authorized to sign, execute any deeds, documents and file with Registrar of Companies, the required Eform and any other statutory body, if required, the verification of the situation of the registered office of the Company and any other necessary documents.

By Order of the Board
For INDIAN TERRAIN FASHIONS LIMITED

sd/-
Date: 14th August, 2023
Place: Chennai

E. Elamugilan
Company Secretary
Membership No.: A33396

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 14th Annual General Meeting (AGM) shall be conducted through video conferencing (VC) or Other Audio Visual Means (OAVM) as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No.10/2022 dated 28th December, 2022 read with other relevant circulars of MCA (collectively called, 'MCA Circulars') and SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 read with SEBI circular No. SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2021/ 11 dated 15th January, 2021 and other relevant circulars of SEBI (collectively called, 'SEBI Circulars') and other applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
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 30th September, 2023. 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 to 5 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 12th September, 2023 to 18th September, 2023 (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. As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 01st April, 2019, and with effect from 24th January, 2022 the request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository and the transmission or transposition of securities held in physical or dematerialised form shall also be effected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
8. 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. E. Elamugilan, Company Secretary & Compliance Officer at the Corporate Office of the Company (Phone: (044) 4227 9241; Email: response.itfl@indianterrain.com).
9. The queries on the accounts and operation of the Company, if any, may please be sent to the Company at No.208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai-600100. 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.
10. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th 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.
11. 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 Monday, 11th September, 2023.
12. 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 cast their vote by remote e-voting shall be able to exercise their right during the AGM.
13. 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.
14. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st 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 of the Company, promptly.
15. 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.
16. 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.
17. **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 21st April, 2011 and Circular No.18/2011, dated 29th 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, Directors 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 14th AGM and Annual Report for the financial year 2022-23 of the Company inter-alia 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 2022-23 will not be sent as per the SEBI and MCA guidelines.
18. **Instructions for attending the AGM through VC/OAVM and Electronic Voting:**
 - a) The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No.10/2022 dated 28th December 2022 read with other relevant circulars of MCA (collectively called, 'MCA Circulars') and SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 read with SEBI circular No. SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2021/ 11 dated 15th January, 2021. 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 08th April, 2020, 13th April, 2020 and 05th 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 the 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 Companies Act, 2013.
 - e) Pursuant to MCA Circular No. 14/2020 dated 08th 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 13th 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 08th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 05th May, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING DURING AGM/ EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- The voting period begins on 13th September, 2023 at 9.00 a.m. (IST) and ends on 17th September, 2023 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 11th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https:// eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdideasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.



Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) 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"> • 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.
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"> • 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).

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. 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.
- xvi. Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.

• 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 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 Scrutinizer and to the Company at the email address viz; response@indianterrain.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 06 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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 meeting.

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 update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

- 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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
19. 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 11th September, 2023
 20. The Board of Directors has appointed BP & Associates, (Entity ID:83104), Practicing Company Secretary, New No. 443 & 445,5th Floor, Annexe 1, Guna Complex, Anna Salai, Teynampet, Chennai- 600018. as the Scrutiniser for conducting the voting process (e-Voting and Poll) in a fair and transparent manner.
 21. The Scrutinizer shall, immediately after the conclusion of e-voting during the AGM, first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
 22. The results shall be declared by the Chairman or by any person authorised by him in this regard on or before 20th September, 2023. The result along with the Scrutiniser's report shall be placed on the Company's website 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: 14th August, 2023
Place: Chennai

sd/-
E.Elamugilan
Company Secretary
Membership No.: A33396

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

Annexed to the Notice of 14th Annual General Meeting scheduled to be held on Monday, 18th September, 2023.

Item No.2

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	66 years
3.	Nationality	Indian
4.	Designation/category of the Director	Non-Executive (Non-Independent) Director.
5.	Profile/ Qualification	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 th September 2009.
6.	Expertise in specific functional areas	General Management and Administration
7.	Date of first appointment to the Board	01st October 2013
8.	Term of previous appointment	Non-Executive (Non-Independent) Director.
9.	Terms and Conditions of appointment / reappointment	Re-appointment as a Non-Executive, Non-Independent Director under sec 152(6) of Companies Act 2013.
10.	Remuneration last drawn for the FY 2022-23	Nil
11.	Revised Remuneration sought to be paid	Not Applicable
12.	No. of Shares held	83,66,930 equity shares (18.89%) as on 30 th June, 2023
13.	Relationship	<p><u>Relationship with directors</u></p> <ul style="list-style-type: none"> • Spouse of Mr. Venkatesh Rajagopal • Mother of Mr. Vidyuth Venkatesh Rajagopal <p><u>Relationship with Manager</u></p> <ul style="list-style-type: none"> • NA <p><u>Relationship with Key Managerial Personnel</u></p> <ul style="list-style-type: none"> • NIL
14.	No of Board Meetings attended / held during the year FY 2022-23	4/4
15.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
16.	Chairpersonship / Membership in committees of other Entities	<p><u>Celebrity Fashions Limited</u></p> <ul style="list-style-type: none"> • Chairman - Corporate Social Responsibility Committee
17.	Listed entities from which the Director has resigned in the past three years	Nil

Item No.3

Mr. Venkatesh Rajagopal (DIN 00003625) was appointed as the Chairman and Whole time Director for a period of 5 (five) years with effect from 08th August, 2018 to 07th August, 2023. Mr. Venkatesh Rajagopal will complete his present term on 07th August, 2023.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 19th May 2023, subject to the approval of the members, re-appointed Mr. Venkatesh Rajagopal as the Chairman and Whole time Director of the Company for a period of 3 (three) years with effect from 08th August, 2023, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board for a period of three years (08th August, 2023 to 07th August, 2026), as mentioned in the resolution and here above.



Taking into account the quality of experience, textile Industries exposure, leadership, scale of business handled, current & future needs of the business, present performance and potential assessment, the Board recommends re-appointment of Mr. Venkatesh Rajagopal as the Chairman and Whole time Director of the Company, for a period of 3 years, w.e.f .08th August, 2023 on the terms as to remuneration and otherwise as set out in the Resolution at the Item No. 3

Brief Profile of Mr. Venkatesh Rajagopal:

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.

The terms and conditions of his appointment are detailed below.

S.NO	PARTICULARS	DESCRIPTION
1	Salary (Fixed Pay)	₹8,00,000/- Per month.
2	Commission on variable basis	In addition to the above, he shall be entitled to receive 2% of Net profits (as per Section 198 of the Act) for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act.
3	Medical Benefits	Suitable Mediclaim Policy for hospitalization for himself and family. Reimbursement of all actual medical expenses for himself and family to the extent not reimbursed under Mediclaim Policy.
4	Telephone	Telephone, Tele fax and other communication facilities at his residence at Company's cost.
5	Automobile	He shall be entitled for a Car fully maintained by the Company with driver for Company's purpose.
6	Reimbursement of expenses	He shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
7	Sitting Fees	He will not be entitled to any sitting fees for attending the meetings of the Board or of any Committees hereof.

The Board of directors/Nomination and Remuneration Committee of the Company be authorized to alter or vary the remuneration and perquisites of Mr. Venkatesh Rajagopal 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).

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 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 of the Notice except Mr. Venkatesh Rajagopal being the appointee and Mrs. Rama Rajagopal and their relatives.

The statement containing the information to be given to the members in terms of Schedule V of the Companies Act, 2013 is as under:

I. General Information

S.NO	CATEGORY	PARTICULARS
1.	Nature of Industry	Manufacture of all type of Textile garments and clothing accessories
2.	Date or expected date of commencement of commercial production	N.A. since the Company has already commenced its business activities
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	The Company has earned a Net profit of ₹7.09 Crs for the financial year ended 31 st March 2023
5.	Foreign Investments or collaborations, if any	Not Applicable

II. Information about the appointee

S.NO	CATEGORY	PARTICULARS
1.	Background details	Mr. Venkatesh Rajagopal is serving as the Director of the Company effective 2009. He has had significant experience across all areas of the organization. He holds a Master's degree in Arts and served in Indian Police Service
2.	Past remuneration	₹ 96,00,000/-
3.	Recognition or awards	Nil
4.	Job profile and his suitability	Job requires strong knowledge and experience in garments industry. Mr. Venkatesh Rajagopal is eminently suitable given his background.
5.	Proposed Remuneration	As per resolution given above
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is comparable and in line with the other companies of similar size and nature in the industry.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mrs. Rama Rajagopal is the spouse and Mr. Vidyuth Venkatesh Rajagopal, Joint Managing Director is the son.

III. Other Information

S.NO	CATEGORY	PARTICULARS
1.	Reasons of loss or inadequate profits	Industry trend and increase in operating cost.
2.	Steps taken or proposed to be taken for improvement	The company is undertaking various strategic initiatives including improvement to productivity and rationalisation of costs.
3.	Expected increase in productivity and profits in measurable terms	The company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

Pursuant to Secretarial Standards on General Meeting (SS-2), the details of Director whose appointment is proposed are given below:

S.NO	CATEGORY	PARTICULARS
1.	Name of the Director	Mr. Venkatesh Rajagopal (DIN: 00003625)
2.	Age	66 Years
3.	Nationality	Indian
4.	Qualification	B.A. Honors in Economics from Sri Ram College of
5.	Expertise in specific functional areas	Managerial, Financial, Marketing and Administration
6.	Date of first appointment to the Board	29 th September, 2009
7.	Terms and Conditions of Appointment / Reappointment	Appointment as Executive Chairman and Wholetime Director for the period of 3 (three) years w.e.f. 08 th August, 2023
8.	Remuneration last drawn for the FY 2022-23	₹ 96,00,000/-
9.	Remuneration proposed to be paid	Salary (Fixed Pay) : ₹ 8,00,000/- per month Commission on variable basis: In addition to the above, he shall be entitled to receive 2% of Net profits (as per Section 198 of the Act) for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act.
10.	Shareholding in this Company	66,62,115 equity shares - (15.04 %) as on 30 th June, 2023
11.	Relationship	Relationship with directors <ul style="list-style-type: none"> Spouse of Mrs. Rama Rajagopa and father of Mr. Vidyuth Venkatesh Rajagopal Relationship with Manager <ul style="list-style-type: none"> NA Relationship with Key Managerial Personnel <ul style="list-style-type: none"> NIL
12.	No of Board meetings attended and held during the year	4/4
13.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
14.	Chairpersonship/Membership in committees of other Entities	Celebrity Fashions Limited <ul style="list-style-type: none"> Chairman - Corporate Social Responsibility Committee
15.	Listed entities from which the Director has resigned in the past three years	Nil

Item No.4

Mr. Charath Ram Narsimhan (DIN: 06497859) was appointed as Managing Director of the Company for a period of 5 (five) years with effect from 08th August, 2018 to 07th August 2023. Mr. Charath Ram Narsimhan will complete his present term on 07th August 2023.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 19th May 2023, subject to the approval of the members, re-appointed Mr. Charath Ram Narsimhan as Managing Director of the Company for a period of 3 (three) years with effect from 08th August, 2023, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board.

Further the Board was extremely pleased at the manner in which Mr. Charath Ram Narsimhan has led this Company till date and unanimously decided to reappoint Mr. Charath Ram Narsimhan as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company for the period of 03 (three) consecutive years with effect from (08th August, 2023 to 07th August, 2026), subject to the approval of the members of the Company.

The terms and conditions of his appointment are detailed below.

S.NO	PARTICULARS	DESCRIPTION
1	Salary (Fixed Pay)	₹6,00,000/- Per month
2	Commission on variable basis	In addition to the above, he shall be entitled to receive 1% of Net profits (as per Section 198 of the Act) for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act.
3	Medical Benefits	Suitable Mediclaim Policy for hospitalization for himself and family. Reimbursement of all actual medical expenses for himself and family to the extent not reimbursed under Mediclaim Policy.
4	Telephone	Telephone, Tele fax and other communication facilities at his residence at Company's cost.
5	Automobile	He shall be entitled for a Car fully maintained by the Company with driver for Company's purpose.
6	Reimbursement of expenses	He shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
7	Sitting Fees	He will not be entitled to any sitting fees for attending the meetings of the Board or of any Committees thereof.

The Board of directors/Nomination and Remuneration Committee of the Company be authorized to alter or vary the remuneration and perquisites of Mr. Charath Ram Narsimhan 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).

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. 4 of the notice are recommended to be passed as an ordinary resolution.

Except Mr. Charath Ram Narsimhan being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The statement containing the information to be given to the members in terms of Schedule V of the Companies Act, 2013 is as under:

I. General Information

S.NO	CATEGORY	PARTICULARS
1.	Nature of Industry	Manufacture of all type of Textile garments and clothing accessories
2.	Date or expected date of commencement of commercial production	N.A. since the Company has already commenced its business activities
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	The Company has earned a Net profit of ₹ 7.09 Crs for the financial year ended 31 st March, 2023
5.	Foreign Investments or collaborations, if any	Not Applicable



II. Information about the appointee

S.NO	CATEGORY	PARTICULARS
1.	Background details	Mr. Charath Ram Narsimhan is serving as the Director of the Company, having over 2 decades of rich experience in garment industries. He has had significant experience across all areas of the organization. He holds a bachelor's degree from IIT & Master's degree from IIM Lucknow.
2.	Past remuneration	₹ 72,00,000/-
3.	Recognition or awards	Nil
4.	Job profile and his suitability	Job requires strong knowledge and experience in garments industry. Mr. Charath Ram Narsimhan is eminently suitable given his background.
5.	Proposed Remuneration	As per resolution given above
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is comparable and in line with the other companies of similar size and nature in the industry.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Nil

III. Other Information

S.NO	CATEGORY	PARTICULARS
1.	Reasons of loss or inadequate profits	Industry trend and increase in operating cost.
2.	Steps taken or proposed to be taken for improvement	The company is undertaking various strategic initiatives including improvement to productivity and rationalisation of costs.
3.	Expected increase in productivity and profits in measurable terms	The company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

Pursuant to Secretarial Standards on General Meeting (SS-2), the details of Director whose appointment is proposed are given below:

S.NO	CATEGORY	PARTICULARS
1.	Name of Director	Mr. Charath Ram Narsimhan (DIN: 06497859)
2.	Age	46 years
3.	Nationality	Indian
4.	Brief Profile and Qualification	Mr. Charath Ram Narsimhan holds a B.Tech. degree from IIT and PGDBM (Finance) from IIM-Lucknow. Having over two decades of rich experience in garment industries.
5.	Expertise in specific functional areas	Expertise area includes Managerial, Financial, Commercial, Systems and Administration.
6.	Date of first appointment to the Board	08 th August, 2018
7.	Terms and Conditions of appointment / reappointment	Appointment as Managing Director for the period of 3 (three) years w.e.f. 08 th August, 2023 and he continue as Chief Executive Officer of the Company.
8.	Remuneration last drawn for the FY 2022-23	₹ 72 Lakhs
9.	Remuneration proposed to be paid	Salary (Fixed Pay): ₹ 6,00,000/- per month. Commission on variable basis : In addition to the above, he shall be entitled to receive 1% of Net profits (as per Section 198 of the Act) for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act
10.	Shareholding in this company	752141 equity shares (1.70%)

11.	Relationship	Not related to any Director/ Key Managerial Personnel
12.	No. of Board meetings attended and held during the year	4/4 meetings
13.	Name(s) of other entities in which holding of directorship	Nil
14.	Chairpersonship/ Membership in committees of other Entities	Nil
15.	Listed entities from which the Director has resigned in the past three years	Nil

Item No.5

The Registered office of the Company is presently situated at No. 208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai- 600100. With a view to improve the operational efficiency of the Company, the Board of Directors is proposing for shifting of the Registered office of the Company to "Survey No 549/2 & 232 Plot No.4, Thirukkachiur & Sengundram Industrial Area Singaperumal Koil, Post, Chengalpattu, Tamil Nadu 603204".

