



ITFL/SEC/2019-20/SEP/01

04th September, 2019

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 2018-19 & Notice convening 10th Annual General Meeting
Ref.: Reg.30, 34 and 47 of SEBI (LODR) Regulations, 2015

This is to inform that the 10th Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, 30th September, 2019 at 11.30 A.M. at SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai - 600045.

The Annual Report for the financial year 2018-19 and Notice convening the 10th AGM of the Company along with e-voting instructions, proxy form, attendance slip and route map to the AGM venue 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 16th August, 2019 through E-mail and physical mode.

As per Reg. 47 of SEBI (LODR) Regulations, 2015, the advertisement for notice of AGM and closure of register of members will be published in "Business Standard" and "Tamil Murasu" newspapers. The said advertisement 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**

Ravi B.S.G
Company Secretary & Compliance Officer



Encl.: As above

INDIAN TERRAIN FASHIONS LIMITED

SDF-IV & C2, 3rd Main Road, MEPZ / SEZ, Tambaram, Chennai - 600 045. Tel : +91-44-4227 9100, Fax : +91-44-2262 2897
Registered Office : No. 208, Velachery Tambaram Main Road, Narayanapuram, Pallikaranai, Chennai - 600 100.
Email ID : response.itfl@indianterrain.com
Website : www.indianterrain.com
L 18101TN2009PLC073017

INDIAN TERRAIN



INDIAN
TERRAIN

ANNUAL
REPORT
2018-19



NOTE FROM THE CHAIRMAN

Dear Shareholders,

The past year has been an eventful, challenging and pivotal one for Indian Terrain and the retail industry at large. While India's macro economic indicators remain strong as ever and the move to a larger consumption economy continues, there continue to remain specific challenges and opportunities in the evolving retail and apparel market.

With widening digital media reach, even the smallest towns in the country now have access to real time content from around the world and this is driving aspiration and intent to purchase. An ever-growing young demographic augurs well for the future of retail. India is becoming more entrepreneurial with every fourth young individual coming out of college dreaming of becoming an employment giver. This along with the trend of the casualisation in the workplace presents a strong and sustainable future market for Indian Terrain. As a specialist of the smart casuals genre and with our unique offerings, we are poised to capture this growing trend in the years to come.

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

During the past year I had said that the business models of the past will need to change and in line with that we have made a pivot to a more retail-centric direct-to-consumer approach, driven by Exclusive and Controlled Retail formats across the town classes and a strong push into E Commerce. With data and digitisation driving the way business will be conducted, this change will continue in the coming years and will position us well for quicker responses and capture emerging trends.

The retail industry faces challenges of unabated discounts and constant value seeing by consumers, and in such a world, product differentiation, constant newness and brand salience will be what matters. It is towards this goal that we are increasing our investments in Brand Building, Mass Media Marketing, Digital and Social Media adoption and Consumer Engagement. The recent endorsement of the brand by M.S. Dhoni is a big step in that direction and his personality encapsulates in one phrase what Indian Terrain stands for - The Spirit of Man.

I also want to touch upon the aspect of the Share Pledge which I had mentioned last year. We have been in continuous engagement with the bank and I am encouraged to say that despite the challenging external environment which you are all aware of, we are closer to resolving the same.

With a strong and stable government in place for the next five years and increasing yearning for aspiration expressed through clothing, we are poised well. The coming year will continue to see our focus on preparing ourselves for that future with a thrust on retail expansion into the hinterland, expansion of our existing segments and foray into allied ones like accessories, strengthening our E Commerce and becoming more agile on Supply Chain.

Finally, I must say that I am privileged to have so many talented and passionate people with me on this journey. Every day they strive to deliver our motto: Making clothes of elegant style and remarkable comfort that Makes You Feel Good.

You, our shareholders have reposed your faith and trust in us and I immensely thank you for your support, guidance and insights in the many interactions we have had.

Sincerely,

Venky Rajgopal
Executive Chairman and Whole Time Director



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FINANCIAL
STATEMENTS



Board of Directors

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

Audit Committee

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

Stakeholders Relationship Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Chief Financial Officer

Mr. N.Nandakumar
(Appointed w.e.f 14th November, 2018)
Mrs. L. Visalakshi
(Resigned w.e.f 13th November, 2018)

Company Secretary & Compliance Officer

Mr. Ravi B.S.G

Statutory Auditors

M/s. Anil Nair & Associates
Egmore, Chennai - 600008

M/s. CNGSN & Associates LLP
T.Nagar, Chennai - 600017

Internal Auditors

M/s. RVKS & Associates
R.A. Puram, Chennai - 600028

Secretarial Auditors

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

Banker

State Bank of India, Overseas Branch,
Chennai - 600001

Registered Office

No. 208, Velachery Tambaram Road,
Narayanapuram,
Pallikaranai, Chennai - 600100
Tel : 044-42279100
CIN : L18101TN2009PLC073017
www.indianterrain.com

Registrar and Share Transfer Agent

Link Intime India Private Limited
www.linkintime.co.in





NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 10th Annual General Meeting of Indian Terrain Fashions Limited will be held on Monday, 30th September, 2019 at 11.30 a.m. at SDF IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai - 600 045 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, 2019 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.
3. To appoint Statutory Auditors and fix their remuneration.
To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. SRSV & Associates, Chartered Accountants, Chennai (F.R. No.015041S) be and are hereby appointed as Statutory Auditors of the Company (in place of M/s. Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, the retiring auditors) to hold office for a period of 05 (five) years from the conclusion of 10th Annual General Meeting until the conclusion of the 15th Annual General Meeting of the Company as per the terms and conditions including remuneration set out in the explanatory statement annexed to this notice."

SPECIAL BUSINESS

4. To re-appoint Mrs. Rama Rajagopal (DIN: 00003565) as 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 and 197 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 re-appointment of Mrs. Rama Rajagopal (DIN: 00003565) as Whole time Director of the Company for a period of 05 (five) years with effect from 01st October, 2019 as per the terms and conditions including remuneration set out in the explanatory statement annexed to this notice."

RESOLVED FURTHER THAT the members of the Company be and hereby authorise 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 Mrs. Rama Rajagopal, the total remuneration payable to her 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 Mrs. Rama Rajagopal, Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, things as may be necessary to give effect to the above resolution."

By Order of the Board
For INDIAN TERRAIN FASHIONS LIMITED

sd/-

Ravi B.S.G

Company Secretary

Date: 13th August, 2019
Place: Chennai

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

NOTES:

1. 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 informations in respect of business as set out in the Notice is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the AGM. Proxies admitted on behalf of the Companies, Societies and Partnership firms, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.

3. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50(fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or members. The proxy holder shall prove his/her identity at the time of attending the AGM. When a member appoints a proxy and both the member and proxy attends the AGM, the proxy stands automatically revoked. A proxy need not be a member of the Company.

4. Corporate members are requested to send a duly certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the AGM.

5. Every member entitled to vote at a AGM shall be entitled during the period beginning 24 (twenty four) hours before the commencement of the AGM and upto the conclusion of the AGM, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days notice is issued in writing to the Company.

6. The members/proxies are requested to bring their copy of the annual report to the AGM along with duly filled in attendance slips for admission to the AGM.

7. The Register of Members and the Share Transfer books of the Company will remain closed from 24th September, 2019 to 30th September, 2019 (both days inclusive).

8. 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.

9. Members are requested to contact the Company's Registrar & Share Transfer Agents, Link in time India Private Ltd for reply to their queries/redressal of complaints, if any, or contact Mr. Ravi B.S.G., Company Secretary & Compliance Officer at the Corporate Office of the Company (Phone: (044) 4227 9241; Email: response.itf@indianterrain.com).

10. Queries on the accounts and operation of the Company, if any, may please be sent to the Corporate Office of the situated at SDF-IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600045 (marked to the attention of CS/CFO) at least 7 (seven) days prior to the date of AGM. All documents referred in the Notice will be available for inspection at the Company's Corporate office during all working days between 11.00 a.m. and 1.00 p.m till the date of AGM.

11. 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.

12. 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.19. The cut-off date for determining the eligibility to vote by electronic means or by poll at in the AGM shall be 23rd September, 2019.

13. 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 not be available at the AGM venue. Members who have casted



their vote by remote e-voting may attend the AGM, but shall not be able to vote at the AGM. Such a member will also not be allowed to change or cast vote again. The Company shall be providing the facility of voting through polling and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.

14. 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.
15. 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.
16. 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 by the members at the AGM.
17. A route map showing directions to reach the venue of the 10th Annual General Meeting is given along with this notice as per the requirement of the Secretarial Standard 2 on "General Meeting".

18. 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 10th AGM and Annual Report for the financial year 2018-19 of the Company inter alia indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form 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 Meeting and Annual Report for the financial year 2018-19 inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the eligible members of the Company.

19. E-Voting:

Voting through electronic means: The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice by 'electronic means' and all the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited.

The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Regulation 44 of SEBI (listing obligations and disclosure requirements) Regulations, 2015.