In accordance with provisions of section 12(5) of the Companies act, 2013, except on the authority of a special resolution passed by the Company, the registered office of the Company shall not be changed, outside the local limits of the any city, town or village where such office is situated.

Accordingly, consent of the members of the company is sought for passing of the special resolution as set out in Item No. 5 of the Notice.

None of the Directors and Key managerial personal of the company and their respective relatives is concerned or interested or financially or otherwise, in the resolution of Item no. 5.

The Board commends the special resolution set out at item No. 5 for the approval of the members of the Company.

By Order of the Board
For INDIAN TERRAIN FASHIONS LIMITED

Date: 14th August, 2023
Place: Chennai

sd/-
E. Elamugilan
Company Secretary
Membership No.: A33396

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





BOARD'S REPORT

Dear Members,

The Directors hereby present the 14th Annual Report of the Company together with the Audited Financial statements of the Company for the financial year ended 31st March 2023.

FINANCIAL SUMMARY / HIGHLIGHTS (₹ In Crores)

Particulars	For the Year ended	
	31 st March, 2023	31 st March, 2022
Revenue	500.80	336.30
EBITDA	61.09	34.18
Finance costs	21.92	18.78
Depreciation	22.77	23.13
Exceptional items	(5.90)	-
Earnings before tax	10.50	(7.73)
Current tax		-
Deferred tax	3.41	(5.53)
(Excess)/short fall of previous year		-
Net profit/(Loss)	7.09	(2.20)
Other comprehensive income for the year	0.18	0.25
Total comprehensive income for the year	7.27	(1.95)
Earnings per Share (in ₹)	1.62	(0.54)
• Basic		
• Diluted	1.62	(0.54)

OVERVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company's revenues from operation for the FY 2023 was ₹ 500.80 Crores as against ₹ 336.30 Crores in the previous year, registering the remarkable growth. The profit/loss before taxes for the year was 10.50 Crores and net profit after taxes was at 7.09 Crores from previous year's net loss of ₹ (2.20) Crores. The total comprehensive income was at ₹ 7.27 Crores as against ₹ (1.95) 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.

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 16th February, 2015 which is applicable to the Company from 01st April, 2017 with a transition date of 01st April, 2016.

CHANGES TO SHARE CAPITAL

There was an increase in the share capital of the Company during the year under review, pursuant to the conversion of share warrants, as detailed below,

Issued, Subscribed and Paid-up Capital		
	Number of shares	Amount
As at 31 st March, 2022	4.11	8.22
The increase during the year*	0.32	0.64
As at 31 st March, 2023	4.43	8.86

*Pursuant to the allotment of 32,00,000 Equity shares (upon conversion of share warrants i.e., 16,00,000 each) to Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal on 26th May, 2022

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The company has not issued any equity shares with differential rights during the financial year.

ISSUE OF SWEAT EQUITY SHARES:

During the financial year, the company has not issued any sweat equity shares.

ISSUE OF EMPLOYEE STOCK OPTIONS:

During the financial year, the company has not issued any Shares under employee stock options.

ISSUE OF SHARES TO TRUSTEES FOR BENEFIT OF EMPLOYEES

During the financial year, the company has not issued any Shares to Trustees for the benefit of employees.

ISSUANCE OF ANY OTHER SECURITIES WHICH CARRIES A RIGHT OR OPTION TO CONVERT INTO EQUITY SHARES

During the financial year, the company has not issued any securities which carry a right or option to convert such securities into equity shares.

DIVIDEND

The Board of Directors with a view to conserve financial resources have not recommended any dividend for the financial year ended 31st March 2023. Also, during the year, there were no unclaimed dividends which had to be transferred to IEPF by the Company.

TRANSFER TO RESERVES

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

The Reserve at the end of the year 31st March, 2023 is at ₹202.68 Crores as against ₹ 188.31 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 31st March, 2023 forms part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis and were placed and approved by the Audit Committee. During the financial year 2022-2023, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of the Act. Hence, the disclosure of related party transactions in Form AOC-2 is not applicable.

The Company has framed a policy on Related Party Transactions and the same has been displayed on the Company's website www.indianterrain.com.

During the financial year 2022-23, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company and that require an approval of the Members in terms of the SEBI Listing Regulations. Suitable disclosures as required under IND AS 24 have been made in the Notes to the financial statements.

During the year ended 31st March, 2023, the approval of the Members was obtained for the material RPTs (under SEBI Listing Regulations) to be entered into with Indian Terrain Fashions Limited for the FY 2022-23.

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 and available on the Company's website <https://storage.sg.content-cdn.io/in-resources/22a79ec5-e694-4d7a-ac5a-85c8fa45b7f1/PDF/code-of-conduct-apr-19.pdf>. The Board of Directors and senior management personnel have affirmed compliance with the Code of conduct as on 31st March 2023.

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 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 <https://storage.sg.content-cdn.io/in-resources/22a79ec5-e694-4d7a-ac5a-85c8fa45b7f1/PDF/csr-policy-of-itfl.pdf>. 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-IV 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. 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, <https://storage.sg.content-cdn.io/in-resources/22a79ec5-e694-4d7a-ac5a-85c8fa45b7f1/PDF/Whistle-Blower-Policy-wef-01-Apr-19%20.pdf>.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31st March, 2023 there were no pending options to be vested or exercised.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

There were no changes in Directors and Key Managerial Personnel during the year under review,

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 31st March 2023.

REVISION OF FINANCIAL STATEMENTS OR THE BOARD'S REPORT OCCURRED DURING THE YEAR - NIL

EXTRACT OF ANNUAL RETURN

A weblink of the Annual Return is furnished in accordance with sub section (3) of Section 92 of the Companies Act, 2013 and as prescribed in Form MGT 7 of the Companies (Management and Administration) Rules, 2014, and can be accessed at Website www.indianterrain.com.

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

There were 4 (four) board meetings held during the financial year 2022-23 on 18th May 2022, 12th August 2022, 04th November 2022 and 13th February 2023. 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 31st March, 2023 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 provisions of Section 178(4) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company has framed a policy with respect to the Nomination and remuneration committee.

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.

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The Nomination and Remuneration Committee Policy is available in the Company's website, <https://storage.sg.content-cdn.io/in-resources/22a79ec5-e694-4d7a-ac5a-85c8fa45b7f1/PDF/Nomination-and-Remuneration-Policy-wef-01-Apr-2019.pdf>.

REMUNERATION RECEIVED BY MANAGING/ WHOLE TIME DIRECTOR FROM THE COMPANY, HOLDING OR SUBSIDIARY COMPANY:

(₹ in Lakhs)

NAME OF DIRECTORS	DESIGNATION	REMUNERATION
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	96.00
Mr. Charath Ram Narsimhan	Managing Director & CEO	72.00

*Managerial remuneration includes perquisites

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

There were no change in nature of business during the year under review.

No Companies have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year under review.

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 SYSTEMS AND ADEQUACY

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 31st March 2023, 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 <https://storage.sg.content-cdn.io/in-resources/22a79ec5-e694-4d7a-ac5a-85c8fa45b7f1/PDF/familiarisation-programme-for-independent-directors-itfl.pdf>.

AUDITORS

STATUTORY AUDITORS

M/s SRSV & Associates, Chartered Accountants, Chennai is the Statutory Auditors of the Company. The Statutory Auditors were appointed in the 10th Annual General Meeting of the Company to hold the office till the conclusion of the 15th 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 31st March, 2023 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, Practising Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31st March, 2023 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 and it's self-explanatory.

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 2022-23 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.

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 behaviours. Positive workplace environment and a great employee experience are integral parts of our culture.

The Company has zero tolerance towards sexual harassment at workplace. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at workplace 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 31st March 2023, 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:

- in the preparation of the annual accounts for the financial year ended 31st March 2023, 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;
- 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;
- 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;
- the directors have prepared the annual accounts on a going concern basis;
- 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;
- 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 2022-23.

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 : ₹ 52.26 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.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

There were no such instances during the year under review.

PERSONNEL

The employee relations have been very cordial during the financial year ended 31st March 2023. 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: 19th May, 2023
Place: Chennai

sd/-
Venkatesh Rajagopal
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 2022-2023:

Name of Directors	Designation	Ratio to median remuneration
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	14:1
Mr. Charath Ram Narsimhan	Managing Director & CEO	19:1

(b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-2023:

Name	Designation	% increase in remuneration in financial year 2022-2023
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	33.33%
Mr. Charath Ram Narsimhan	Managing Director & CEO	50.00%
Mr. Vidyuth Venkatesh Rajagopal	Joint Managing Director	NA
Mr. M. Thiyagarajan	Chief Financial Officer	15.00%
Mr. E. Elamugilan	Company Secretary & Compliance Officer	11.00%

(c) Percentage increase in the median remuneration of employees in the financial year 2022-2023: 8.00%

(d) The number of permanent employees on the rolls of the company: 302 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 34.82% and the average remuneration of the employees of the Company (other than managerial personnel) increased by 11.00%

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 31st March, 2023. (₹ in Lakhs)

Name	Designation	Nature of Employment	Remuneration	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of shares held by the Employee as on 31 st March, 2023	Whether he is a Relative of a Director / Manager
Mr. Venkatesh Rajagopal	WTD	Full Time	*96.00	M.A., I.P.S., 42 years	29 th Sep, 2009	66	Celebrity Fashions Limited	15.04%	Yes
Mr. Charath Ram Narsimhan	MD Cum CEO	Full Time	*72.00	B. Tech (IIT), PGDBM (IIM), 25 years	07 th Nov, 2005	51	Madura garments	1.69%	No

*Managerial remuneration includes perquisites

For and on behalf of the Board

Date: 19th May, 2023
Place : Chennai

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



ANNEXURE - III TO BOARD'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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,

We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on, 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 31st March, 2023 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 thereunder 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;
- vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- vii. 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 generally complied with.

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

1. The Company had intimated to the stock exchange with a delay of Two days about the Board Meeting of the Company held on 12th August 2022 for considering the unaudited financial results of the Company for the period ended 30th June 2022, which was non-compliance with Regulation 29(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequently the Company has paid fines of ₹11,800/- (Including Tax) with respect to Non-Compliance of

Regulation 29 of SEBI (LODR) Regulations, 2015 on 15th September, 2022 to BSE & NSE.

2. The company has a Structured Digital Database (SDD) for handling Unpublished Price Sensitive information. However, there were gaps in the implementation of SDD in line with Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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 (Delisting of Equity Shares) Regulations, 2009;
- ii. 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. The Company have allotted 32,00,000 Equity Shares, on the conversion of the warrant by passing circular resolution on 26th May, 2022 to the promoters of the Company namely, Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal.
2. The Company have approved the waiver of recovery of excess remuneration paid to Mr. venkatesh Rajagopal (DIN: 00003625), Whole time director of the company during the Financial Year 2021-2022 at the Annual General Meeting on 09th September, 2022.
3. The Company have increased the Managerial remuneration payable to Mr. venkatesh Rajagopal (DIN: 00003625), Whole time director and Mr. Charath Ram Narsimhan (DIN: 06497859), Managing Director & Chief Executive Officer of the company with effect from 01st April, 2022 at the Annual General Meeting on 09th September, 2022.
4. The Shareholders of the Company have approved the change in designation for Mrs. Rama Rajagopal (DIN: 00003565) from executive to Non- Executive Director of the Company at the Annual General Meeting held on 09th September, 2022.

For BP & Associates
Company Secretaries

sd/-
Date: 19th May, 2023
Place: Chennai

sd/-
K. J. Chandra Mouli
Partner
M No: F11720
CP No: 15708
UDIN: F011720E000326531

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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
Peer Review No. P2015TN040200

sd/-

K. J. Chandra Mouli
Partner
M No: F11720
CP No: 15708

Date: 19th May, 2023
Place: Chennai





ANNEXURE- IV TO BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY REPORT

1) Brief outline on CSR Policy of the Company:

INDIAN TERRAIN FASHIONS LIMITED ("Company") recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR for sustainable development. The Company through its CSR Committee shall identify the activities/projects in line with Section 135 read with Schedule VII of the Companies Act 2013 and the Rules made thereunder. Our company is committed for better utilisation of CSR funds so that it can serve the of public at large.

2) Composition of CSR Committee:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Rama Rajagopal	Chairperson of the Committee	1	1
2	Mr. Venkatesh Rajagopal	Member	1	1
3	Mr. N. K. Ranganath	Member	1	1
4	Mr. K.S.Suresh	Member	1	1
5	Mr. Charath Ram Narsimhan	Member	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://storage.sg.content-cdn.io/in-resources/22a79ec5-e694-4d7a-ac5a-85c8fa45b7f1/PDF/csr-policy-of-itfl.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable..

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable

6. Average net profit of the company as per section 135(5): ₹-17.16 Lakhs.

7. (a) Two percent of average net profit of the company as per section 135(5): NIL

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): NA

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
-	-	-	Prime Minister Relief Fund -PMRF	₹1051000	03 rd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹2500000	03 rd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹1263677	03 rd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹2500000	03 rd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹2171333	03 rd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹2500000	22 nd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹2500000	22 nd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹1829192	22 nd November,2022
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	14 th February,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	22 nd February,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	28 th February,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	17 th March,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹257029	31 st March,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹243568	31 st March,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023

-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023
-	-	-	Prime Minister Relief Fund -PMRF	₹1000000	04 th May,2023

Note: An amount of ₹ 2.78 Crores being cumulative outstanding CSR obligations as at the end of previous financial years have also been transferred to the Government Funds specified under Schedule VII as mandated under second proviso to section 135(5) making the overall CSR outstanding as NIL.