The instructions for shareholders voting electronically (remote e-Voting) are as under:

- i. The voting period begins on 25th September, 2019 at 9.00 a.m (IST) and ends on 29th September, 2019 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the AGM venue. The facility for voting, through polling paper shall also be made available at the AGM and members attending the AGM who have not already cast their vote may exercise their vote through polling paper in the AGM.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders/Members.

- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date or Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member if/folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 recommending not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant Company Name on which you choose to vote. i.e., INDIAN TERRAIN FASHIONS LIMITED.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. Note for Non – Individual Shareholders and Custodians
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 they should create a compliance user 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 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 scrutiniser to verify the same.
- xxi. Any person, who acquires shares and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 23rd September, 2019 may follow the same instructions as mentioned above for e-Voting.
- xxii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
20. 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 23rd September, 2019.
21. The Board of Directors has appointed BP & Associates, Practicing Company Secretary, New No.74 (old No.62) Akshaya Flats, 3rd Floor, 12th Avenue, Ashok Nagar, Chennai- 83 as the Scrutiniser for conducting the voting process (e-Voting and Poll) in a fair and transparent manner.
22. The Scrutiniser shall within a period not exceeding 03 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 02 (two) witnesses not in the employment of the Company and make a Scrutiniser's Report for the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
23. The Results shall be declared by the Chairman or by any person authorised by him in this regard on or before 02nd October, 2019. 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**

sd/-

Ravi B.S.G

Company Secretary

**Date: 13th August, 2019
Place: Chennai**

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

Annexed to the Notice of 10th Annual General Meeting scheduled to be held on Monday, 30th September, 2019.

Item No. 2 & 4

At the 7th AGM of the Company held on 30th September, 2016, Mrs. Rama Rajagopal was re-appointed for a period of 3 (three) years w.e.f. 01st October, 2016 upto 30th September, 2019.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 13th August, 2019 had approved and recommended the re-appointment of Mrs. Rama Rajagopal, Whole Time Director for a further period of 5 (five) years w.e.f. 1st October, 2019 upto 30th September, 2024, subject to the approval of the members of the Company.

The Company has received from her:

- i. Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014.
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act.

The Board of Directors recommends passing of resolutions at item no. 2 and 4 of the notice as Ordinary resolution.

Mrs. Rama Rajagopal is the spouse of Mr. Venkatesh Rajagopal, Executive Chairman & Whole Time Director of the Company.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the resolution item no. 2 and 4 of the notice except Mrs. Rama Rajagopal being the appointee and Mr. Venkatesh Rajagopal and their relatives.

The terms of the re-appointment and remuneration details are given below:

This may be treated as abstract of the terms of appointment and remuneration pursuant to Section 190 of the Companies Act, 2013.

SI.NO	PARTICULARS	DESCRIPTION
1.	Salary (Fixed Pay)	₹ 3,50,000/-per month
2.	Commission on variable basis	Nil
3.	Medical Benefits	Suitable Mediclaim Policy for hospitalization for herself and family. Reimbursement of all actual medical expenses for herself and family to the extent not reimbursed under Mediclaim Policy.
4.	Telephone	Telephone, Tele fax and other communication facilities at the residence at Company's cost.
5.	Automobile	She shall be entitled for a Car fully maintained by the Company with driver for Company's purpose.
6.	Reimbursement of expenses	She shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by her for and on behalf of the Company, in furtherance of its business and objects.
7.	Sitting Fees	She will not be entitled to any sitting fees for attending the meetings of the Board or of any Committees thereof.

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:

SI.NO	PARTICULARS	DESCRIPTION
1.	Name of Whole Time Director	Mrs. Rama Rajagopal (DIN: 00003565)
2.	Age	64 Years
3.	Nationality	Indian
4.	Qualification	P.G. in Economics from University of Bangalore
5.	Expertise in specific functional areas	General Management and Administration
6.	Date of first appointment to the Board	29 th September, 2009
7.	Term of previous appointment	3 (three) years with effect from 01 st October, 2016 to 30 th September, 2019.
8.	Terms of appointment / Re-appointment	Re-appointment for 5 (five) years with effect from 01 st October, 2019 upto 30 th September, 2024.
9.	Remuneration last drawn for the FY 2018-19	₹ 42.39 Lakhs*
10.	Revised Remuneration sought to be paid	Salary at ₹ 3,50,000/- per month
11.	No. of Shares held	65,32,930 equity shares (17.22%) as on 30 th June, 2019
12.	Relationship	<u>Relationship with directors</u> • Spouse of Mr. Venkatesh Rajagopal (Executive Chairman & Whole Time Director) <u>Relationship with Manager</u> • NA <u>Relationship with Key Managerial Personnel</u> • NIL
13.	No of Board Meetings attend / held during the FY 2018-19	3/4
14.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
15.	Chairpersonship/Membership in committees of other Entities	Celebrity Fashions Limited • Chairperson- Corporate Social Responsibility Committee

*Includes value of perquisites of ₹ 0.39 Lakhs



Item No.3

The members of the Company at the 8th Annual General Meeting (AGM) held on 25th September, 2017 approved the appointment of M/s. Anil Nair & Associates, Chartered Accountants, Chennai (Firm Registration No. 000175S) and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai (Firm Registration No.004915S/S200036), as Joint Statutory Auditors of the Company to hold office from the conclusion of 8th Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company. The Statutory Auditors will retire upon the conclusion of 10th AGM pursuant to Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration paid to the joint Statutory Auditors for the financial year 2018-19 was ₹ 0.06 Crores, excluding GST.

The Board of Directors of the Company ('the Board') on the recommendations of the Audit Committee ('the Committee') recommend for the approval of the members for the appointment of M/s. SRSV & Associates, Chartered Accountants, Chennai (FRN : 015041S), as the Statutory Auditors of the Company to hold office for a period of 5 (five) years from the conclusion of 10th AGM till the conclusion of the 15th AGM.

On the recommendation of the Audit committee, the Board hereby recommends ₹ 3.00 lakhs (Rupees three lakhs only) each year plus GST applicable as remuneration payable and reimbursement of related out-of-pocket expenses incurred.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. SRSV & Associates to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. The firm was established in the year 2014. The firm currently has offices at Chennai and Mumbai. The firm has 4 partners and 70+ executing members, it's a mix of experienced and young aspiring professionals. Firm's operation is headed by Mr. G. Chella Krishna with more than 20 years' experience in Auditing, Taxation, and Advisory & Consultancy. M/s. SRSV & Associates have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives are interested in this Resolution.

The Board recommends passing of the resolution at item no. 3 of the notice as Ordinary resolution.

By Order of the Board
For INDIAN TERRAIN FASHIONS LIMITED

sd/-

Ravi B.S.G

Company Secretary

Date: 13th August, 2019

Place: Chennai

Registered Office :

208, Velachery Tambaram Road, Narayanapuram,

Pallikaranai Chennai - 600100

CIN : L18101TN2009PLC073017

Tel.: 044-42279100

Email : response.itfl@indianterrain.com

Website : www.indianterrain.com



BOARD'S REPORT

Dear Members,

The Directors hereby present the 10th Annual Report of the Company together with the Audited Financial statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL SUMMARY / HIGHLIGHTS

(₹ In Crores)

Particulars	For the Year ended	
	31 st March, 2019	31 st March, 2018
Revenue	422.37	401.45
EBITDA	53.81	50.36
Finance costs	8.46	7.04
Depreciation	5.54	4.22
Earnings before tax	39.81	39.10
Current tax	13.89	6.84
Deferred tax	0.21	6.82
Excess)/short fall of previous year	-	-
Net profit	25.71	25.44
Other comprehensive income for the year	(0.06)	(0.25)
Total comprehensive income for the year	25.65	25.19
Earnings per Share (in ₹)		
• Basic	6.78	6.71
• Diluted	6.78	6.71

OVERVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company recorded a growth in revenues of 5.21% in FY 2019. The revenues for the year stood at ₹ 422.37 Crores as against ₹ 401.45 Crores in the previous year. The operating margins was at 12.03% against 12.35% in the previous year. The Gross EBITDA margins and other income was at 12.74% against 12.54%. The profit before taxes for the year was up by 1.82% and stood at ₹ 39.81 Crores and net profit after taxes was at ₹ 25.71 Crores which is up by 1.06% from previous year's net profits of ₹ 25.44 Crores. The total comprehensive income was at ₹ 25.65 Crores as against ₹ 25.19 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

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

DIVIDEND

The Board of Directors with a view to conserve financial resources have not recommended any dividend for the financial year ended 31st March, 2019. Also, during the year, there were no unclaimed dividends which had to be transferred to IEPF by the Company.

TRANSFER TO RESERVES

The Reserve at the end of the year 31st March, 2019 is at ₹ 222.09 Crores as against ₹ 196.44 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, 2019 forms part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

COMPLIANCE WITH CODE OF CONDUCT

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

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 www.indianterrain.com. The composition and terms of reference of the CSR Committee is detailed in the Corporate Governance report forming part of this annual report.

An update on the policy on Corporate Social Responsibility and activities of the Company is provided in ANNEXURE-V annexed to this annual report.

ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all employees and directors is available in the Company's website www.indianterrain.com.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31st March, 2019 there were no pending options to be vested or exercised.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENT OF MR. KALPATHI SUBRAMANIAN SURESH AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Kalpathi Subramanian Suresh (DIN: 00526480) was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors with effect from 28th May, 2018 as recommended by the Nomination and Remuneration Committee and his appointment was regularised in the 09th Annual General Meeting of the Company held on 25th September, 2018 to hold office for a period of 05 (five) consecutive years with effect from 28th May, 2018.



RE-APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY

Mr. Nugahalli Krishna Ranganath (DIN: 00004044), Mr. Manoj Mohanka (DIN: 00128593), Mr. Harsh Bahadur (DIN: 00724826) and Mr. Pattabi Sundar Raman (DIN: 00003606) were re-appointed as Independent Directors of the Company in the 09th Annual General Meeting of the Company held on 25th September, 2018 to hold office for a term of 05 (five) consecutive years from 01st April, 2019 till 31st March, 2024. They were re-appointed based on their performance evaluation as per the recommendations of the Nomination and Remuneration Committee and the Board considered that their continued association would be of immense benefit to the Company.

CHANGE IN DESIGNATION OF MR. VENKATESH RAJAGOPAL (DIN: 00003625) AS WHOLE TIME DIRECTOR OF THE COMPANY

Mr. Venkatesh Rajagopal (DIN: 00003625) was re-appointed as Managing Director of the Company for a period of 5 (Five) years with effect from 01st October, 2015 to 30th September, 2020 by the Board of Directors of the Company at their meeting held on 11th August, 2015 and was subsequently approved by the members at the Annual General meeting held on 25th September, 2015. Mr. Venkatesh Rajagopal decided to step down from the position of Managing Director (KMP) of the Company and continue as Chairman and Whole Time Director of the Company. The Board of Directors at their meeting held on 08th August, 2018 had approved the change in designation of Mr. Venkatesh Rajagopal as Chairman and Whole-Time Director for the period of 05 (five) years w.e.f. 08th August, 2018 and this was subsequently approved by the members of the Company in the 09th Annual General Meeting of the Company held on 25th September, 2018.

MRS. RAMA RAJAGOPAL – WHOLE TIME DIRECTOR OF THE COMPANY

Mrs. Rama Rajagopal (DIN: 00003565) was re-appointed as Whole Time Director of the Company by the members for a period of 3 (three) years with effect from 1st October, 2016 to 30th September, 2019 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company at their meeting held on 1st August, 2016. In accordance with the provision of Section 152 of the Companies Act 2013, Mrs. Rama Rajagopal retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

APPOINTMENT OF MR. CHARATH RAM NARSIMHAN AS MANAGING DIRECTOR OF THE COMPANY

Mr. Charath Ram Narsimhan (DIN: 06497859) being the CEO was appointed as an Additional Director of the Company by the Board of Directors with effect from 08th August, 2018 as recommended by the Nomination and Remuneration Committee and his appointment was regularized in the 09th Annual General Meeting of the Company held on 25th September, 2018. Further, he was appointed as the Managing Director and Chief Executive Officer of the Company in the 09th Annual General Meeting of the Company held on 25th September, 2018 to hold office for a period of 05 (five) years with effect from 08th August, 2018.

CHIEF FINANCIAL OFFICER

Mr. N.Nandakumar was appointed by the Board of Directors as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 14th November, 2018 as recommended by the Audit Committee and the Nomination and Remuneration Committee in accordance with Section 203 of Companies Act, 2013 in place of Mrs. L. Visalakshi who resigned from the services of the Company with effect from the close of business hours on 13th November, 2018.

COMPANY SECRETARY AND COMPLIANCE OFFICER

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

DECLARATION BY INDEPENDENT DIRECTOR

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

The Independent Director have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management personnel of the Company as on 31st March, 2019.

EXTRACT OF ANNUAL RETURN

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

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

The Board of Directors met 04 (four) times during the financial year ended 31st March, 2019 i.e., on 28th May, 2018, 08th August, 2018, 13th November, 2018 and 12th February, 2019. 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, 2019 are disclosed in the Corporate Governance report forming part of this annual report.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE POLICY

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

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

The Policy inter alia provides for the following:

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

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

The Nomination and Remuneration Committee Policy is available in the Company's website www.indianterrain.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

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

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

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

Change in nature of business, if any: NIL

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

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

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

INTERNAL FINANCIAL CONTROLS

The Company has an adequate internal financial controls with reference to financial statements which commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee, Chairman of the Board and Managing Director. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal financial controls in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. A report of auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of internal financial controls with reference to financial statements is annexed with the Auditors report.

During the year ended 31st March, 2019, such controls were tested and no reportable material weaknesses in the design or operation were observed. The Company has put in place adequate internal financial controls with reference to financial statements. The Audit Committee and Board of Directors of the Company were appraised on the performance of the internal financial controls.

MAINTENANCE OF COST RECORDS

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

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

AUDITORS

STATUTORY AUDITORS

M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, are the Joint Statutory Auditors of the Company. The Statutory Auditors were appointed in the 8th Annual General Meeting of the Company to hold the office till the conclusion of the 10th 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, 2019 have been audited by M/s. Anil Nair & Associates, Chennai and M/s CNGSN & Associates LLP, Chennai. The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark on the financial Statements of the Company. The Independent Auditors' Report is enclosed with the financial statements in this annual report.

SECRETARIAL AUDITOR

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. BP & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/comments of the Board. The Secretarial Audit Report is annexed as ANNEXURE - IV forming part of this Annual Report.

INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) of the Companies Act 2013 and as recommended by the audit committee M/s. RVKS & Associates, Chartered Accountants, Chennai was re-appointed as the Internal Auditors of the Company for the financial year 2018-19 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 behaviors. Positive workplace environment and a great employee experience are integral parts of our culture.

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

An Internal Complaints Committee (ICC) had been set up to redress the complaints received from women regarding sexual harassment and discrimination at workplace.

During the year ended 31st March, 2019, 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, 2019, 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 2018-19.

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 equipments	

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:

- a. Total Foreign exchange earned : Nil
- b. Total Foreign exchange outgo : ₹ 35.31 Crores

SECRETARIAL STANDARDS

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

PERSONNEL

The employee relations have been very cordial during the financial year ended 31st March, 2019. 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 by 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: 20th May, 2019
Place: Chennai

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





ANNEXURE - I TO BOARD'S REPORT

PARTICULARS OF EMPLOYEES:

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

a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:

Name of the Directors	Designation	Ratio to median remuneration
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	70.92 : 1
Mrs. Rama Rajagopal	Whole Time Director	19.57 : 1
Mr. Charath Ram Narsimhan*	Managing Director & CEO	51.25 : 1

* Mr. Charath Ram Narsimhan was appointed as Managing Director cum CEO w.e.f 08th August, 2018.

b. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2018-19:

Name of the Directors	Designation	% increase in remuneration in financial year 2018-19
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	Nil*
Mrs. Rama Rajagopal	Whole Time Director	Nil
Mr. Charath Ram Narsimhan (Appointed as MD cum CEO w.e.f 08 th August, 2018)	Managing Director & CEO	NA
Mr. N. Nandakumar (Appointed w.e.f 14 th November, 2018)	Chief Financial Officer	NA
Mrs. L. Visalakshi (Resigned w.e.f 13 th November, 2018)	Chief Financial Officer	NA
Mr. Ravi B.S.G	Company Secretary & Compliance Officer	8.00%

* Increase/ Decrease in variables pay not considered

c. Percentage increase in the median remuneration of employees during the financial year 2018-19: 12.64%

d. The number of permanent employees on the rolls of the company: 567 Employees

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

The total remuneration of the Managerial Personnel of the Company increased by Nil and the average remuneration of the employees of the Company (other than managerial personnel) increased by 9.53%.

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 Board's Report for the financial year ended 31st March, 2019.