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **NA**

(c) Details of CSR amount spent against other than **ongoing projects** for the financial year:

(₹ in Crores)

Sl.No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent in the current financial year	Mode of implementation	Mode of implementation - Through implementing agency	
				State	District			Direct (Yes/No)	Name
1	Environment Sustainability	IV - environmental sustainability	Yes	Tamil Nadu	Chennai	0.01	No	Rotary Club of Madras East Trust	NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+:8e): NIL

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	₹ 1,05,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1,05,000/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1,05,000/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL Lakhs

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

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

sd/-
Venkatesh Rajagopal
Member-CSR Committee

sd/-
Rama Rajagopal
Chairperson, CSR Committee



MANAGEMENT DISCUSSION & ANALYSIS

Macroeconomic Overview

Indian Economy Overview

The Indian economy continues to remain buoyant amidst ongoing challenges posed by overlapping crises, including liquidity troubles and global bank crises. Recent revisions in GDP data indicate that India has fared better than previously believed, with stronger growth in manufacturing and construction sectors.

Despite the contraction in global demand and high inflation in developed countries, Indian exports remained resilient and experienced strong growth. The economy in the country witnessed improvement in consumption demand, driven by a sustained recovery in discretionary spending, particularly in the travel, tourism, and hospitality sectors. This revival in consumer sentiment, coupled with increased public capital expenditure, supported a slight recovery in investment activities and led to higher capacity utilization across sectors. However, monetary tightening by the Reserve Bank of India (RBI) curtailed overall economic growth in the country.

Outlook

The International Monetary Fund (IMF) projects India's growth rate at 5.9% for FY 2023-24 and an average rate of 6.1% over the next five years. While consumption-driven growth is expected, investment plays a crucial role in sustaining long-term domestic demand-led growth. Investments are expected to drive job creation, income growth, productivity, and exports, supported by favourable demographics.

While uncertainties persist, high-frequency data suggests positive momentum in growth drivers. GDP growth is estimated to be around 6.0% to 6.5% in the current fiscal year, stabilizing at around 6.5% in the medium term, contingent on global economic conditions and improving fundamentals. Inflation may peak temporarily, but demand is expected to remain high, keeping prices within the upper range of the RBI's target band.

Government's policy initiatives for growth

The government's development initiatives and policies such as the PM GatiShakti, Product-Linked Incentive schemes for manufacturing and focus on infrastructure development helped sustain economic activity despite geo-political challenges, global supply chain shocks and global policy rate hikes to combat inflation. Emergency Credit Linked Guarantee Scheme (ECLGS) introduced by the central government supported sustained growth of Micro, Small, and Medium Enterprises (MSMEs). The measures by national policymakers, along with a decline in global commodity prices, contributed towards controlling inflation.

India's big retail push

India's retail industry is considered one of the most dynamic marketplaces globally. With a large consumer base, multinational corporations are eager to tap into the Indian market. The country's abundant resources, availability of relatively low-cost labour, and investment incentives such as tax breaks make it an attractive investment destination for foreign companies. India ranks fifth globally as a preferred retail destination, and per capita retail store availability is among the highest in the world.

The Kearney Research projects India's retail industry to grow at 9% between 2019 and 2030, reaching a market size of over US\$1.8 trillion by 2030. The retail sector in India has witnessed exponential growth, not only in major cities and metros but also in small cities. Factors such as healthy economic growth, changing demographics, increasing disposable income, urbanisation, and evolving consumer preferences have contributed to the expansion of the organised retail market in the country.

Despite fears of a global economic slowdown, India remains a bright spot due to its resilient domestic demand, favourable policy environment, and strong macroeconomic fundamentals.

Prominent drivers for India's retail growth

- 1) Favourable demographics: Indian consumers shifting towards aspirational and premium brands
- 2) Surge in digital payments: UPI transactions in October 2022 were valued at ₹ 12.11 lakh crore (US\$ 148.32 billion)
- 3) FDI in Retail: The retail sector of India, one of the most important emerging sectors, is attracting FDI which will play a crucial role in the country's growth
- 4) Hybrid Retail: Retail 4.0 emphasises personalisation through a combined offline and online approach and offers the potential for an adaptable, streamlined, inclusive, and interconnected retail ecosystem. This is likely to lead to transformative growth and advantages for the sector and the country's economy.

(Source: International Monetary Fund (IMF), Deloitte, Ministry of Finance, IBEF)

The E-commerce boom:

The e-commerce industry in India has experienced exceptional growth, with a remarkable 36.8% year-on-year increase in order volumes. The pandemic accelerated the shift towards online shopping in with value-conscious consumers increasingly embracing e-commerce platforms, thereby reshaping the retail landscape. This trend persisted even after the

pandemic subsided. The retail industry in India is adapting to meet the demands of online shoppers and is witnessing a transformation in the way businesses operate in the digital space.

The potential of the e-commerce market in India is substantial, with a projected Gross Merchandise Value (GMV) of US\$ 350 billion by 2030. Additionally, India's digital economy is expected to reach US\$ 800 billion by the same year. Online retailers have evolved to expand their reach, delivering to approximately 15,000-20,000 pin codes out of nearly 100,000 pin codes across the country. Even amidst the pandemic, the festive season in 2020 saw significant online sales, with leading e-commerce platforms such as Amazon, Flipkart, and other vertical players collectively selling goods worth US\$ 9 billion.

The growth trajectory of online shoppers in India is set to continue, with an expected increase from 150 million in 2020 to 500 million by 2030. In 2021, daily e-commerce transactions reached 1.2 million, with the total value of digital transactions amounting to US\$ 300 billion.

Industry Overview

Global Textile and Apparel Market

The recent seventh annual State of Fashion report, conducted by The Business of Fashion and McKinsey & Company, predicts that the fashion industry is set to experience a worldwide deceleration in 2023, attributed to the impact of macroeconomic pressures and a decline in consumer confidence, thereby eroding the progress made in 2022. It is said that the waning macroeconomic and geopolitical conditions exerted significant pressure on the industry globally in the second half of the 2022, leaving the industry on tenterhooks as they entered 2023.

However, considering a seven-year reporting period between 2023 to 2030, the global textile market is projected to witness a CAGR of 7.6% on the back of increasing apparel demand from the fashion industry and the rapid expansion of e-commerce platforms. Valued at USD 1695.13 billion in 2022, the industry operates on the principles of design, production and distribution of various flexible materials including yarn and clothing.

In terms of global trade of textiles and apparels, China remained the largest supplier globally with a 37% share followed by Bangladesh with 5% share. India is the fourth largest supplier in the world with 5% share and exports worth \$42 billion, whereas Vietnam and Poland registered the highest CAGR of 10% each followed by Bangladesh with 8% since 2010.

Factors driving the global textile and apparel market:

- Sustainability Focus: sustainability has acquired a significant status in the industry given the environmental concerns it extensively faces. Today, textile and apparel companies across the globe have begun to take corrective steps while aspiring to become more sustainable and greener. Today, companies are adopting means such as sustainable raw material, controlled use of water and energy, minimising the use of toxic chemicals and dyes, correct handling and disposal of waste, water treatment, sustainable packaging, to name a few.
- Adoption of technology in supply chain: with the world beginning to experience the benefits of digital transformation, businesses are adopting various technologies to transform their supply chains, making them more efficient and transparent. This has helped in streamlining sourcing, supply-chain visibility and strengthening.
- Advent of athleisure: with stay-at-home and work-from-home gaining prominence in the last 2-3 years, a need for comfort clothing gave rise to the athleisure segment
- Popularity and growth of manmade fibre: the demand for manmade fibre continues to grow across the world given its low cost, demand-supply cap in cotton (especially during Covid), versatility in application and design etc

Indian Textile and Apparel Market

India's textile and apparel market is estimated at US \$153 billion, with domestic consumption taking the larger pie at 70%. The domestic market is estimated to touch US \$ 190 billion by 2025-26, growing at a CAGR of 10%. With India's growing economy and favourable market conditions, the textile and apparel market is expected to touch US \$250 billion by 2025-26.

Currently, India is ranked fourth in the world in textile export with apparels leading with a 36% share followed by home textile and yarn. 10% of India's manufacturing production comes from the textile sector. With a boost in demand post-Covid and government support in the form of Product Linked Incentive (PLI) and Mega Investment Textile Parks (MITRA), coupled with rising consumer demand and increase use of ethically sourced materials will drive the market and aid in the growth of the industry.

Indian Men's Outerwear Market

Can we get some market information on this segment? All reports available online are paid for and no recent data is available.

Indian Kid's Outerwear Market

Comfort, safety, and convenience are some of the common factors that influence parents when making purchasing decisions for their children. The improvement of e-commerce infrastructure, introduction of home delivery model, celebrity endorsements and innovative packaging solutions are driving market growth for this segment. Currently, the market is driven by bulk



demand for children's clothing, primarily due to rapid urbanization and rising disposable income levels of people, as well as a growing taste for trendy clothing. In addition, popularity of social media across the country and the popularity of smartphones by the masses have further fuelled demand. Several industry players are invested in launching branded and premium apparel and developing aggressive marketing strategies such as brand collaborations, merchandising for popular fictional characters, thereby driving growth. Other factors such as availability of multiple product variations, intense business competition, product customization and burgeoning textile industry also have a positive impact on the market.

Emerging Trends in the Indian Fashion Industry

1) Sustainability:

Consumers are becoming increasingly conscious of their impact on the environment and want clothing made from sustainable materials and manufactured in an environmentally friendly manner. Brands have responded by incorporating sustainable materials into their products, reducing their carbon footprint and implementing environmentally friendly manufacturing processes. But hurdles still remain for the industry as a whole. Additionally, waste is also a major concern, with majority of textile products ending up in landfills. However, most clothing brands are not yet ready to reduce the number of products they manufacture and sell to support a more circular business model.

2) Increasing D2C model:

Direct-to-Consumer (DTC) is becoming a key feature in the apparel industry as consumers demand a more personalized and convenient shopping experience. Brands bypass traditional retail channels, sell their products directly to consumers through their own online stores, and showcase their products on social media platforms.

3) Digital Transformation:

The apparel industry is embracing digital transformation and leveraging technology to streamline operations, improve customer experience and better understand customers. Brands use data analytics to gain insights into consumer preferences and buying habits, and incorporate these insights into product development and marketing strategies. The use of artificial intelligence, machine learning and automation is also helping brands improve their supply chain operations and reduce waste.

4) Growing popularity of Athleisure:

Consumers want comfortable, versatile clothing that can be worn in a variety of environments, and athleisure offers just that. Brands have responded by offering a wide range of athleisure products, from yoga pants to hoodies, to meet the demands of this growing market.

Factors Impacting the Textile Chain

1) Lingering impact of the pandemic:

Over the last couple of years, the Covid-19 pandemic has become a major driver of the global economy. With the opening up of the markets and containment of the virus, the impact on the apparel industry will be less than it was at the start of the pandemic. However, suppliers and manufacturers will have to consider this impact when planning. In the early days of the pandemic, retailers were forced to switch to selling online and offering delivery and pick-up of orders, a trend that continues today even as people are vaccinated.

2) Inflation impacting cost of living and buying behaviour:

With the rising cost of living, consumers are being forced to redefine their priorities. For many people, new fashion is at the bottom of their list of needs. Consumers wear their clothes longer and spend more energy fixing torn clothes than replacing them.

3) Changes in Trade Policy:

Every industry, no matter how small, depends on global trade and international cooperation. The ongoing Russian-Ukraine war has had a huge impact on the textile industry as many countries suspended textile exports to Russia. The impact of the rise in fuel and oil prices affected the prices of clothing and fabrics around the world. Moreover, many countries now have fair trade policies in place and even impose sanctions on textile exporters with a low record of human rights violations. Large importing countries such as the United States continue to focus consistently on free trade, but industry changes are more important than they were decades ago.

4) Globalisation of value chains:

Global value chains have changed over the last few decades, and the rate of this change has accelerated over time. Companies segment the products and services they offer. SMEs have continued to focus on domestic production but increasing globalization has led more and more large companies to outsource the early stages of their operations abroad. The industry is increasingly relying on horizontal value chains rather than vertical value chains.

Company Overview

The Indian Terrain Fashions Limited Story

Indian Terrain Fashions Limited (ITFL) is a well-established apparel retailer in India, specializing in the men's smart casual category under the brand name 'Indian Terrain.' With a sharp focus on providing comfortable clothing that caters to the needs of millennial consumers, Indian Terrain's brand philosophy of "Makes You Feel Good" resonates well with a younger generation of audiences, further strengthening its visibility in the markets it operates in. In addition to men's apparel, Indian Terrain also offers a range of clothing and fashion accessories for boys. The company distributes its products through various channels, including multi-branded outlets, exclusive brand outlets, large format stores, and e-commerce platforms.

With the apparel segment in India presenting a significant growth opportunity, Indian Terrain recognises this potential and has strategically chosen a minimal capital investment approach, leveraging the availability of apparel manufacturers in India. This decision not only aids profitability but also aligns with the interests of shareholders and stakeholders. The company's commitment to providing premium fabrics, superior tailoring, and comfortable fits has made Indian Terrain a preferred choice for cosmopolitan, upwardly mobile young Indian men seeking affordable yet stylish smart-casual clothing.

Indian Terrain's commitment to sustainability, as evidenced by its Fairtrade Label certification, further enhances its brand reputation. As the company continues to evolve and engage with consumers, its brand promise of creating clothing that combines elegance, style, and comfort remains at the forefront of its mission to provide customers with a satisfying shopping experience.

The company is actively investing in building a stronger brand presence by adopting social media and digital marketing strategies, as well as engaging directly with end consumers. This approach allows Indian Terrain to stay relevant and aligned with upcoming fashion trends.

Strategic Store Formats

The Company retails across the country through its 236 Exclusive Outlets, 1,340 Multi Brand Outlets, 600+ doors of Large Format Stores such as Lifestyle, Shoppers Stop, and Central and 5+ key e-commerce platforms

Store Format	As on 31 st March, 2023
COCO (Company Owned Company Operated)	13
COFO (Company Owned Franchisee Operated)	78
FOFO (Franchisee Owned Franchisee Operated)	119
EFO (Exclusive Factory Outlet)	25
Out of India	1
Total	236

Engines for Growth

- 1) Own retail: strategic focus on EBO expansion in Tier 2, 3, 4 towns in targeted states
- 2) Diversified market presence: across regions and robust multi-channel distribution
- 3) Demand recovery: in Tier 2 and 3 regions
- 4) Focus on online trade

Brand Strengths and Opportunities

Key Strengths:

- Established presence in the domestic menswear market
- Strong brand recall in southern markets
- Premium fabric, stylish yet comfortable fits
- One of the first apparel brands to integrate sustainability in its product line

Key Opportunities:

- Improvement in performance given demand recovery
- Planned product launches and healthy brand equity

Business Highlights for FY23

The Company's revenues from operation for the FY 2023 was ₹500.80 Crores as against ₹336.30 Crores in the previous year, registering the remarkable growth. The profit/loss before taxes for the year was 10.50 Crores and net profit/loss after taxes was at 7.09 Crores from previous year's net loss of ₹(2.20) Crores. The total comprehensive income/loss was at ₹ 7.27 Crores as against ₹ (1.95) Crores in the previous year.