(₹ 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 2019	Whether he is a Relative of a Director / Manager
Mr. Venkatesh Rajagopal	WTD	Full Time	* 147.69	M.A., I.P.S., 41 years	29 th Sept, 2009	62	Celebrity Fashions Limited	12.51%	Yes
Mr. Charath Ram Narsimhan	CEO (Upto 07 th Aug, 2018)	Full Time	10.30	B. Tech (IIT), PGDBM (IIM), 22 years	07 th Nov, 2005	47	Madura Garments	3.64%	No
	MD cum CEO (w.e.f 08 th Aug, 2018)	Full Time	*68.77						

*Managerial remuneration includes commission on variable basis and perquisites

For and on behalf of the Board

Date: 20th May, 2019
Place: Chennai

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



ANNEXURE - II TO BOARD'S REPORT

FORM NO. AOC -2

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

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

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

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

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

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

For and on behalf of the Board

Date: 20th May, 2019
Place: Chennai

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

ANNEXURE - III TO BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
• Individual/HUF	1,10,86,100	-	1,10,86,100	29.22	1,11,36,100	-	1,11,36,100	29.35	0.13
• Central Govt.	-	-	-	-	-	-	-	-	-
• State Govt(s)	-	-	-	-	-	-	-	-	-
• Bodies Corp.	-	-	-	-	-	-	-	-	-
• Banks/FI	-	-	-	-	-	-	-	-	-
• Any other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	1,10,86,100	-	1,10,86,100	29.22	1,11,36,100	-	1,11,36,100	29.35	0.13
(2) Foreign									
• NRIs-Individuals	-	-	-	-	-	-	-	-	-
• Other-Individuals	-	-	-	-	-	-	-	-	-
• Bodies Corp.	-	-	-	-	-	-	-	-	-
• Banks/FI	-	-	-	-	-	-	-	-	-
• Any other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	1,10,86,100	-	1,10,86,100	29.22	1,11,36,100	-	1,11,36,100	29.35	0.13
B. Public Shareholding									
• Institutions									
• Mutual Funds	93,45,536	-	93,45,536	24.63	83,26,768	-	83,26,768	21.95	(2.68)
• Banks / FI	14,329	-	14,329	0.04	23,247	-	23,247	0.06	0.02
• Central Govt	-	-	-	-	-	-	-	-	-
• State Govt(s)	-	-	-	-	-	-	-	-	-
• Venture Capital Funds	-	-	-	-	-	-	-	-	-
• Insurance Companies	-	-	-	-	-	-	-	-	-
• FIIs/FPI	33,57,554	-	33,57,554	8.85	54,27,755	-	54,27,755	14.31	5.46
• Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
• Others (Alternate investment funds)	25,45,832	-	25,45,832	6.71	26,05,832	-	26,05,832	6.87	(0.16)
Sub-Total (B)(1)	1,52,63,251	-	1,52,63,251	40.23	1,63,83,602	-	1,63,83,602	43.18	2.95
(2) Non-institutions									
• Bodies Corp.									
i) Indian	17,16,701	-	17,16,701	4.52	12,05,234	-	12,05,234	3.18	(1.34)
ii) Overseas	-	-	-	-	-	-	-	-	-
• Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	44,18,600	1,475	44,20,075	11.65	44,45,846	1,425	44,47,271	11.71	0.07
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	35,98,752	-	35,98,752	9.49	29,83,895	-	29,83,895	7.86	(1.62)
• Others (specify)									
NBFCs registered with RBI	-	-	-	-	41,910	-	41,910	0.11	0.11
Hindu undivided Family	2,66,519	-	2,66,519	0.70	2,11,816	-	2,11,816	0.56	(0.14)
Foreign Companies	12,45,140	-	12,45,140	3.28	12,45,140	-	12,45,140	3.28	-
Non Resident Indians	2,95,675	-	2,95,675	0.78	2,58,872	-	2,58,872	0.68	(0.10)
Clearing Member	49,087	-	49,087	0.13	27,460	-	27,460	0.07	(0.06)
Sub-Total (B)(2)	1,15,90,474	1,475	11,5,91,949	30.55	1,04,20,173	1,425	1,04,21,598	27.47	(3.08)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,68,53,725	1,475	2,68,55,200	70.78	2,68,03,775	1,425	2,68,05,200	70.65	(0.13)
C. Shares held Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	3,79,39,825	1,475	3,79,41,300	100.00	3,79,39,875	1,425	3,79,41,300	100.00	0.00



(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Venkatesh Rajagopal	47,47,115	12.51	10.08	47,47,115	12.51	10.08	Nil
2	Mrs. Rama Rajagopal	62,02,930	16.35	10.08	62,52,930	16.48	10.08	0.13
3	Mr. Vidyuth Rajagopal	1,34,995	0.36	0	1,34,995	0.36	-	Nil
4	Mr. Rajagopalan K.A	920	-	-	920	-	-	Nil
5	Ms. Anjali Rajagopal	140	-	-	140	-	-	Nil
	Total	1,10,86,100	29.22	20.16	1,11,36,100	29.35	20.16	0.13

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Mr. Venkatesh Rajagopal	47,47,115	12.51				47,47,115	12.51
				-	No Change	-	47,47,115	12.51
				31.03.2019	At the end of the year		47,47,115	12.51
2	Mrs. Rama Rajagopal	62,02,930	16.35				62,02,930	16.35
				04.09.2018	Purchase	50,000	62,52,930	16.48
				31.03.2019	At the end of the year		62,52,930	16.48
3	Mr. Vidyuth Rajagopal	1,34,995	0.36				1,34,995	0.36
				-	No Change	-	1,34,995	0.36
				31.03.2019	At the end of the year		1,34,995	0.36
4	Mr. Rajagopalan K.A	920	0.00				920	0.00
				-	No Change	-	920	0.00
				31.03.2019	At the end of the year		920	0.00
5	Ms. Anjali Rajagopal	140	0.00				140	0.00
				-	No Change	-	140	0.00
				31.03.2019	At the end of the year		140	0.00

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of Increase/ decrease	Reason for Increase/ decrease	No. of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND	37,39,390	9.8557				37,39,390	9.8557
	AT THE END OF THE YEAR			31.03.2019			37,39,390	9.8557
2	SBI CONSUMPTION OPPORTUNITIES FUND	35,75,000	9.4224				35,75,000	9.4224
				08.06.2018	Sale	(1,75,171)	33,99,829	8.9608
				22.06.2018	Sale	(2,75,000)	31,24,829	8.236
				24.08.2018	Purchase	47,000	31,71,829	8.3598
				14.09.2018	Purchase	65,190	32,37,019	8.5317
				21.09.2018	Purchase	2,422	32,39,441	8.538
				29.09.2018	Purchase	38,956	32,78,397	8.6407



				05.10.2018	Purchase	81,722	33,60,119	8.8561
				12.10.2018	Purchase	2,11,710	35,71,829	9.4141
				26.10.2018	Purchase	1,20,000	36,91,829	9.7304
				22.02.2019	Purchase	9,998	37,01,827	9.7567
	AT THE END OF THE YEAR			31.03.2019			37,01,827	9.7567
3	MALABAR INDIA FUND LIMITED	18,55,473	4.8904				18,55,473	4.8904
				25.05.2018	Purchase	10,37,807	28,93,280	7.6257
				01.06.2018	Purchase	193	28,93,473	7.6257
	AT THE END OF THE YEAR			31.03.2019			28,93,473	7.6257
4	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	14,22,731	3.7498				14,22,731	3.7498
	AT THE END OF THE YEAR			31.03.2019			14,22,731	3.7498
5	NEW VERNON PRIVATE EQUITY LIMITED	12,45,140	3.2818				12,45,140	3.2818
	AT THE END OF THE YEAR			31.03.2019			12,45,140	3.2818
6	EOS MULTI STRATEGY FUND LTD	7,65,081	2.0165				7,65,081	2.0165
				02.11.2018	Purchase	1,75,000	9,40,081	2.4777
	AT THE END OF THE YEAR			31.03.2019			9,40,081	2.4777
7	LIMIAR FUND (MASTER) LP	6,50,000	1.7132				6,50,000	1.7132
				18.05.2018	Purchase	1,57,138	8,07,138	2.1273
				29.03.2019	Sale	(60,000)	7,47,138	1.9692
	AT THE END OF THE YEAR			31.03.2019			7,47,138	1.9692
8	MALABAR VALUE FUND	5,09,918	1.344				5,09,918	1.344
				06.04.2018	Purchase	1,00,000	6,09,918	1.6075
				08.06.2018	Purchase	1,00,000	7,09,918	1.8711
	AT THE END OF THE YEAR			31.03.2019			7,09,918	1.8711
9	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XIV	6,13,008	1.6157				6,13,008	1.6157
				29.03.2019	Purchase	68,000	6,81,008	1.7949
	AT THE END OF THE YEAR			31.03.2019			6,81,008	1.7949
10	AMITABH SURI	5,64,742	1.4885				5,64,742	1.4885
	AT THE END OF THE YEAR			31.03.2019			5,64,742	1.4885

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date of Increase/decrease	Reason for Increase/decrease	No of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
DIRECTORS								
1	Mr. Venkatesh Rajagopal Chairman & Whole Time Director	47,47,115	12.51				47,47,115	12.51
				-	No Change	-	47,47,115	12.51
				31.03.2019	At the end of the year		47,47,115	12.51
2	Mrs. Rama Rajagopal Whole Time Director	62,02,930	16.35				62,02,930	16.35
				04.09.2018	Purchase	50,000	62,52,930	16.48
				31.03.2019	At the end of the year		62,52,930	16.48
3	Mr. Charath Ram Narsimhan Managing Director & CEO	16,82,332	4.43				16,82,332	4.43
				29.10.2018	Invocation of pledged shares	3,00,000	13,82,332	3.64
				31.03.2019	At the end of the year		13,82,332	3.64



KEY MANAGERIAL PERSONNEL									
1	Mrs. L. Visalakshi Chief Financial Officer (Resigned w.e.f 13 th November, 2018)	-	0.00					-	-
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year	-	-	-	-
2	Mr.N.Nandakumar Chief Financial Officer (Appointed w.e.f 14 th November, 2018)	-	0.00					-	-
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year	-	-	-	-
3	Mr. Ravi B.S.G Company Secretary & Compliance officer	-	0.00					-	-
				-	No Change	-	-	-	-
				31.03.2019	At the end of the year	-	-	-	-

Note: The Independent Directors did not hold any shares in the Company during the financial year ended 31st March, 2019.

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	3515	217	-	3732
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3515	217	-	3732
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	398	61	-	459
Net Change	(398)	(61)	-	(459)
Indebtedness at the end of the financial year				
i. Principal amount	3117	156	-	3273
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3117	156	-	3273

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Venkatesh Rajagopal- Chairman & Whole Time Director	Mrs. Rama Rajagopal-Whole Time Director	Mr. Charath Ram Narsimhan – (Appointed as MD & CEO w.e.f 08th August, 2018)	
1	Gross Salary	72.00	42.00	30.85	144.85
	(a). Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	0.39	0.39	0.27	1.05
	(b). Value of Perquisites u/s 17(2) Income –tax Act,1961	Nil	Nil	Nil	Nil
	(c). Profits in lieu of salary under section 17(3) Income-tax Act,1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	75.30	Nil	37.65	112.95
5	Others, please specify	Nil	Nil		Nil
	Total (A)	147.69	42.39	68.77	258.85
	Ceiling as per the Act	10% of net profits			

**B. Remuneration to other directors:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Independent Directors					Total Amount
		Mr. N.K. Ranganath	Mr. P.S. Raman	Mr. Harsh Bahadur	Mr. Manoj Mohanka	Mr. Kalpathi S.Suresh	
1.	Fee for attending Board/Committee Meetings	3.90	0.85	2.75	2.55	2.20	12.25
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, Please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	3.90	0.85	2.75	2.55	2.20	12.25

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of other Non-Executive Directors	Total Amount
2.	Fee for attending Board/Committee Meetings	Nil	Nil
	Commission	Nil	Nil
	Others, Please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	12.25 Lakhs	
	Total Managerial Remuneration	271.10 Lakhs	
	Overall Ceiling as per the Act	11% of net profits	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CFO		CS	
		Mrs. L. Visalakshi (Resigned w.e.f 13 th November, 2018)	Mr. N. Nandakumar (Appointed w.e.f 14 th November, 2018)	Mr. Ravi B.S.G	
1.	Gross Salary • Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.29	22.68	8.58	53.55
	• Value of Perquisites u/s 17(2) Income –tax Act, 1961	-	-	-	-
	• Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit -others, Specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	22.29	22.68	8.58	53.55

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Date: 20th May, 2019
Place: Chennaisd/-
Venkatesh Rajagopal
Executive Chairman & Whole Time Director
(DIN: 00003625)



ANNEXURE - IV TO BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Indian Terrain Fashions Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed here under 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, 2019 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 Byelaws 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. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - g. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 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, Value Added Tax, Central Excise Act 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 issued by The Institute of Company Secretaries of India have been generally complied with.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review, there were no changes in the composition of the Board of Directors.

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

1. Changes in directorate:

During the year, the Shareholders of the Company in their Annual General Meeting held on 25th September, 2018 approved the below transactions.

- Mr. Kalpathi Subramanian Suresh was appointed as an independent director.
- Reappointment of Independent Directors Mr. Harsh Bahadur, Mr. Manoj Mohanka, Mr. N.K. Ranganath and Mr. P.S. Raman for a second term of 5 (five) years w.e.f. 01st April, 2019 till 31st March, 2024.
- Change in designation of Mr. Venkatesh Rajagopal as Executive Chairman and Whole Time Director for a period of 05 (five) years w.e.f. 08th August, 2018.
- Appointment of Mr. Charath Ram Narsimhan (DIN: 06497859) as Managing Director and Chief Executive Officer (Key Managerial Personnel) for a period of 05 (five) years w.e.f. 08th August, 2018.

2. Changes in Key Managerial Personnel (Chief Financial Officer)

Mr. N. Nandakumar was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect 14th November, 2018 in the place of Mrs. L. Visalakshi, who resigned with effect from 13th November, 2018.

For BP & Associates
Company Secretaries

sd/-

K. J. Chandra Mouli
 Partner

M.No: 25315
 CP No: 15708

Date: 20th May, 2019
Place: Chennai

**'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

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and 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.

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

**For BP & Associates
Company Secretaries**

sd/-

K. J. Chandra Mouli

Partner

M.No: 25315

CP No: 15708

Date: 20th May, 2019

Place: Chennai

ANNEXURE - V TO BOARD'S REPORT**CORPORATE SOCIAL RESPONSIBILITY REPORT****1. Company's Corporate Social Responsibility policy**

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

The implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of the Company. The CSR Policy of the Company is available in the Company's website www.indianterrain.com.

2. Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, the board of directors at their meeting held on 13th November, 2018 had reconstituted the CSR committee consisting of following members:

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

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

3. Average Net Profit of the Company for the last three years: ₹ **36.44 Crores**

4. Prescribed CSR Expenditure (2% of the amount as in Item No.3): ₹ **72.88 Lakhs**

5. Details of CSR contributed during the Financial year:

- Total amount to be contributed for the financial year: ₹ **72.88 Lakhs**
- Total amount contributed during the financial year: ₹ **9.19 Lakhs**
- Amount not contributed, if any: ₹ **63.69 Lakhs**
- Manner in which the amount contributed during the financial year is detailed below:

(₹ in Lakhs)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where Projects or Programs was undertaken	Amount Outlay (Budget) Projects or Programs wise	Amount spent on the programs or projects: (1) Direct expenditure on Projects or Programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or Implementing agency
1	Promote education and training of Special children	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Tamil Nadu	4.19	4.19	4.19	Directly to Swabodhini Charitable Trust, Chennai (a registered Charitable Trust)
2	Paediatric Heart Surgery	Health Care	Tamil Nadu	5.00	5.00	9.19	Rotary Club of Madras South Trust (a registered Charitable Trust)
Total amount contributed				9.19	9.19		

6. The Company is in the process of setting up of the foundation, of which the trust registration is under progress. The Company feels that the contribution done through the trust will reach the community at large and the needy. The Company proposes to undertake more activities in the upcoming years through the foundation and as always committed to social responsibility. Hence, for the year 19-20 we expect the CSR contribution to scale up.

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

For and on behalf of Committee

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

sd/-
Rama Rajagopal
Chairperson - CSR Committee
(DIN: 00003565)

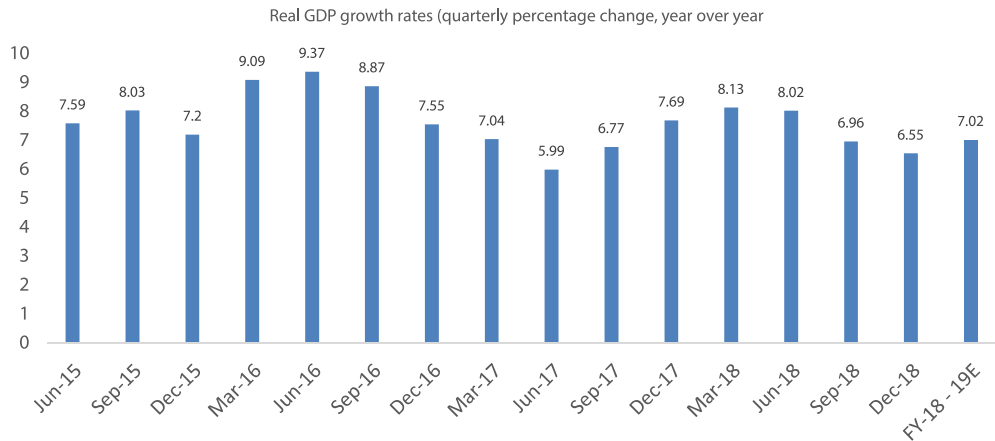


MANAGEMENT DISCUSSION & ANALYSIS

Economy Overview:

The Indian economy began the FY19 with a healthy 8.2 percent growth on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalised monetary policy in advanced economies, externalities from trade disputes and investment rerouting. Further, the Indian rupee suffered because of the crude price shock and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil.

The Indian economy is likely to sustain the rebound in FY2018-19 - growth is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. This is achievable due to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy.