Key Risks and Mitigation

- Rapidly changing fashion trends and consumer preferences
- Changing consumers buying behaviour
- Global Supply Side Constraints
- Cyber security threats and loss of sensitive data
- High Attrition in retail industry and Inability to retain talent
- Inadequate availability of quality retail space
- Ecommerce and Digital Disruption to established business model
- Intensifying competitive landscape

Ratio	FY23	FY22
Current Ratio (in times)	1.61	1.64
Debt Equity Ratio (in times)	0.25	0.25
Inventory Turnover Ratio (in times)	2.39	2.32
Trade Receivables Turnover Ratio (in times)	2.08	1.49
Return on investment (in %)	11.99	7.29

CAUTION:

Statements in the Management Discussion Analysis describing the Company's objectives, projections, estimates and expectations may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The factors that might influence the operations of the Company are economic conditions, government regulations and natural calamities over which the Company has no control.

The Company assumes no responsibility in respect of the forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.





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 9 (nine) directors 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, Wholtime 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 31st March, 2023, composition of the Board and category of directors are as follows:

Sl 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, Non-Executive and Non-Independent Director
3	Mr. Charath Ram Narsimhan	06497859	Managing Director & CEO	Executive and Non-Independent Director
4	Mr. Vidhyuth Venkatesh Rajagopal	07578471	Joint Managing Director	Executive and Non-Independent Director
5	Mr. N.K. Ranganath	00004044	Director	Non-Executive Independent Director
6	Mr. Manoj Mohanka	00128593	Director	Non-Executive - Independent Director
7	Mr. Harsh Bahadur	00724826	Director	Non-Executive - Independent Director
8	Mr. Kalpathi S. Suresh*	00526480	Director	Non-Executive - Independent Director
9	Mrs. Nidhi Reddy	00004081	Director	Non-Executive - Independent Director

* Tenure Expired on 27th May, 2023

Note:

All the independent Directors of the Company have furnished necessary declaration at the time of their appointment and 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 at meetings during financial year 2022-23		No. of Directorship in other Boards as on 31 st March, 2023*	No. of Chairmanship/ Membership in other Committees of the Board**	
		Board meetings	Attendance at the last AGM		Membership	Chairmanship
1	Mr. Venkatesh Rajagopal	4/4	Yes	1	0	0
2	Mrs. Rama Rajagopal	4/4	Yes	1	0	0
3	Mr. Charath Ram Narsimhan	4/4	Yes	0	0	0
4	Mr. N.K. Ranganath	4/4	No	2	0	2
5	Mr. Vidhyuth Venkatesh Rajagopal	4/4	Yes	1	0	0
6	Mr. Manoj Mohanka	3/4	Yes	9	3	1
7	Mr. Harsh Bahadur	3/4	No	4	1	0
8	Mr. Kalpathi S. Suresh	2/4	No	8	0	0
9	Mrs. Nidhi Reddy	4/4	Yes	1	0	0

* 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 st March, 2023	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. Vidyuth Venkatesh Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
5	Mr. N.K. Ranganath	1	Celebrity Fashions Limited	Independent Director
6	Mr. Manoj Mohanka	3	India Carbon Limited	Independent Director
			Titagarh Wagons Limited	Independent Director
			Celebrity Fashions Limited	Independent Director
7	Mr. Harsh Bahadur	1	Vaibhav Global Limited	Independent Director
8	Mr. Kalpathi S.Suresh	0	NA	NA
9	Mrs. Nidhi Reddy	1	Celebrity Fashions Limited	Independent Director

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 Tables 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 29th September, 2009.

Mr. Vidyuth Venkatesh Rajagopal (DIN: 07578471) - Joint Managing Director

Mr. Vidyuth Venkatesh Rajagopal is the Managing Director of Celebrity Fashions Limited. With over a decade of experience in Business Development, Merchandising, Product Development, Retail Operations, Cluster Management and factory operations in Apparel manufacturing industry.

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 was 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.

Mrs. Nidhi Reddy – (00004081) – Independent Director

Mrs. Nidhi Reddy holds a Master Degree in Economics from Delhi School of Economics and a Post Graduate Diploma in Personnel Management and Industrial Relations from XLRI. She specializes in the field of Human Resource Management, Behavioral Training and Recruitment.

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 31st March 2023, 04 (Four) board meetings were held on 18th May 2022, 12th August 2022, 04th November 2022 and 13th February, 2023 during the financial year ended 31st March 2023. 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 and Mr. Vidyuth Venkatesh Rajagopal being son of Mr. Venkatesh Rajagopal.

Details of shares and convertible instruments held by Non - Executive Directors

Mrs. Rama Rajagopal, Promoter Non - Executive Director holding 83,66,930 equity shares in the Company as on financial year ended 31st March, 2023 and the Company has issued 16,00,000 equity shares to Mrs. Rama Rajagopal, upon conversion of share warrants.

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.

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:

Sl.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. Vidyuth Venkatesh Rajagopal	Business Development, Merchandising, Product Development, Retail Operations, Cluster Management and factory operations in Apparel manufacturing industry.
4.	Mr. Charath Ram Narsimhan	Business Strategy, Apparel & Garment Industry Domain, Managerial, Financial, Commercial, Systems and Administration.
5.	Mr. N.K. Ranganath	Board Service, Business Strategy, Corporate Planning and expertise in sales, marketing, finance, production and human resource disciplines.
6.	Mr. Manoj Mohanka	Strategic Marketing, Business Management, Business Strategy and Corporate Planning.
7.	Mr. Harsh Bahadur	Business Strategy, Corporate Planning and expertise in sales, marketing and Administration.
8.	Mr. K.S. Suresh	Entrepreneur, Board Service, Business Strategy and Corporate Planning.
9.	Mrs. Nidhi Reddy	Human Resource Management, Behavioral Training and Recruitment.

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.

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, Mr. K.S. Suresh and Mrs. Nidhi Reddy and 02 (two) Executive non-independent director namely Mr. Venkatesh Rajagopal and Mr. Charath Ram Narsimhan as the members during the year ended 31st March 2023. 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 18th May 2022, 12th August 2022, 04th November 2022 and 13th February, 2023 during the financial year ended 31st March 2023.

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	3/4
4	Mr. Kalpathi S.Suresh	Member	2/4
5	Mr. Venkatesh Rajagopal	Member	4/4
6	Mr. Charath Ram Narsimhan	Member	4/4

The Company Secretary acts as the Secretary to the Committee. Mr. M. Thiyagarajan - Chief Financial Officer and Mr. R.Venkatakrishnan, 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 13th Annual General Meeting held on 09th September 2022 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 31st March 2023.

Meetings and attendance details during the financial year

The Committee met 2 (two) time on 18th May 2022 and 12th August 2022 during the financial year ended 31st March 2023.



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

The Chairman of the Committee was present at the Company's 13th Annual General Meeting held on 09th September 2022 to answer the shareholders' queries.

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:

- 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.
- To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- To devise a policy on Board diversity;
- 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;
- 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;
- To recommend / review remuneration of the Whole-time Director(s), based on their performance and defined assessment criteria;
- 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;
- 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 Executive Directors are not eligible for sitting fees.

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 31st March 2023.

(₹ in Lakhs)

Name of the Director	Salary	Commission	Retirement Benefits	Total
Mr. Venkatesh Rajagopal	96	*	Nil	96
Mr. Vidyuth Venkatesh Rajagopal	-	-	Nil	-
Mr. Charath Ram Narsimhan	72	**	Nil	72
Total				168

* Variable commission of 2% of Net profits for every financial year and such that the total remuneration including the variable commission shall be subject to a maximum of 5% of Net profits as computed under Section 198 of Companies Act, 2013 up to the tenure of his appointment i.e., for a period of 05 (five) years with effect from 08th August, 2018, were duly approved by the Shareholders of the Company at the annual general meeting of the company held on 25th September, 2018.

** Variable commission of 1% of Net profits for every financial year and such that the total remuneration including the variable commission shall be subject to a maximum of 5% of Net profits as computed under Section 198 of Companies Act, 2013 up to the tenure of his appointment i.e., for a period of 05 (five) years with effect from 08th August, 2018 were duly approved by the Shareholders of the Company at the Annual general meeting of the company held on 25th September, 2018.

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 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 Medclaim policy for hospitalization and reimbursement of all actual medical expenses for themselves and their family to the extent not reimbursed under Medclaim 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 31st March 2023, 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 13th February, 2023 during the financial year ended 31st March 2023. 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. K.S.Suresh	Member	0/1
3	Mr. Venkatesh Rajagopal	Member	1/1
4	Mr. Charath Ram Narsimhan	Member	1/1

The Chairman of the Committee was present at the Company's 13th Annual General Meeting held on 9th September 2022 to answer the shareholders' queries.

Name and designation of Compliance Officer

Mr. E. Elamugilan is the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company for the period under review.

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.

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 31st March 2023.

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 31st March 2023.

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:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluates treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- 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 31st March 2023 the Corporate Social Responsibility committee met 1 (one) time on 13th February 2023.

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	1/1
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. K.S.Suresh	Member	0/1

Mr. E. Elamugilam, Company Secretary and Compliance Officer is the Secretary to the Committee.

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

- 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;

- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

- To monitor the CSR policy of the Company from time to time;

- 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 31st March 2023, the Independent Directors met on 13th February, 2023 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:

- Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole.

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors.

- 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)
Through Video Conferencing	Thursday, 09 th September 2022	11.30A.M	1. To approve the waiver of recovery of excess remuneration paid to Mr. Venkatesh Rajagopal (DIN: 00003625), whole time director of the company during the FY 2021-2022. 2. To approve increase in managerial remuneration payable to Mr. Venkatesh Rajagopal (DIN: 00003625), Chairman & Whole time director of the company 3. To approve increase in managerial remuneration payable to Mr. Charath Ram Narsimhan (DIN: 06497859), Managing Director & Chief Executive Officer of the company 4. . Change in designation of Mrs. Rama Rajagopal from Executive Director to Non- Executive Director of the company. 5. Approval for revision in audit fee of statutory auditors for the financial year 2022-23 and onwards.
Through Video Conferencing	Thursday, 16 th September 2021	11.30A.M	No special resolution was passed.
Through Video Conferencing	Monday, 21 st September 2020	11.30A.M	No special resolution was passed for appointment of Joint Managing Director – Mr. Vidyuth Venkatesh Rajagopal.

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

The Company has not passed any special resolution during previous year ended 31st March 2023 through postal ballot.

There is no immediate proposal for passing any special resolution through Postal Ballot on or before the ensuing Annual General Meeting.

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.



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. 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.

Website

The website of the Company 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 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 19th May 2023 and the date, time and venue of the 14th 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: 01st April to 31st March

Calendar of financial year ended 31st March, 2023

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 31st March 2023 were held on the following dates:

First Quarter Results	13 th August, 2022
Second Quarter and Half yearly Results	10 th November, 2022
Third Quarter Results	11 th February, 2023
Fourth Quarter and Annual Results	19 th May, 2023

Tentative Calendar for financial year ending 31st March, 2023

The tentative month of meeting of Board of Directors for consideration of quarterly/ Half yearly/Annually financial results for the financial year ending 31st March 2023 are as follows:

First Quarter Results	September, 2022
Second Quarter and Half yearly Results	November, 2022
Third Quarter Results	February, 2023
Fourth Quarter and Annual Results	May, 2023

Dividend payment date : Not Applicable

Listed on Stock Exchange:

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

The National Stock Exchange of India Limited
Exchange Plaza, G Block, Bandra-Kurla
Complex, Bandra (East), Mumbai – 400 051

Stock Code : BSE - Stock Code - 533329
: NSE – Stock Code - INDTERRAIN

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.

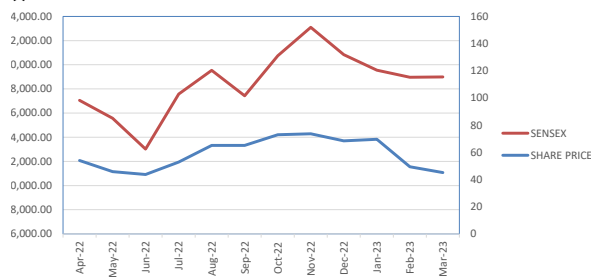
Market price data- high, low during each month in the previous financial year

Share price in (₹)

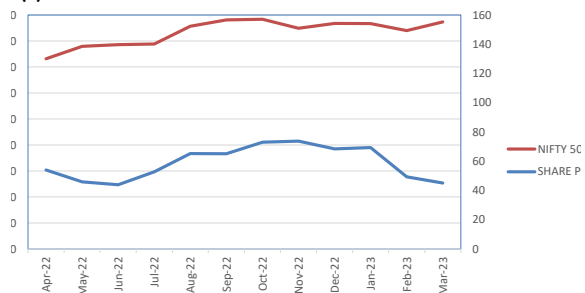
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-22	63.25	48.45	977252	63.40	48.20	64,72,000
May-22	54.10	41.90	392923	54.20	41.20	27,48,000
Jun-22	50.40	37.25	168974	50.50	36.55	14,68,000
Jul-22	56.50	41.60	489793	56.6	41.80	51,14,000
Aug-22	68.90	50.05	1419807	68.8	50.00	95,94,000
Sep-22	74.70	61.50	1905872	74.6	61.60	1,24,41,000
Oct-22	82.00	62.05	1716817	82.0	61.30	1,17,46,000
Nov-22	82.30	70.45	1256743	82.35	70.15	77,76,000
Dec-22	88.00	61.00	1728368	88.35	61.00	1,10,96,000
Jan-23	77.00	65.70	741597	77.2	65.65	43,21,000
Feb-23	71.45	49.05	405496	71.50	49	37,62,000
Mar-23	55.35	41.40	466155	55.4	41.35	37,40,000.00

Performance in comparison to broad-based indices

(i) BSE –SENSEX



v(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:

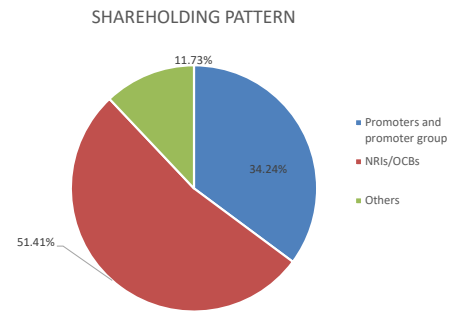
Distribution of Shareholding as on 31st March, 2023 is as under:

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-500	18873	82.5482	2250543	5.081186232
501-1000	1770	7.7418	1440671	3.252689529
1001-2000	928	4.059	1421661	3.209769509
2001-3000	379	1.6577	988038	2.230752793
3001-4000	182	0.796	659843	1.48976721
4001-5000	179	0.7829	852673	1.925131094
5001-10000	289	1.2641	2159767	4.876235799
Above 10000	263	1.1503	34518489	77.93446784
Grand Total	22863	100	44291685	100

Shareholding Pattern as on 31st March, 2023:

Category	No. of Shares	Percentage
Promoters and promoter group	15165100	34.24%
Promoters and promoter group	15165100	34.24%
Subtotal (A)	15165100	34.24%
NRIs/OCBs	322405	12.09%
Foreign Portfolio Investor Category II	840081	1.90%
Foreign Portfolio Investor Category I	2008836	4.54%
i. Resident individual holding nominal share capital up to ₹2 lakhs.	12974714	29.29%
ii. Resident individual holding nominal share capital in excess of ₹2 lakhs.	5777559	13.04%
Bodies Corporate	2008836	4.54%
Subtotal (B)	23932431	51.41%
Others		
Clearing Members	24152	0.05%
Bodies Corporate	745854	1.68%
Directors	752141	1.70%
Hindu Undivided Family	1005483	2.27%
Office Bearers	1	0.00%
Any other	2666523	6.02%
Subtotal (C)	5194154	11.73%
Total (A+B+C)	44291685	100.00%

Graphical Representation of the Shareholding pattern



Dematerialization of shares and liquidity as on 31st March, 2023

Particulars	No of Shares	% to Capital
National Securities Depository Limited	15195534	34.31
Central Depository Services (India) Limited	29094756	5.69
Subtotal -Demat (A)	44290290	99.99
Subtotal -Physical (B)	1395	0.00
Total (A+B)	44291685	100.00

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 15th November, 2018.

a) 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 Kancheepuram District.

Address for correspondence:

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

Corporate Office
Indian Terrain Fashions Limited
208, Velachery, Tambaram Main Road,
Narayanapuram, Pallikaranai
Chennai - 600100
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. E. Elamugilan
Company Secretary & Compliance Officer
INDIAN TERRAIN FASHIONS LIMITED
Tel : +91 44 4227 9100 (Board)
+91 44 4227 9241 (Direct)
Fax : +91 44 2262 2897
E-mail : elamugilan.e@indianterrain.com/ response.itfl@indianterrain.com



Credit ratings obtained by the entity

There were no revision of credit rating obtained by the Company during the financial year 2022 - 2023

The details of existing credit rating obtained by the Company 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 18th January 2023.
- C. Credit rating:

Type of instrument	Rating
Long term rating	[ICRA] BBB+ (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 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 of the 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

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

During the year, The Company had intimated to the stock exchange with a delay of Two days about the Board Meeting of the Company held on 12th August, 2022 for considering the unaudited financial results of the Company for the period ended 30th June, 2022, which was non-compliance with Regulation 29(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequently the Company has paid fines of ₹11,800/- (Including Tax) with respect to Non-Compliance of Regulation 29 of SEBI (LODR) Regulations, 2015 on 15th September, 2022 to BSE & NSE.

Except above, no other 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. All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31st March 2023. 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 1st April, 2019.

The amended SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") was effective from November 24, 2022 to all the Designated Persons viz., Promoters, Directors, KMPs, Employees as specified and Connected Persons and their Immediate Relatives and extends to all activities within and outside an individual's duties at the Company.

In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.

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 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, Practicing 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.
- Modified opinion(s) in audit report : There was no qualification by the auditors on the financial statements of the Company.
- The internal auditor may report directly to the audit committee.
- Shareholder rights: The Company regularly does statutory filings as required under SEBI (LODR) Regulations, 2015 as amended and also updates the website of the Company on a regular basis. The financial results as and when approved by the Board are hosted on the investor column of the Company's website from which any shareholder can easily access and obtain the requisite information about the Company.

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 has received a sum of ₹7.74 Crores for allotment of 32,00,000 equity shares i.e. 75% of total remaining amount from Mr. Venkatesh Rajagopal & Mrs. Rama Rajagopal upon conversion of 32,00,000 share warrants.

The funds are utilized in accordance with the provisions of Companies Act, 2023.

Total fees paid to the statutory auditors for the FY 2022-2023

S. No	Name of Auditor	Description of Service	Amount
1	M/s. SRSV & Associates	Statutory Audit	₹4 Lakhs

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

S. 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 st April 2020	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 st March 2023	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31 st March 2023 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: 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

- This certificate is issued in accordance with our engagement letter dated 12th September, 2022.
- 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 31st March, 2023 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

- 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

- 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.
- 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 31st March, 2023.

- 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.
- 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

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

- This 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

Date: 19th May, 2023
Place: Chennai

sd/-
V. Rajeswaran
Partner
Membership No.020881
UDIN No. 23020881BGXCIR9030

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 31st March 2023, 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 31st March 2023.

For Indian Terrain Fashions Limited

Date: 19th May, 2023
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 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1	Venkatesh Rajagopal	00003625	29/09/2009
2	Rama Rajagopal	00003565	01/10/2013
3	Ranganath Nuggehalli Krishna	00004044	20/09/2010
4	Kalpathi Subramanian Suresh	00526480	28/05/2018
5	Harsh Bahadur	00724826	27/06/2011
6	Manoj Mohanka	00128593	13/12/2011
7	Charath Ram Narsimhan	06497859	08/08/2018
8	Vidyuth Venkatesh Rajagopal	07578471	25/06/2020
9	Nidhi Reddy	00004081	11/02/2021

*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.

Date: 19th May, 2023
Place: Chennai

For BP & Associates
Company Secretaries
sd/-
K. J. Chandra Mouli
Partner
Peer Review No. P2015TN040200
M No: F11720
CP No: 15708
UDIN: F011720E000326562







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 31st March 2023, 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 31st March 2023, 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. 42 to the financial statements. State Bank of India, while sanctioning renewal of working capital credit facilities and sanction of SLC limits, vide its letter dated 26/10/2022, specified a special condition – "Prior period interest charges of Rs 5.90 crores to be settled to the bank immediately in one lumpsum, which is interest concession extended on the credit facilities to ITFL in earlier period. There will not be any scope for change or negotiation on the amount or payment terms." The Company had accepted the liability vide its Board Resolution dated 04/11/2022 and debited the expenditure to finance cost during the year, shown as Exceptional Items.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements 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>A) Contingent Liability:</p> <p>Assessment of Provisions for taxation, litigations and claims: As of 31st March 2023, Indian Terrain Fashions Limited had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹0.52 crores. 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. 40 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 31st March, 2023 from the Management. Assessed the adequacy of Tax Provisions by reviewing correspondence with the Tax Authorities. Assessed the view of the External Advisors regarding the likely outcome and magnitude of and exposure to the relevant litigation and claims. Our Internal Experts also considered Legal precedence and other rulings in evaluating Management's position on these uncertain tax positions. Our audit procedure did not identify any material discrepancies with respect to Contingent Liabilities.</p>
<p>B) Existence and impairment of Trade Receivables</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 31st March 2023, an amount of ₹257.65 crores is classified as "Receivables considered good and unsecured." Refer Note No. 8 of the Financial Statements.</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>One of the customers has filed for insolvency and the amount receivable as on the Balance Sheet date is ₹10.11 crores. One-third of the outstanding amount has been provided as "Net impairment losses on financial and contract assets" amounting to ₹3.37 crores. The same has been considered adequate and will be reviewed in the next year.</p> <p>Assessed the appropriateness of the disclosures made in Note No. 8 to the Financial Statements.</p> <p>Our Audit Procedures did not identify any material discrepancies with respect to Trade Receivables.</p>



<p>C) Inventory:</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 conducted by the management and necessary certificates have been produced evidencing the inventory check. Auditors did not participate in the Physical Verification of Inventory.</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>D) Adoption of IND AS 116 – Leases</p> <p>As described in Note 2A to the financial statements, the Company has adopted Ind AS 116 - Leases (Ind AS 116). The application of this accounting standard is complex and is an area of focus in our audit.</p> <p>The Company has opted for Practical Expedient for the Year ended 31st March, 2023.</p> <p>As per Ind AS 116 the Lessee may opt not to account change in lease payment due to Rent Concession as a Lease Modification by Opting for Optional Exemption</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"> Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116). Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. Evaluated the reasonableness of the discount rates applied in determining the lease liabilities. 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. <p>On a statistical sample, we performed the following procedures:</p> <ul style="list-style-type: none"> assessed the key terms and conditions of each lease with the underlying lease contracts; and evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.

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.

In connection with our audit of the Standalone Financial Statements, our responsibility is to also read the management discussion & analysis and MD & CEO message when it becomes available 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.

When we read the management discussion & analysis and MD & CEO message, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 ex-

ists, 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, 2020 ("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:

- 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.
- 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
- 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 accounts
- 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.
- On the basis of the written representations received from the directors as on 31st March, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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"
- 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.

- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note No. 40 (i) to the Standalone Financial Statements;
 - The Company did not have any long-term contracts including derivative contracts as at 31st March, 2023;

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company for the year ended 31st March, 2023.

iv. (a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note. 44(v) to the Standalone Financial Statements)

(b) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 44 (vi) to the Standalone Financial Statements) , and

(c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any Dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining the books of accounts using the accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

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

V. Rajeswaran
Partner
Place: Chennai
Dated: 19th May 2023

Membership No. 020881
UDIN No.:23020881BGXCIQ6923

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Indian Terrain Fashions Limited on the Standalone Financial Statements for the year ended 31st March 2023.

- (a) (A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Intangible Assets.
- (b) The Company has a regular program of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment 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 Property, Plant & Equipment 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 all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.



ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) According to the records of the Company and information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rupees Five crores, in aggregate from banks or financial institutions on the basis of security of current assets during the year. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the unaudited books of accounts of the Company. (Refer Note No. 15 (d) and 44 (viii) to the Standalone Financial Statements)

iii. (a) In our opinion and according to the explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships. However, the Company has granted loans and advances to the employees as detailed below-

To whom	Type (Loan/adv/guarantee/security)	Aggregate Amount during the year (₹)	Balance outstanding at Balance sheet date (₹)
Employees	Loans	14,92,656/-	1,63,73,421/-

(b) In our opinion and according to the explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest.

(c) In our opinion and according to the explanations given to us in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular.

(d) In our opinion and according to the explanations given to us in respect of loans and advances in the nature of loans, no amounts are overdue for a period of more than 90 days.

(e) In our opinion and according to the explanations given to us, no loans or advance in the nature of loan granted which has fallen due during the year has been renewed or extended nor fresh loans have been granted to settle the overdues of existing loans given to the same parties.

(f) In our opinion and according to the explanations given to us, the Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the explanations given to us, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of Section 185 and 186 of the Companies Act. 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 or amounts which are deemed to be 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 are not applicable.

vi. In our opinion 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 Goods and Service tax, provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added 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 31st March, 2023 according to the records of the Company, the following are the particulars of the statutory dues referred in sub-clause (a) 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. According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, the Company has no transactions that has not been recorded in the books of account and no unrecorded income was disclosed or surrendered as income during the year in the Tax assessments under the Income Tax, 1961. Accordingly, clause (viii) of Para 3 of the Order is not applicable.

ix. (a) 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 or in the payment of interest to any lenders during the year.

(b) According to the records of the Company and information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender or Government or any Government Authority.

(c) According to the records of the Company and information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. (Also refer Note 15 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, clause (ix)(e) of Para 3 of the Order is not applicable.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, clause (ix)(f) of Para 3 of the Order is not applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of equity shares during the year. In respect of the above issue, we further report that: The requirement of Section 42 of the Companies Act 2013, as applicable has been complied with; and the amounts raised during the year have been applied by the Company for the purpose for which the funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii)(a), (xii)(b), (xii)(c) of Para 3 of the Order are 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 the Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit were considered by us.

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 the Order is not applicable.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanation provided by the Management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses during the year and have incurred cash losses in the immediately preceding financial year. The amount of cash loss in the immediately preceding financial year is ₹ 0.79 Crore

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) of Para 3 of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 43 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

xx. (a) In our opinion and according to the information and explanation given to us, the provisions of Sec. 135 of the Companies Act 2013, are not applicable to the company. Accordingly, clause (xx)(a) and (b) of Para 3 of Companies (Auditors Report) Order 2020 is not applicable. (ref. note 29 to the standalone financial statements.

xxi. The Company does not have any subsidiary, associate or joint venture and hence not required to prepare consolidated financial statements. Accordingly, clause xxi of Para 3 of the Order is not applicable.

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

V. Rajeswaran
Partner
Membership No. 020881
UDIN No.:23020881BGXCIQ6923
Place: Chennai
Dated: 19th May 2023

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 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls 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 31st March 2023, 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. 0150415

V. Rajeswaran
Partner
Membership No. 020881
UDIN No.:23020881BGXCIQ6923
Place: Chennai
Dated: 19th May 2023



BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in crores)

	Notes	As at 31 st March 2023	As at 31 st March 2022
Assets			
Non-current assets			
Property, plant and equipment	2	24.39	42.29
Right-of-use assets	2A	48.35	50.93
Intangible assets	2	0.07	0.47
Financial assets			
i) Other financial assets	3	13.69	15.10
Deferred tax assets (Net)	4	26.82	28.42
Other non-current assets	5	0.17	0.17
Total non-current assets		113.49	137.38
Current assets			
Inventories	6	126.59	82.66
Financial assets			
i) Investments	7	16.71	18.52
ii) Trade receivables	8	257.65	223.92
iii) Cash and cash equivalents	9	0.35	2.86
iv) Bank balances other than cash and cash equivalents	10	22.27	1.27
v) Other financial assets	11	1.64	2.13
Current tax assets (Net)		-	0.22
Other current assets	12	7.56	3.72
Total current assets		432.77	335.30
Total Assets		546.26	472.68
Equity and liabilities			
Equity			
Equity share capital	13	8.86	8.22
Other Equity	14	202.68	188.31
Total equity		211.54	196.53
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	15	5.79	8.81
ii) Lease liabilities	16	36.65	40.05
iii) Other financial liabilities	17	23.96	22.27
Total non-current liabilities		66.40	71.13
Current liabilities			
Financial liabilities			
i) Borrowings	15	46.61	41.16
ii) Lease liabilities	16	20.23	19.30
iii) Trade payables	18		
(a) Total outstanding dues to micro and small enterprises		38.84	40.55
(b) Total outstanding dues other than micro and small enterprises		124.96	60.12
iv) Other financial liabilities	19	31.15	39.64
Customer Loyalty Program	20	2.02	1.48
Current Tax Liabilities		1.73	-
Provisions	21	2.21	1.93
Other current liabilities	22	0.57	0.84
Total current liabilities		268.32	205.02
Total liabilities		334.72	276.15
Total equity and liabilities		546.26	472.68

The above balance sheet should be read in conjunction with the accompanying notes.
Summary of Significant Accounting Policies

1

As per our report of even date

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

 sd/-
V. Rajeswaran
Partner
Membership No.020881

 sd/-
E.Elamugilan
Company Secretary
Membership No.A33396

 sd/-
M.Thiyagarajan
Chief Financial Officer

For and on behalf of Board of Directors

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

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

 Chennai, 19th May, 2023


PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in crores (except per shares data)

	Notes	Year Ended 31 st March 2023	Year Ended 31 st March, 2022
Income			
Revenue from operations	23	500.80	336.30
Other income	24	5.51	7.34
Total Income		506.31	343.64
Expenses			
Purchase of finished goods	25	350.86	231.31
Changes in inventories of work-in-progress, finished goods & bought-out goods	26	(43.93)	(20.44)
Garment processing costs	27	1.83	1.01
Employee benefits expense	28	23.23	19.86
Other expenses	29	113.23	77.72
Total expenses		445.22	309.46
Earnings before interest, tax, depreciation and amortisation (EBITDA)		61.09	34.18
Less:			
Depreciation and amortisation expense	30	22.77	23.13
Finance costs	31	21.92	18.78
Profit / (Loss) before exceptional items and tax		16.40	(7.73)
Exceptional items	42	(5.90)	-
Profit / (Loss) before tax		10.50	(7.73)
Income tax expense			
Current tax	33	-	-
Deferred tax		3.41	(5.53)
(Excess) / Short provision of previous years			
Total Tax Expense		3.41	(5.53)
Profit / (Loss) for the Year		7.09	(2.20)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		0.28	0.38
Income tax relating to the above item		(0.10)	(0.13)
Other Comprehensive Income for the Year		0.18	0.25
Total Comprehensive Income for the Year		7.27	(1.95)
Earnings per equity share nominal value of share ₹2/-			
Basic in Rs. per share	35	1.62	(0.54)
Diluted in Rs. per share		1.62	(0.54)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date
For SRSV & Associates
Chartered Accountants
ICAI Firm Reg No.015041S

For and on behalf of Board of Directors
sd/-
V. Rajagopal
Chairman & Whole Time Director
(DIN: 00003625)

sd/-
V. Rajeswaran
Partner
Membership No.020881

sd/-
E.Elamugilan
Company Secretary
Membership No.A33396

sd/-
M.Thiyagarajan
Chief Financial Officer

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

 Chennai, 19th May, 2023

STATEMENT OF CASH FLOWS

(₹ in crores)

	Year Ended 31 st March 2023	Year Ended 31 st March, 2022
Cash flow from operating activities		
Profit / (Loss) before income tax	16.40	(7.73)
Adjustments for		
Depreciation and amortisation expense	22.77	23.13
Profit on sales of property, plant and equipment	(1.84)	-
Deferred revenue	0.54	0.43
Interest on fair valuation of security deposits	(0.85)	(0.88)
Gain on termination of leases	(0.86)	(5.75)
Income from sale of investments	(0.79)	(0.67)
Interest income	(1.01)	(0.04)
Finance costs	27.82	18.78
Net impairment losses on financial and contract assets	3.37	-
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(37.10)	2.58
(Increase) in inventories	(43.93)	(20.44)
Increase in trade payables	63.13	8.49
Increase/(decrease) in other financial liabilities	(12.69)	4.33
Increase in other liabilities and provisions	0.19	1.10
(Increase) in other financial assets	(19.23)	(1.47)
(Increase)/decrease in other assets	(3.86)	0.63
Cash generated from operations	12.05	22.48
Income taxes paid	0.14	0.00
Net cash inflow from operating activities	12.19	22.48
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	15.42	0.97
Payments for property, plant and equipment (net)	(1.10)	(1.33)
Payments for purchase of investments	(22.75)	(18.27)
Proceeds from sale of investments	25.35	22.01
Loans to employees and related parties	(0.01)	(0.01)
Repayment of loans by employees and related parties	0.50	-
Interest received	1.01	0.04
Net cash inflow / (outflow) from investing activities	18.42	3.41
Cash flows from financing activities		
Proceeds from issues of shares	7.74	-
Proceeds from long term borrowings	(0.01)	1.22
Repayment of long term borrowings	(3.01)	(0.46)
Proceeds/(Repayment) of Short Term Borrowings (Net)	5.45	4.48
Principal elements of lease payments	(15.46)	(9.69)
Interest paid	(27.82)	(18.78)
Net cash inflow / (outflow) from financing activities	(33.11)	(23.23)
Net increase / (decrease) in cash and cash equivalents	(2.51)	2.66
Cash and cash equivalents at the beginning of the financial year	2.86	0.20
Cash and cash equivalents at end of the year	0.35	2.86

The above statement of cash flows should be read in conjunction with the accompanying notes.

 As per our report of even date
 For SRSV & Associates
 Chartered Accountants
 ICAI Firm Reg No.015041S

 sd/-
 V. Rajeswaran
 Partner
 Membership No.020881

 sd/-
 E.Elamugilan
 Company Secretary
 Membership No.A33396

 sd/-
 M.Thiyagarajan
 Chief Financial Officer

 For and on behalf of Board of Directors
 sd/-
 V. Rajagopal
 Chairman & Whole Time Director
 (DIN: 00003625)
 sd/-
 Charath Ram Narsimhan
 Managing Director & CEO
 (DIN: 06497859)

 Chennai, 19th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

a) Equity Share Capital	No. of Shares	₹ In Crs
As at 01 st April, 2021		8.22
Changes in equity share capital during the year	12	-
As at 31st March, 2022		8.22
As at 01 st April, 2022		8.22
Changes in equity share capital during the year	12	0.64
Balance as at 31st March, 2023	4,10,91,685	8.86

b) Other Equity (Refer Note 12)

(₹ in crores)

Reserves and surplus (Note 13)

Notes	Share Premium	Capital reserve	Retained earnings	Share warrants	Total
Balance as at 01st April, 2021	86.24	8.01	93.43	2.58	190.26
Loss for the year	14	-	(2.20)	-	(2.20)
Other comprehensive income	32	-	0.25	-	0.25
Total comprehensive income for the year	-	-	(1.95)	-	(1.95)
Proceeds received during the year	14	-	-	-	-
As at 31st March, 2022	86.24	8.01	91.48	2.58	188.31
As at 01 st April, 2022	86.24	8.01	91.48	2.58	188.31
Profit for the year	14	-	7.09	-	7.09
Other comprehensive income	32	-	0.18	-	0.18
Total comprehensive income for the year	-	-	7.27	-	7.27
Proceeds received during the year	9.68	-	-	-	9.68
Redmption of Proceeds during the year	-	-	-	(2.58)	(2.58)
Balance as at 31st March, 2023	95.92	8.01	98.75	-	202.68

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date
For SRSV & Associates
Chartered Accountants
ICAI Firm Reg No.015041S

sd/-
V. Rajeswaran
Partner
Membership No.020881

sd/-
E.Elamugilan
Company Secretary
Membership No.A33396

sd/-
M.Thiyagarajan
Cheif Finacial Officer

For and on behalf of Board of Directors
sd/-
V. Rajagopal
Chairman & Whole Time Director
(DIN: 00003625)

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

Chennai, 19th May, 2023

SIGNIFICANT ACCOUNTING POLICIES

COMPANY OVERVIEW

Indian Terrain Fashions Limited ('the Company') is a public limited company incorporated in India. The company's equity shares are listed on BSE and NSE. The registered office is located at Chennai. The Company is engaged in the business of retailing branded apparel through retail stores in India. "The registered office of the Company is located at 208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai - 600100

1. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

1.1.1 Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

1.1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets measured at fair value
- defined benefit plans – plan assets measured at fair value

1.1.3 New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23rd March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 01st April, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.1.4 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31st March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 01st April, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

1.2 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

1.3 Foreign currency translation

1.3.1 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.

1.3.2 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.

1.4 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.

1.4.1 Sale of goods

Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the dealer / customer, and there are no unfulfilled obligation that could affect the dealer / customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the dealer / customer, and either the dealer / customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

1.4.2 Revenue Recognition - Loyalty Points

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points entitle the customers to discount on future purchases. 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 based on expected value method considering the historical trends. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed. Consideration allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

1.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.6 Leases

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.

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 that triggers those payments occurs.

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
- 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. Low-value assets comprise IT equipment and small items of office furniture.

1.7 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other 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, and bank overdrafts.

1.9 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.10 Inventories

Raw materials, finished and bought-out goods

Raw materials, finished and bought-out goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis. 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.

1.11 Investments and financial assets

1.11.1 Classification

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes

1.11.2 Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the company commits to purchase or sale the financial asset.

1.11.3 Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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 Company 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. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income 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. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss

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 is recognised in profit or loss and presented net 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 company subsequently measures all equity investments at fair value. Where the company'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 following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the company'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/ (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.

1.11.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.11.5 Derecognition of financial assets

A financial asset is derecognised only when

- the company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset

1.11.6 Income recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

1.12 Offsetting financial instruments

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

1.13 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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.

The useful lives have been determined based on technical evaluation done by the management's expert and are in line than those specified in Schedule II to the 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

1.14 Intangible assets

Computer software

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.

Amortisation methods and periods

The useful lives have been determined based on technical evaluation done by the management's expert and are in line than those specified in Schedule II to the Companies Act, 2013

1.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.16 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 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 as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.17 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.

1.18 Provisions

Provisions for legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.19 Employee benefits

1.19.1 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.

1.19.2 Other long-term employee benefit obligations

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. Remeasurements 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.

1.19.3 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.

1.19.4 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.

1.20 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



1.21 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 deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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.

1.22 Earning Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (see note 35).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.23 Rounding off amounts

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



NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023
2. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ 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	Total
Gross carrying amount												
As at 01st April, 2021	8.22	6.77	1.73	1.95	0.90	1.32	1.67	46.82	69.38	5.04	5.04	74.42
Additions	-	-	0.04	0.05	-	0.03	-	1.20	1.33	-	-	1.33
Disposals	-	-	-	-	-	-	(1.01)	(0.46)	(1.48)	-	-	(1.48)
As at 31st March, 2022	8.22	6.77	1.77	2.00	0.90	1.35	0.66	47.56	69.24	5.04	5.04	74.27
As at 01st April, 2022	8.22	6.77	1.77	2.00	0.90	1.35	0.66	47.56	69.24	5.04	5.04	74.28
Additions	-	-	0.04	0.05	-	0.02	-	0.99	1.10	-	-	1.10
Disposals	(8.22)	(6.78)	-	-	-	-	-	-	(14.99)	-	-	(14.99)
As at 31st March, 2023	-	(0.01)	1.81	2.05	0.90	1.37	0.66	48.55	55.35	5.04	5.04	60.39
Accumulated depreciation / amortisation												
As at 01st April, 2021	-	1.11	0.51	0.47	0.66	0.97	0.86	17.24	21.82	3.67	3.67	25.49
Additions	-	0.23	0.12	0.20	0.14	0.16	0.11	4.67	5.62	0.90	0.90	6.52
Disposals	-	-	-	-	-	-	(0.42)	(0.08)	(0.50)	-	-	(0.50)
As at 31st March, 2022	-	1.34	0.63	0.67	0.80	1.13	0.55	21.83	26.94	4.57	4.57	31.51
As at 01st April, 2022	-	1.34	0.63	0.67	0.80	1.13	0.55	21.83	26.94	4.57	4.57	31.51
Additions	-	0.06	0.13	0.20	0.09	0.12	0.06	4.75	5.40	0.40	0.40	5.81
Disposals	-	(1.40)	-	-	-	-	-	-	(1.40)	-	-	(1.40)
As at 31st March, 2023	-	0.00	0.76	0.87	0.89	1.25	0.61	26.58	30.95	4.97	4.97	35.92
Carrying amount as on 31 st March, 2022	8.22	5.43	1.15	1.33	0.10	0.22	0.11	25.73	42.29	0.47	0.47	42.76
Carrying amount as on 31 st March, 2023	-	(0.00)	1.05	1.18	0.01	0.12	0.05	21.98	24.39	0.07	0.07	24.47

2A - Right to use assets

(₹ in crores)

Particulars	FY'23				FY'22			
	Computer	Building	Fixtures	Total	Computer	Building	Fixtures	Total
Gross Block								
Opening balance	0.48	98.09	-	98.57	0.48	94.38	-	94.86
Additions	-	17.24	1.86	19.10	-	10.58	-	10.58
Deletions	-	(4.75)	-	(4.75)	-	(6.87)	-	(6.87)
Closing Balance	0.48	110.58	1.86	112.92	0.48	98.09	-	98.57
Amortisation								
Opening balance	0.38	47.26	-	47.64	0.30	32.35	-	32.65
Additions	0.08	16.58	0.28	16.94	0.08	16.52	-	16.60
Deletions	-	-	-	-	-	(1.61)	-	(1.61)
Closing Balance	0.46	63.84	0.28	64.57	0.38	47.26	-	47.64
Closing Balance during the year	0.02	46.74	1.58	48.35	0.10	50.83	-	50.93



(i) The company has leased computer servers, warehouses, showrooms and furnitures & fixtures across the country, the lease period which ranges from 2-9 years, lease terms included is the non-cancellable period together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(ii) Some showroom lease contain variable payment terms that are linked to sales generated from that store. Variable lease payments ranges from 12% to 15% 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.

(iii) Company has exercised the option of short term leases exemption.

(iv) 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.

(v) 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.