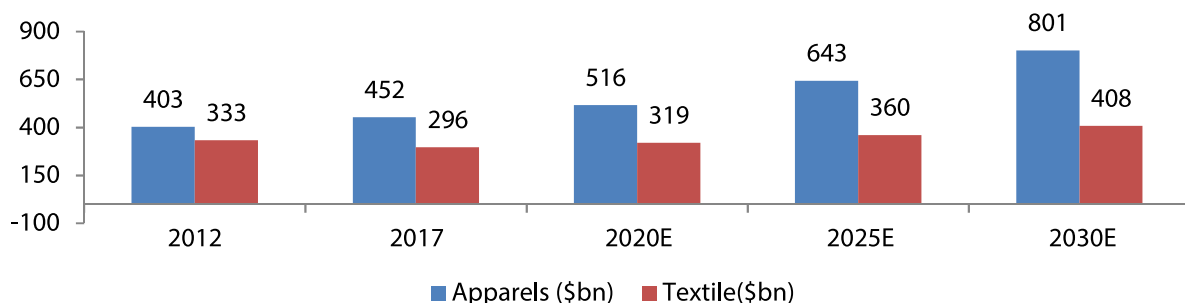
Note: Estimates for 2018 – 19 have been taken from the budget.
Source: CEIC; Deloitte.

Economic momentum which started in April is expected to remain steady this fiscal year. The economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect relative prices and hurt current and fiscal account deficit. While expectations of inflationary pressures remain benign, concerns have risen on the twin deficit problem—current account deficit and fiscal deficit.

With key economic policies on track, the government is likely to focus on faster policy implementation in the year ahead, with a greater focus on infrastructure development. Government push may encourage muted private investors to participate, thereby fostering private sector expenditure and boosting investments. Investments and growth follow a similar pattern, and investments make up a crucial component for overall growth optimization.

Global Apparel & Textile Industry:

As per the Confederation of Indian Textile Industry (CITI) dated Dec 2018, the Global apparel and textiles industry is anticipated to grow at \$1,209 bn in the year 2030 from \$784 bn in 2017, of this, apparel market is expected to grow at 4.5% CAGR for the next 12 years. India has a very miniscule share of trade in global apparels, which is around ~4% or \$17bn, this share however will change in the years to come and is anticipated to increase to another 400-500bps by the year 2030. One of the biggest advantage an economy like India holds is its strong labour force which makes it conducive to providing complete service offering in comparison to other nations who do not have a solid labour pillar. Although India does face competition from countries like China and Bangladesh, it is one of the countries with strong value chain capabilities for the textile industry.



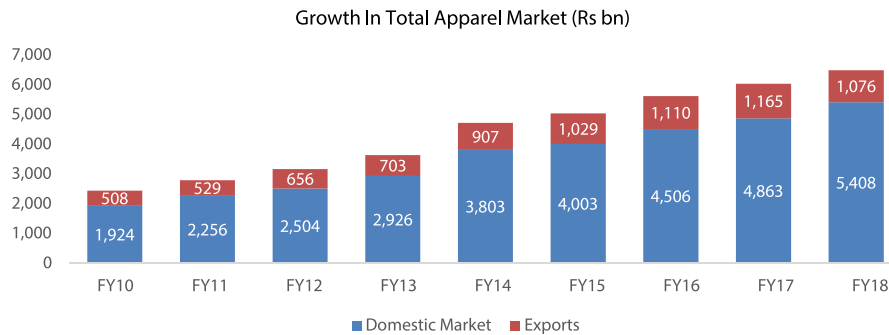
Indian Apparel Industry:

The Indian Textiles and Apparel (T&A) industry accounts for approximately 4% of the global T&A market. Out of this, the Indian Apparel market has been growing in excess of 5.5% on a yearly basis and is expected to rise to about ~7% over the near future.

The T&A industry is one of the largest and the most important sectors for the Indian economy in terms of output, foreign exchange earnings and employment. The Indian readymade garments/apparels (RMG) industry is the largest segment of the Indian T&A industry accounting for approximately 50% of the total industry. The T&A industry contributes approximately 7% to industrial output in value terms, 2% to the GDP and 15% to the country's export earnings. It also provides direct employment to over 45 million people and is the second largest provider of employment after agriculture. As per the WTO in its World Trade Statistical Review 2018, India is ranked as the 5th largest exporter of RMG in the world.

The apparel industry (domestic + export) in India grew at a CAGR of 13% from ₹ 2,432 bn in FY10 to ₹ 6,484 bn in FY18. The growth can be attributed to:

- Rising per capita disposable income
- Changing fashion trends
- Growing consumer class
- Rising urbanization
- Increasing retail penetration
- Growing service class and
- Increasing share of the designer wear



Note: PFCE Clothing at current price considered as a proxy for domestic market
Source: CMIE

The domestic Indian apparel market can be broadly classified into men's wear, women's wear and kids wear. Currently, men's wear holds the largest share in the apparel market. It accounts for 41% of the market. Women's wear contributes almost 38%, while kids wear contributes the balance 21% of the market

Men's Wear Market:

Men's wear is the largest segment (41%) in the apparel market. Men's wear comprises of shirts, trousers, suits, t-shirts, fitness wear, undergarments and others. Shirts comprises as the largest sub-segment. Men's wear consumers are in a phase of transition; they no longer want to stick to wearing apparel of defined styles and silhouette but also want to experiment with the look of the clothing. The demand for occasion-specific clothing is rising within the men's wear segment.

Women's Wear Market:

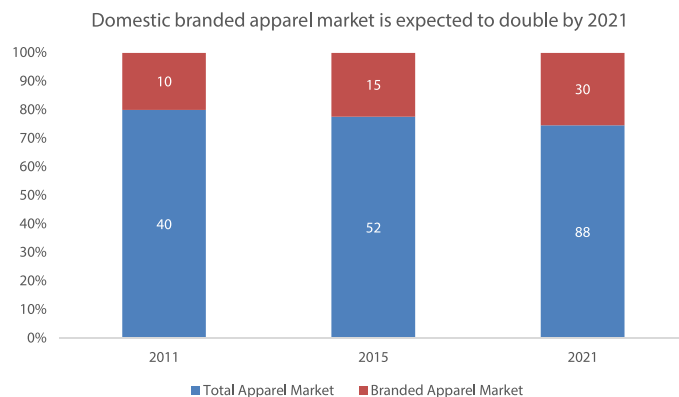
Women's wear contributes (38%) in the apparel market. Ethnic is the largest sub-segment in women's wear category. The growth in the segment is attributed to rising income levels and the rising number of working women. The changing consumer preference and easy availability of RTW apparel in various colors, size and patterns, were the other drivers of demand in this segment

Kid's Wear Market:

Kid's wear contributes 21% to the apparel market. It is the fastest growing segment in the apparel market. Boys wear enjoys slightly higher market share as compared to girls wear. Uniforms form the largest sub segment of the same.

The domestic apparel market can also be broadly divided by price into super premium, premium, medium, economy, and value segments. Demand for various apparel categories varies substantially across the country. The urban metro market comprising of cities such as Delhi NCR, Mumbai, Bangalore, Chennai, etc., is the biggest market for apparel in India and contributes over 20% to the Indian apparel market. Considering that less than 20% of India's population lives in these cities this indicates the higher purchasing power in urban areas and frequency of purchases.

The apparel market in India is rapidly evolving with a shift in consumer tastes towards branded apparel providing strong investment opportunities. The branded apparel segment to outpace the industry growth rate by 1.5x and reach to US\$ 30 bn by 2021.



Source: CLSA estimates, Euro monitor, Wazir Advisors

Demand Drivers for Textile and Apparel Industry:



The apparel industry is largely consumption-driven and therefore, the economic cycles have a direct impact on the performance of the industry. The industry now stabilising post the demonetisation and the implementation of the goods and service tax (GST) regime, the demand from both domestic and international markets, has picked up. Higher purchasing power leads to increased spending, thereby driving the demand for apparels and home textiles, while during the economic slowdown, the spending power and in turn consumption decreases.

Key Government Initiatives:

- In March 2019, the Central government approved a scheme to rebate State and Central Embedded Taxes for apparels and made-ups exports
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for Readymade garments and Made ups - from 2% to 4%.
- The Government of India has increased the basic custom duty to 20% from 10% on over 500 textile products to boost indigenous production and the Make in India program.
- The Amending Technology Up-gradation Fund Scheme (A-TUFS), is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crores by 2022.
- The Government of India has approved a skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crores from 2017-18 to 2019-20.
- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology up gradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for revive the power loom sector of India.

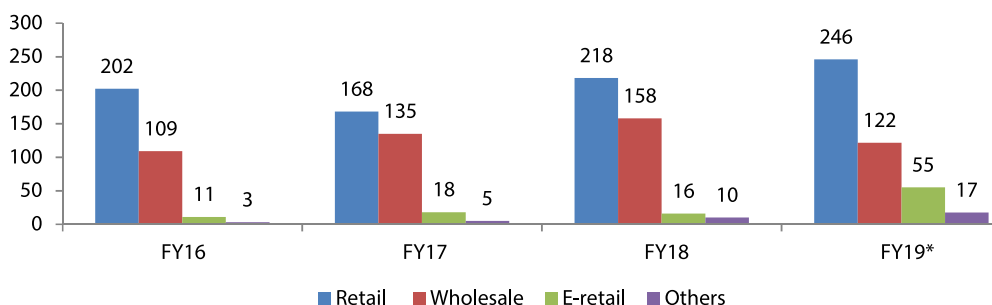
Company Overview:

Indian Terrain Fashions Ltd, (ITFL) incorporated in 2009, was initially a division of Celebrity Fashions Limited. However post September 2010, ITFL was demerged from the parent Company. Indian Terrain Fashions Ltd is one of the leading ready-made garment retailers in India with a presence across 200+ towns and cities in India in the men's wear, boys wear and fashion accessories in the domestic market sold through a combination of Direct to Consumer and Wholesale channels. Product categories include shirts, trousers, t-shirts, jeanswear, shorts, sweaters and accessories like belts, bags, wallets and socks, etc.