Expense relating to variable lease payments not included in the measurement of lease liabilities ₹2.25 crores

Expense relating to Short term lease payments - ₹3.26 crores

The total cash outflow for leases for the year ended 31st March, 2023 was ₹ 21.86 Crs

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
3. Other Financial Assets		
Security Deposits	13.69	15.10
Total	13.69	15.10
4. Deferred Tax - (liabilities) / asset		
The balance comprises temporary differences attributable to:		
Depreciation	(2.70)	(4.21)
Provision for employee benefits	0.93	0.82
Right of use asset	(16.89)	(17.76)
Lease liability	19.88	20.72
Tax Losses	23.02	27.94
MAT Credit	1.80	-
Others	0.79	0.91
Net deferred tax (liabilities) / asset	26.82	28.42

Movement in deferred tax (liabilities) / asset

	Depreciation	Provision for employee benefits	Right of use asset	Lease liability	Tax losses	MAT Credit	Others	Total
At 1st April, 2021	(4.96)	0.81	(21.68)	24.26	23.26	-	1.17	22.86
(Charged)/credited:								
- to profit or loss	0.75	(0.08)	3.91	(3.54)	4.69	-	(0.26)	5.47
- to other comprehensive income	-	0.09	-	-	-	-	-	0.09
- (Debited) / Credited to Current tax payable	-	-	-	-	-	-	-	-
At 31st March, 2022	(4.21)	0.82	(17.76)	20.72	27.94	-	0.91	28.42
(Charged)/credited:								
- to profit or loss	1.51	0.21	0.88	(0.85)	(4.93)	1.80	(0.13)	(1.50)
- to other comprehensive income	-	(0.10)	-	-	-	-	-	(0.10)
- (Debited) / Credited to Current tax payable	-	-	-	-	-	-	-	-
At 31st March, 2023	(2.70)	0.93	(16.89)	19.88	23.02	1.80	0.79	26.82

5. Other non-current assets		
Capital advances	0.17	0.17
Total	0.17	0.17
6. Inventories		
Raw materials	-	-
Finished goods / bought-out goods	126.59	82.66
Total	126.59	82.66
7. Investments		
Investments in mutual funds (Unquoted)		
At fair value through profit and loss		
Aditya Birla Sun Life Money Manager - Growth - Direct	-	-
SBI Magnum Ultra Short Duration Fund - Direct - Growth	0.26	0.25
Aditya Birla Sun Life Savings Fund - Growth - Direct	1.60	1.01
Axis Corporate Debt Fund - Growth	1.88	1.81
DSP Bond Fund - Growth	1.87	1.80
Edelweiss Arbitrage Fund - Growth	0.00	2.94
ICICI Prudential Corporate Bond Fund - Growth	8.42	1.81
ICICI Prudential Floating Interest Fund - Growth	-	2.60
IDFC Banking and PSU debt fund - Growth	0.68	1.01
IDFC Corporate Bond Fund - Growth	-	1.55
IDFC Low Duration Fund - Growth	-	0.81
Kotak Equity Arbitrage Fund - Growth	0.00	2.93
State Bank of India Limited	2.00	-
Total	16.71	18.52
Aggregate amount of Unquoted investments	16.71	18.52
Aggregate amount of impairment in value of investments	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022		
8. Trade receivables				
Trade Receivables from contract with customers - Billed	261.02	223.92		
Less: Loss Allowance	(3.37)	-		
Total	257.65	223.92		
Current	261.02	223.92		
Non Current	-	-		
Break-up of security details				
Trade receivables considered good – unsecured	250.91	223.92		
Trade receivables which have significant increase in credit risk	10.11	-		
Total	261.02	223.92		
Loss allowance	(3.37)	-		
Total trade receivables	257.65	223.92		
Ageing of Trade Receivables	Outstanding for following periods from the due date of payment - 31st March, 2023			
Particulars	Not Due	< 6 Months	6 Months - 1Year	Total
Undisputed trade receivables				
considered good	250.91	-	-	250.91
which have significant increase in credit risk	-	6.74	-	6.74
credit impaired	-	-	-	-
Disputed trade receivables				
considered good	-	-	-	-
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Total	250.91	6.74	-	257.65
Ageing of Trade Receivables	Outstanding for following periods from the due date of payment - 31st March, 2022			
Particulars	Not Due	< 6 Months	6 Months - 1Year	Total
Undisputed trade receivables				
considered good	223.92	-	-	223.92
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Disputed trade receivables				
considered good	-	-	-	-
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Total	223.92	-	-	223.92
9. Cash and cash equivalents				
Balances with banks				
Current Accounts	0.34	2.83		
Cash on hand	0.01	0.03		
Total	0.35	2.86		
For the purpose of Statement of cash flows, Cash and cash equivalents comprises of above balances				
10. Bank Balances				
Fixed Deposits with Bank	22.27	1.27		
The above deposits are being held as margin money under lien to bank for borrowings / bank guarantee				
Total	22.27	1.27		
11. Loans				
Loans considered good - unsecured				
Loans and advances to Directors	1.50	2.00		
Loans and advances to Employees	0.14	0.13		
	1.64	2.13		
Less: Loss allowance	-	-		
Total	1.64	2.13		

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
Breakup of Security Details		
Loans considered good - secured	-	-
Loans considered good - unsecured	1.50	2.00
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	1.50	2.00
Loss allowance	-	-
Total	1.50	2.00

Loans and advances to Directors includes a sum of ₹1.50 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. Subsequently, Mr. Charath Ram Narsimhan has repaid a sum of ₹0.5 crs, during the financial year.

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013)

	2022-23		2021-22	
	Amount Outstanding	% to the total loans and advances in the nature of loans	Amount Outstanding	% to the total loans and advances in the nature of loans
a) amounts repayable on demand				
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	1.50	91.5%	2.00	93.90%
Other related parties	-	-	-	-
b) without specifying any terms or period of repayment				
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Other related parties	-	-	-	-

12. Other Current assets

	As at 31 st March, 2023	As at 31 st March, 2022
Prepaid expenses	1.55	3.62
Advances to suppliers	1.36	0.10
Tax receivable - GST	4.65	-
Total	7.56	3.72

13. Equity share capital
Authorised Share Capital

	No. of Shares	₹ In Crs
As at 1st April, 2021	6.00	12.00
Increase during the year	-	-
As at 31st March, 2022	6.00	12.00
Increase during the year	-	-
As at 31st March, 2023	6.00	12.00

Issued, Subscribed and Paid-up Capital

	No. of Shares	₹ In Crs
As at 1st April, 2021	4.11	8.22
Increase during the year	-	-
As at 31st March, 2022	4.11	8.22
Increase during the year	0.32	0.64
As at 31st March, 2023	4.43	8.86

Terms and rights attached to equity shares

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

Shares of the company held by holding / ultimate holding company / subsidiaries / associates - NIL

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

As at
31st March, 2023As at
31st March, 2022

Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Venkatesh Rajagopal	66,62,115	15.04%	50,62,115	12.32%
Mrs. Rama Rajagopal	83,66,930	18.89%	67,66,930	16.47%

On 26th May 2022, the share warrant holders exercised their conversion rights of a share warrant issued by the Company on 08th December 2020. The warrants were converted into 32,00,000 equity shares at a price of ₹32.25 per share.

Shareholding % of Mr. Venkatesh Rajagopal has increased by 2.72% and Mrs. Rama Rajagopal has increased by 2.42%, from exercising the share warrants.

iv) Shares allotted for consideration other than cash - NIL in last 5 years

14 Other Equity

Share Premium	95.92	86.24
Retained earnings	98.75	91.48
Capital Reserve	8.01	8.01
Money received against share warrants	-	2.58
Total	202.68	188.31

a) Share Premium

As at the beginning of the year	86.24	86.24
Proceeds received during the year	9.68	-
As at the end of the year	95.92	86.24

b) Retained earnings

Opening balance	91.48	93.43
Net profit for the period	7.09	(2.20)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of TAX	0.18	0.25
As at the end of the year	98.75	91.48

c) Capital Reserve

Opening balance	8.01	8.01
Additions / (Utilisation)	-	-
As at the end of the year	8.01	8.01

d) Money received against share warrants

Opening balance	2.58	2.58
Additions / (Utilisation)	(2.58)	-
As at the end of the year	-	2.58

Nature of Reserves

- Retained Earnings - Company's cumulative earnings since its formation less distribution
- Share Premium - represents the premium received on issue of equity shares. The reserves is utilised in accordance with the provisions of Companies Act, 2013
- Capital Reserve - Capital Reserve was created out the demerger in 2010-11
- Share warrants - represent money received against warrants issued for potential future equity. The Company has received Rs.2,58,00,000/- 25% of total amount from Mr.Venkatesh Rajgopal and Mrs. Rama Rajagopal.

15. Borrowings

Non-Current			
Secured			
i)	Term loans from banks	5.25	8.05
	From Others	-	-
Unsecured			
i)	From Others	0.54	0.76
Total		5.79	8.81

- SBI has sanctioned Guarantee Emergency Credit Line (GECL 1.0) Working Capital Term Loan amount of ₹6.83 crs, outstanding balance as on 31st March 2023 is ₹4.13 crs. The Company has given extension of charge 2nd charges over the existing Primary & Secondary Collateral including mortgages created in favour of the Bank. Rate of Interest 1.00% above 6 months MCLR (currently 8.95%), making the applicable interest rate to 9.95%, which is capped to a Maximum of 9.25% during entire tenor of Loan. The Interest will be charged on monthly intervals. Principal 12 months Moratorium and Principal payment 36 monthly installments.

Term loan from bank	Rate of interest	2023-24	2024-25
State Bank of India (1% over 6 months MCLR, Max - 9.25%)	9.25%	2.28	1.86

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

**As at
31st March, 2023**
**As at
31st March, 2022**

- b) SBI has sanctioned Guarantee Emergency Credit Line (GECL 1.0) (Extension) Working Capital Term Loan amount of ₹3.40 crs. The Company has given extension of charge 2nd charges over the existing Primary & Secondary Collateral including mortgages created in favour of the Bank. Rate of Interest 1.00% above 6 months MCLR (currently 8.95%), making the applicable interest rate to 9.95%, which is capped to a Maximum of 9.25% during entire tenor of Loan. The Interest will be charged on monthly intervals. Principal 24 months Moratorium and Principal payment 36 monthly installments.

Term loan from bank	Rate of interest	2023-24	2024-25	2025-26	2026-27
State Bank of India (1% over 6 months MCLR, Max - 9.25%)	9.25%	-	0.90	0.97	1.54

- c) **Loan from Cholamandalam Investment and Finance Company Ltd (Unsecured)**

Unsecured loan from others represents the unsecured loan availed from Cholamandalam Investments & Finance Company Limited. The loan is repayable in 48 monthly instalments and carries an interest rate of 13%.

The maturity profile and rate of interest of the above term loan is as set out below:

Term loan from Others	Rate of interest	2023-24	2024-25	2025-26
Cholamandalam Investments & Finance Company Limited	13.00%	0.24	0.27	0.25

- d) **Current Maturities of Long Term Borrowings**

Total Long Term Loans	8.31	11.16
Considered under Current Liabilities		
ICICI Bank Limited - Vehicle Loan	-	0.02
Finance Lease Obligations from HPFES		
Unsecured Loan from HPFES	-	0.16
SBI - GCEL 1.0	2.28	1.94
Cholamandalam Investment & Finance Company Limited	0.23	0.21
Total current maturities of long term borrowings	2.51	2.32
Non-current borrowings		
Loans Repayable on Demand		
Cash Credit from State Bank of India (Secured)	44.10	38.84
Current maturities of long term borrowings (Note 15(d))	2.51	2.32
Total	46.61	41.16

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:

- Hypothecation of plant & machinery (Furniture & Fixtures) of the Company
- Equitable Mortgage over land and building situated at 70/2 & 70/3A, Agaram Road, Thiruvanchery, Chennai - 600 073
- Pledge of Promoters Shares in the Company to an extent of 76,46,450 Equity Shares belonging to the promoters (Shri V Rajagopal and Smt. Rama Rajagopal)
- 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	46.61	41.16
Lease liabilities	56.88	59.35
Non-current borrowings	5.79	8.81
Net debt	109.28	109.32

	Non-current borrowings	Current borrowings	Lease liabilities	Total
Net debt as at 01st April, 2021	8.06	36.67	69.58	114.31
Cash flows	0.06	7.81	(17.28)	(9.41)
Interest expense	0.69	(3.32)	7.05	4.42
Net debt as at 31st March, 2022	8.81	41.16	59.35	109.32
Cash flows	(4.02)	9.08	(8.90)	(3.84)
Interest expense	1.00	(3.63)	6.43	3.80
Net debt as at 1st March, 2023	5.79	46.61	56.88	109.28

- 16 **Lease Liability**

Non Current	36.65	40.05
Current	20.23	19.30
Total Lease Liability	56.88	59.35

- 17 **Other Financial Liabilities - Non Current**

Security deposits received	23.96	22.27
Total	23.96	22.27

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
18. Trade payables		
Trade payables : Micro and small enterprises	34.44	40.55
Trade Payables : Others	124.96	52.44
Trade Payables to related parties (Refer note 38)	4.40	7.68
Total	163.80	100.67

Trade payable are non-interest bearing and are settled generally as per the agreed terms.

Ageing of Trade Payables

	Not Due	< 6 Months	6 Months - 1Year	Total
2022-23				
Undisputed trade payables				
Micro Enterprises & Small Enterprises	34.44	-	-	34.44
Others	124.96	1.09	3.31	129.36
Disputed trade Payables				
Micro Enterprises & Small Enterprises	-	-	-	-
Others	-	-	-	-
Total	159.40	1.09	3.31	163.80
2021-22				
Undisputed trade payables				
Micro Enterprises & Small Enterprises	40.55	-	-	40.55
Others	52.44	7.68	-	60.12
Disputed trade Payables				
Micro Enterprises & Small Enterprises	-	-	-	-
Others	-	-	-	-
Total	92.99	7.68	-	100.67

Note : DUES TO MICRO AND SMALL ENTERPRISES

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	34.44	40.55
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	-	-

19. Other financial liabilities - current		
Salaries, Wages and Other benefits payable	2.06	1.76
Accrued Expenses	29.09	37.88
Total	31.15	39.64

20. Customer Loyalty Program		
As at the beginning of the year	1.48	1.05
Deferred during the year	4.63	2.69
Released to the Statement of Profit and Loss	4.09	2.26
As at the end of the year	2.02	1.48

Significant estimate

Revenue recognition – Loyalty points

Customer loyalty program refers to a contract liability represented through loyalty points, wherein the Company has an obligation to transfer goods the customer for which the Company has already received consideration. 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.