As on FY19, ITFL recorded revenue of Rs 422 crores registering a growth of 5.2%. The momentum of growth was witnessed across both the business of Men's and Boy's wear. Growth of Men's wear came out of expanded product offerings and Boy's wear on account of aggressive product and pricing strategy. Boy's wear contributed to around 10% of the overall revenues. Revenue growth was broad based across channels. Direct to consumer channels grew 3.1% during the FY19. EBO to be the key focus channel on asset light franchised model. E-Commerce grew 175% strongly across platforms and has continue to be a focus Channel for future.

In order to strengthen and reinforce the reputation of Indian Terrain, your Company has continued to invest in promoting the brand through the various marketing initiatives which has led to an increase additional demand and create has a top of the mind brand recall which can be witnessed through the sales in this fiscal year.

We endeavor to continue with our brand building exercises and increase customer engagement and enhance the overall experience through the use of our offerings and customer loyalty programs and continued strong focus on digital platforms and strong social media connect with consumers. We expect these initiatives to pay out in the form of increased brand awareness, acquire customers, and increase customer traffic to the various stores.

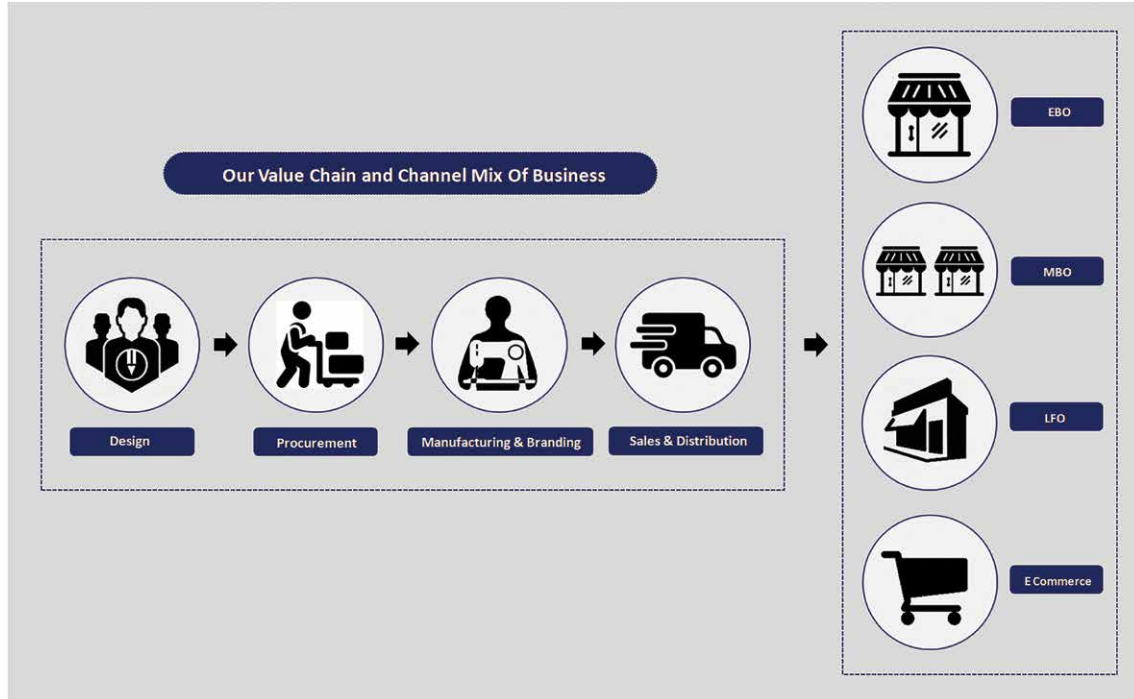


ITFL being a contemporary men's wear and boy's wear apparel brand priced in mid to premium range, targeting the upper and middle-class consumers. With rising youth population preference for casual wear among men on this style of clothing, resulted in increased demand for **Smart Casuals**

ITFL being uniquely positioned, to cater to the working population between 25-45 years, has managed to differentiate itself with its designs and superior quality products. Indian Terrain has been prudent in establishing itself as a niche category within a fragmented industry.

Company Strategy Going Ahead:

- Increased investments in marketing to strengthen brand visibility.
- Focus and build on Direct to consumer channels and E-com.
- Invest in Brand Marketing significantly
- Improve operational efficiencies and returns to the stakeholders

Our Value Chain:


Indian Terrain Fashion Ltd value chain can be summarized from the above. Each process is interlinked and play a vital role in the final outcome of the apparel.

The design team is in-house and oversees the product designs which are aligned to the brand of Indian Terrain. This is foremost one of the precursor and key functions of the Apparel process. ITFL has been first of a kind to launch hem shirts, khakis, slim-fit cotton shirts, slim-fit chinos thus meeting the growing customer needs creating a solid customer base

The approval runs follows the procurement of fabrics from reputed mills, ITFL has built a strong network and relation and thus, has bargaining power among its suppliers. As quality is a key norm for apparels, Indian Terrain has its own in-house Procurement team which watches over quality and comfort standards that have been defined for the brand. To maintain uniformity in the quality standards, each stage is monitored closely, for e.g. fabric and garment package testing, etc. Post the design specifications and the procurement the manufacturing of the garment is outsourced. This is what makes Indian Terrain an Asset light model maintaining laser-focus on critical factors of quality and brand equity and which is why ITFL does not invest in capacities. Post this process, pre-production and sample sizes are tested and followed up with a Final inspection, after which a warehouse check is done.

Sales and distribution of products are effected through fairly good presence across the country with presence in around 250+ large towns through 161 exclusive doors, 380+ departmental stores and over 1400 + multi-branded outlets in addition to leveraging the online platforms.

FINANCIAL PERFORMANCE :

(₹ in Crores)

Particulars	For the Year ended	
	31 st March, 2019	31 st March, 2018
Revenue	422.37	401.45
EBITDA	53.81	50.36
Finance costs	8.46	7.04
Depreciation	5.54	4.22
Earnings before tax	39.81	39.10
Current tax	13.89	6.84
Deferred tax	0.21	6.82
Excess)/short fall of previous year	-	-
Net profit	25.71	25.44
Other comprehensive income for the year	(0.06)	(0.25)
Total comprehensive income for the year	25.65	25.19
Earnings per Share (in ₹)		
• Basic	6.78	6.71
• Diluted	6.78	6.71

KEY FINANCIAL RATIOS:

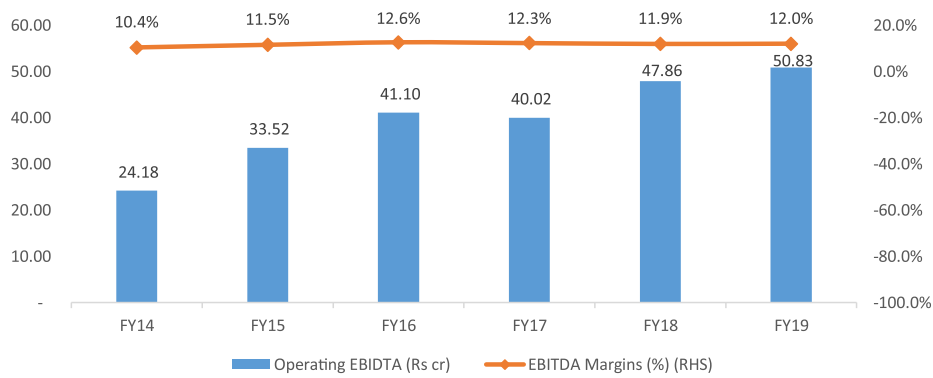
Particulars	For the Year ended	
	31 st March, 2019	31 st March, 2018
Debtors turnover ratio	1.8	2.2
Inventory turnover ratio	6.2	5.0
Interest coverage ratio	5.4	6.2
Current ratio	2.1	2.1
Debt equity ratio	0.14	0.19
EBITDA margin	12.0%	11.9%
Operating profit margin	10.7%	10.9%
Net profit margin	6.1%	6.3%
Return on net worth	11.2%	12.5%
Return on average capital employed	17.3%	17.9%

Details of significant changes (i.e. change of 25% or more as compared to the previous financial year) in the key financial ratios:

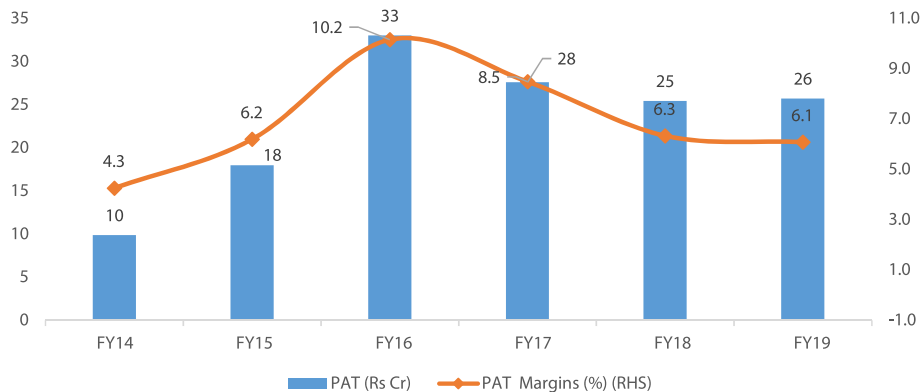
Debt to Equity Ratio – Ratios have improved due to better operational efficiency and lower debts.