21. Provisions		
Provision for compensated absences	0.61	0.46
Provision for Gratuity (Refer Note 39)	1.60	1.47
Total	2.21	1.93

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
22. Other Current Liabilities		
Withholding and Other Taxes payables	0.57	0.84
Total	0.57	0.84
23. Revenue from Operations		
Sale of goods	496.71	334.04
Revenue from redemption of loyalty points (refer Note 20)	4.09	2.26
Total	500.80	336.30
23.1 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.		
23.2 Reconciliation of revenue with contract price		
1. Contract price	555.55	384.63
2. Adjustments :		
Discounts	(54.75)	(48.33)
Customer loyalty programme	(4.09)	(2.26)
3. Revenue from operations as per Statement of Profit and loss	496.71	334.04
23.3 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.		
24. Other income		
Raw material consumed		
Gain on sale of investments	0.79	0.67
Gain on termination of leases	0.86	5.75
Interest income	1.01	0.04
Unwinding of discount on security deposits	0.85	0.88
Miscellaneous income	2.00	-
Total	5.51	7.34
25. Cost of Material Consumed		
Purchases of bought-out goods	350.86	231.31
Cost of Raw material consumed	350.86	231.31
26. (Increase) / Decrease in inventories of finished goods, work-in-progress and bought-out goods		
Opening balance		
Finished goods / bought-out goods	82.66	62.22
	82.66	62.22
Closing balance		
Finished goods / bought-out goods	126.59	82.66
	126.59	82.66
Total changes in finished goods / bought-out goods	(43.93)	(20.44)
27. Garment Processing Costs		
Subcontracting and other Garment Processing Costs	1.83	1.01
Total	1.83	1.01
28. Employee Benefits Expense		
Salaries, wages and bonus	20.89	17.40
Contribution to provident and other funds *	0.65	0.59
Gratuity (Refer note 38)	0.30	0.31
Staff welfare expenses	1.39	1.56
Total	23.23	19.86

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
29. Other Expenses		
Advertisement	16.79	14.48
Auditor's remuneration	0.07	0.05
Books, periodicals & subscriptions	0.13	0.53
Communication expenses	0.45	0.52
Consultancy charges	1.78	1.33
Corporate social responsibility*	2.79	-
Distribution costs	10.22	9.88
Entertainment & sales promotion expenses	3.48	0.68
Insurance	0.49	0.34
Showroom support services	11.71	8.80
Other miscellaneous expenses	3.36	2.23
Rent, rates and taxes	9.37	7.65
Remuneration to directors	1.68	1.46
Selling commission	28.34	19.19
Selling expenditure	11.01	5.59
Showroom maintenance	2.53	2.09
Net impairment losses on financial and contract assets	3.37	-
Loss on foreign exchange translation	1.57	0.16
Traveling & conveyance	4.09	2.74
Total	113.23	77.72
Details of Auditors' Remuneration:		
Payments to Statutory Auditor:		
For Audit Fee (including limited review fee)	0.04	0.03
For Tax Audit	0.01	0.01
For Other Services	0.01	-
For Reimbursement of Expenses	-	-
	0.06	0.04
Payments to Secretarial Auditor:		
For Audit Fee	0.01	0.01
For Other Services	0.03	-
For Reimbursement of Expenses	-	-
	0.04	0.01
Payment towards Corporate Social Responsibility		
Prime Minister Relief Fund	2.78	-
Rotary Club of Madras East Trust (Skill Development)	0.01	-
	2.79	-
Corporate Social Responsibility Expenditure:		
Amount required to be spent during the year	-	-
Amount of expenditure incurred	0.01	-
Amount of expenditure incurred / spent (previous years)*	2.78	-
Amount of shortfall for the year	-	-
* Company has remitted the CSR dues of ₹2.78 Crs pertaining to the previous years during the current year.		
30. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer note 2)	5.51	5.63
Amortisation of right of use asset (Refer note 2A)	16.86	16.60
Amortisation of intangible assets (Refer note 2)	0.40	0.90
Total	22.77	23.13
31. Finance Cost		
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
Interest expense on working capital & others	18.23	9.42
Interest expense on lease liabilities	6.43	7.05
Other borrowing costs	3.16	2.31
Exceptional Item	(5.90)	-
Total	21.92	18.78

Interest expense includes and Exceptional Item of ₹5.9 Crs and hence the same has been reduced and shown separately (Refer note 42)

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
32. Other Comprehensive Income		
Remeasurement gains / (losses) on defined benefit plans (net of tax)	0.18	0.25
Total	0.18	0.25
33. Income tax expense		
The major components of income tax expense for the years 2023 and 2022 are :		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease/(Increase) in deferred tax assets	(6.02)	(0.89)
(Decrease)/Increase in deferred tax liabilities	2.38	(4.67)
Total deferred tax expense/(benefit)	(3.64)	(5.56)
Income tax expense	(3.64)	(5.56)
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before income tax expense	16.40	(7.73)
Tax at the Indian tax rate of 34.944%	5.73	(2.70)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income :		
Deferred tax asset adjusted towards current tax liability	(2.09)	8.26
Income tax expense	3.64	5.56
34. Fair value measurements		
Financial instruments by category		
Financial assets		
Amortised cost		
Security deposits	13.69	15.10
Trade receivables	257.65	223.92
Cash and cash equivalents	0.35	2.86
Other bank balances	22.27	1.27
Loans and advances to employees	0.14	0.13
Loans and advances to Directors	1.50	2.00
Fair value through profit and loss		
Mutual funds	16.71	18.52
Total financial assets	312.31	263.80
Financial liabilities		
Amortised Cost		
Borrowings	52.40	49.97
Trade payables	163.80	100.67
Salaries and wages	2.06	1.76
Security Deposits	23.96	22.27
Accrued Expenses	29.09	37.88
Total financial liabilities	271.31	212.55

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(₹ in crores)

As at
31st March, 2023As at
31st March, 2022

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.

35. Earnings per share

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)	7.09	(2.20)
Weighted average number of equity shares for calculation of Basic EPS	(B)	4,38,09,493	4,10,91,685
Basic EPS (In ₹)	(A/B)	1.62	(0.54)
Nominal Value of Shares (In ₹)		2.00	2.00

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
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.

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. Credit risk is monitored on an ongoing basis to identify any significant increase in the credit risk. As at the balance sheet date, based on the credit assessment, the historical trend of low default is expected to continue. Historical trends showed that the company had no significant credit risk.

Reconciliation of loss allowance provision – Trade receivables

Trade receivables

Loss allowance on 31 st March, 2021	-
Changes in loss allowance	-
Loss allowance on 31 st March, 2022	-
Changes in loss allowance	3.37
Loss allowance on 31 st March, 2023	3.37

(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.

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 st March, 2023			31 st March, 2022		
	Maturing within 1 year	Maturing after 1 year	Total	Maturing within 1 year	Maturing after 1 year	Total
Non-derivatives						
Borrowings	47.33	9.74	57.08	42.00	10.11	52.12
Trade payables	163.80	-	163.80	100.67	-	100.67
Salaries and wages	2.06	-	2.06	1.76	-	1.76
Security Deposits	-	23.96	23.96	-	22.27	22.27
Accrued Expenses	29.09	-	29.09	37.88	-	37.88
Lease Liabilities	20.59	51.60	72.19	19.26	40.02	59.28
Total non-derivative liabilities	262.88	85.31	348.19	201.58	72.40	273.98

(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 st March, 2023	31 st March, 2022
Financial liabilities		
Trade payables		
Exposure to foreign currency risk (liabilities)	20.16	7.12
Net exposure to foreign currency risk	20.16	7.12

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 31ST MARCH, 2023
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 st March, 2023	31 st March, 2022
Net debt	54.56	49.43
Total equity	211.54	196.53
Net debt to equity ratio	25.8%	25.1%

Loan covenants

Under the terms of borrowings, the company is required to comply with the following financial covenants:

Minimum Current Ratio of 2.20

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. Venkatesh Rajagopal

Mrs. Rama Rajagopal

Mr. Charath Ram Narasimhan

Mr. Vidyut Venkatesh Rajagopal

Mr. E Elamugilan

Mr. Thiyagarajan

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 st March, 2023	31 st March, 2022
Managerial Remuneration		
Short term Employee Benefits	2.06	1.70
Long Term Employee Benefits	-	-
Termination Benefits	-	-
Material Purchases and Rental Income - Celebrity Fashions Limited		
Material Purchases	8.19	14.54
Rental Income	0.02	0.08

Outstanding Balances	31 st March, 2023	31 st March, 2022
Payable as Managerial Remuneration	0.20	0.09
Loan given to Mr. Charath Ram Narasimhan (Managing Director & CEO)*	1.50	2.00
Trade Payables - Celebrity Fashions Limited	4.40	7.68

* Loans and advances to Directors includes a sum of ₹1.50 crores advanced to Mr. Charath Ram Narasimhan when he was an 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. Subsequently, Mr. Charath Ram Narsimhan has repaid a sum of ₹0.5 crs, during the financial year.

** Transaction and balances with Gratuity fund has been disclosed in Note 39

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
39. Employee benefit plans
Defined benefit plans
Gratuity

(₹ in crores)

Particulars	For the year Ended	
	31 st March, 2023	31 st March, 2022
Present value of obligations at the beginning of the year	1.48	1.43
Current service cost	0.21	0.22
Interest expense	0.09	0.09
Re-measurement (gains)/losses:		
- (Gain)/loss from change in demographic assumptions	-	-
- (Gain)/loss from change in financial assumptions	(0.08)	(0.43)
- Experience (gains)/losses	(0.10)	0.17
Benefit payments	-	-
Present value of obligations at the end of the year	1.60	1.48
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	-	0.01
Interest income	-	0.00
Actuarial gain/loss	-	(0.01)
Contributions from the employer	-	-
Benefit Payments	-	-
Fair Value of plan assets at the end of the year	-	-
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	1.60	1.48
Fair value of plan assets at end of the year	-	-
Funded status of the plans – Liability recognised in the balance sheet	1.60	1.48
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.21	0.22
Net Interest Expense	0.09	0.09
Net Cost in Profit or Loss	0.30	0.31
Components of defined benefit cost recognised in other comprehensive income		
Remeasurement on the net defined benefit liability:		
- (Gain)/loss from change in demographic assumptions	-	-
- (Gain)/loss from change in financial assumptions	(0.08)	(0.43)
- Experience (gains)/losses	(0.10)	0.17
Return on plan assets	-	-
Net cost in other comprehensive income	(0.18)	(0.26)
Assumptions		
Discount rate	7.31%	6.41%
Expected rate of salary increases	7.00%	7.00%
Expected rate of attrition	28.70%	20.80%
Average age of members	34.21	33.81
Mortality - Indian Assured Lives Mortality (2012-14) Ultimate		


NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
Sensitivity Analysis

Impact on change in assumptions on liability

(₹ in crores)

Particulars	31 st March, 2023	31 st March, 2022
Discount rate		
- 1% increase	1.50	1.38
- 1% decrease	1.70	1.56
Salary growth rate		
- 1% increase	1.68	1.56
- 1% decrease	1.51	1.38
Attrition rate		
- increase of 1% of attrition rate	1.59	1.45
- decrease of 1% of attrition rate	1.60	1.47
Mortality rate		
- increase of 10% of mortality rate	1.59	1.46

Effect on future cash flows

The weighted average duration of the defined benefit obligation is 4.11 years

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 st March, 2023	31 st March, 2022
Less than 1 year	0.28	0.23
Between 2 - 5 years	0.63	0.55
Between 6 - 10 years	0.58	0.44
Over 10 years	1.25	1.19

The plan assets are held as deposits with reputed public sector financial institution

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 31ST MARCH, 2023

(₹ in crores)

	As at 31 st March, 2023	As at 31 st March, 2022
40. Contingent liabilities		
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	0.52
ii) Guarantees given by Banks and Counter Guaranteed by the Company	-	-
ii) On account of Letters of Credit issued by Bankers on behalf of the Company	7.56	7.55

41. 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.

42. Exceptional items

The company had availed a term loan under de-merger scheme in 2010-11, wherein the bank had initially provided a concession on the interest component. In the current year, the bank has raised a retrospective demand for the payment of ₹5.90 crores attributed to the said concessional interest. Due to the exceptional nature and timing of the expense, the Company has disclosed it as an exceptional item in the face of Statement of profit and loss.

43. Financial ratios

Ratio	As at 31 st March, 2023	As at 31 st March, 2022	% variance	Reason for Variance
Current ratio (in times)	1.61	1.64	-1.38%	Increase in current liabilities in the current year over the increase in current assets
Debt-equity ratio (in times)	0.25	0.25	0.00%	No Change
Debt service coverage ratio (in times)	1.59	1.37	16.12%	Increase in Earnings before interest and tax compared to previous year
Return on equity ratio (in %)	3.44%	-0.99%	446.37%	Improvement in Profitability for the current year compared to previous year
Inventory turnover ratio (in times)	2.39	2.32	3.11%	Increase in Inventory & Revenue from Operations for the year
Trade receivables turnover ratio (in times)	2.08	1.49	39.28%	Increase in Debtors & Revenue from Operations for the year
Trade payables turnover ratio (in times)	2.65	2.40	-10.61%	Increase in purchases in line with increase in Revenue from Operations
Net capital turnover ratio (in times)	3.40	2.55	33.46%	Increase in Revenue from Operations and increase in net working capital
Net profit ratio (in %)	1.42%	-0.65%	316.41%	Increase in Revenue from Operations resulting in increase in profitability for the year
Return on average capital employed (in %)	15.44%	4.67%	230.56%	"Increase in Earnings before interest and tax compared to previous year"
Return on investment (in %)	11.99%	7.29%	64.57%	"Increase in Earnings before interest and tax and increase in total assets compared to previous year"

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)

2. Debt equity ratio = Debt / Equity

Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) & Equity = Equity share capital + Other equity

3. Debt service coverage ratio = Earnings before interest and tax (excluding Interest on lease) / [Finance cost + Principal repayment of Borrowings]

4. Return on equity ratio = Profit after tax / Total Equity

5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories

6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables

7. Trade payables turnover = Total Credit Purchases / Average of opening and closing Trade Payables

8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital

9. Net profit ratio = Profit After Tax / Revenue from Operations for the period

10. Return on Average Capital Employed = Earnings before interest and tax / Average Capital Employed (Networth + Lease Liabilities + Deferred Tax Liabilities)

11. Return on Investment = Earnings before interest, depreciation and tax / Average of opening and closing Total Assets

Note: Ratios are worked out based on industry norms and accordingly previous year ratios have been reworked to make them comparable



NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

44. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transaction with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts. The accompanying notes are an integral part of the financial statements

**As per our report of even date
For SRSV & Associates
Chartered Accountants
ICAI Firm Reg No.015041S**

sd/-
V. Rajeswaran
Partner
Membership No.020881

Chennai, 19th May, 2023

sd/-
E.Elamugilan
Company Secretary
Membership No.A33396

sd/-
M.Thiyagarajan
Chief Financial Officer

**For and on behalf of Board of Directors
sd/-
V. Rajagopal
Chairman & Whole Time Director
(DIN: 00003625)**

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



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