KEY PERFORMANCE INDICATORS:

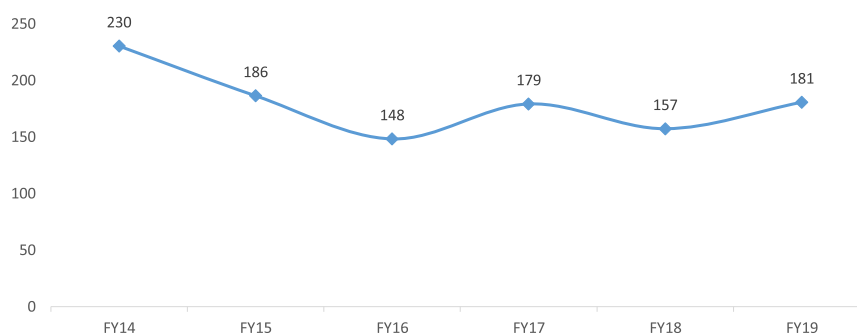
EBITDA & Margins:

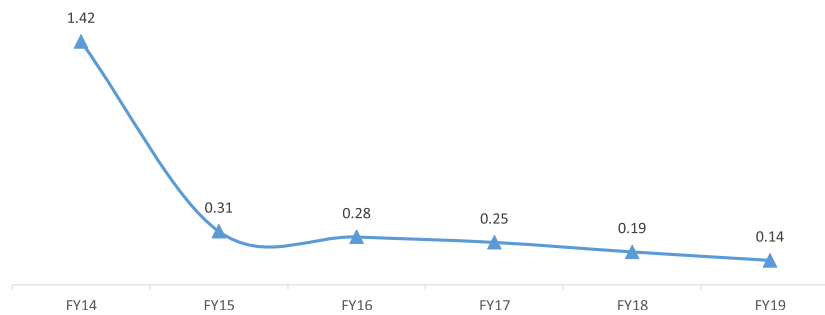
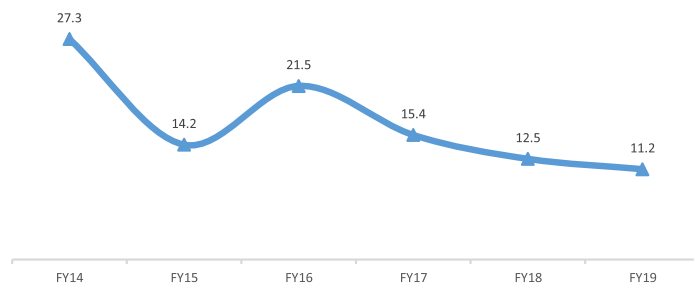
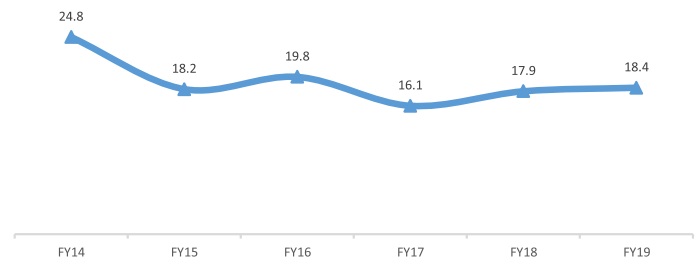
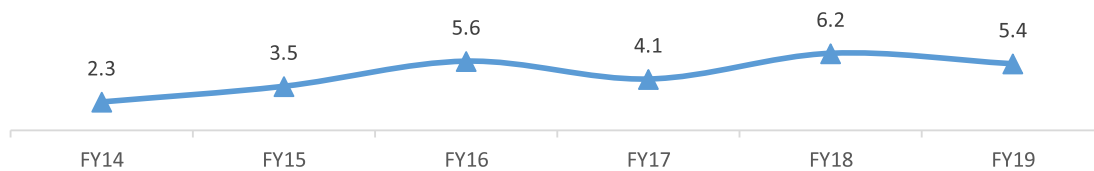


PAT & Margins:



Net Working Capital Cycle:



Debt to Equity (x):

Return on Equity (%):

Return on Capital Employed (%):

Interest Coverage (x):

Internal Controls and Risk Management:

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

Business risk evaluation and mitigation is an ongoing process. The Board has constituted the Risk Management Committee for identification, evaluation and mitigation of operational, strategic and external risks. The Committee has the overall responsibility for monitoring and reviewing the Risk Mitigation plans. Details of the composition of the Risk Management Committee are disclosed as part of Corporate Governance Report.

Human Resources:

The company had 567 employees as on 31st March, 2019. Your company firmly believes that talent is the driving force behind successful business. Accordingly, the company continuously invests, evaluates and improves development of human capital efforts. The top priorities of the Company include measures for employees' safety, their welfare and development. The company follows a targeted approach in training, appraisal and retention of leaders and other employees.

Disclaimer:

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

Bibliography :

https://www.citiindia.com/wp-content/uploads/2019/01/TT_Dec-18.pdf



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 8 (eight) 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 and the Managing Director & Chief Executive Officer under the supervision and guidance of the Board.

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

Sl. No.	Name of Directors	Attendance at meetings during financial year 2018-19		No. of Directorship in other Boards as on 31 st March 2019*	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	3/4	Yes	1	0	0
3.	Mr. Charath Ram Narsimhan	3/3	Yes	0	0	0
4.	Mr. N.K. Ranganath	4/4	Yes	3	0	2
5.	Mr. P.S. Raman	1/4	No	2	2	0
6.	Mr. Manoj Mohanka	3/4	No	5	2	1
7.	Mr. Harsh Bahadur	3/4	No	1	2	0
8.	Mr. Kalpathi S.Suresh	4/4	No	4	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.

Board composition and category of Directors:

During the financial year ended 31st March 2019, 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, Executive and Non-Independent Director
3	Mr. Charath Ram Narsimhan #	06497859	Managing Director & CEO	Executive and Non-Independent Director
4	Mr. N.K. Ranganath	00004044	Director	Non-Executive Independent Director
5	Mr. P.S. Raman	00003606	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

* Change in Designation from Managing Director to Whole Time Director w.e.f 08th August, 2018

#Appointed as MD cum CEO w.e.f. 08th August, 2018

**Appointed w.e.f. 28th May, 2018

Note:

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

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

Sl. No.	Name of Directors	Directorship in Listed Entities		
		No. of Directorship in Listed entities Board as on 31 st March, 2019	Name of Listed entity	Category of Directorship held
1.	Mr. Venkatesh Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
2.	Mrs. Rama Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
3.	Mr. Charath Ram Narsimhan	0	NA	NA
4.	Mr. N.K. Ranganath	1	Celebrity Fashions Limited	Independent Director
5.	Mr. P.S. Raman	2	Celebrity Fashions Limited	Independent Director
			Sundaram Brake Linings Limited	Independent Director
6.	Mr. Manoj Mohanka	2	India Carbon Limited	Independent Director
			Titagarh Wagons Limited	Independent Director
7.	Mr. Harsh Bahadur	1	Vaibhav Global Limited	Independent Director
8..	Mr. Kalpathi S.Suresh	0	NA	NA

Profile of the Directors

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

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

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

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

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

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

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

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

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

Mr. P.S. Raman (DIN: 00003606) – Independent Director

Mr. P.S. Raman holds a bachelor degree in Commerce and Law. He is a Senior Advocate with more than two decades of practice experience at Madras High Court and in the Supreme Court. During the years of practice, he has gained valuable knowledge, experience and expertise in the field of law.

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

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

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

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

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

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

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

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

Number of Board meetings held

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

The notice of Board meeting is given well in advance to all the Directors. Usually, the meetings of the Board are held in Chennai. The Agenda of the Board and Committees meetings is set by the Company Secretary in consultation with the Chairman, MD & 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 2019, 04 (four) board meetings were held on 28th May, 2018, 08th August, 2018, 13th November, 2018, and 12th February, 2019. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Board Support

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

Disclosure of relationship between the Directors inter-se

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

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

None of the Independent directors hold any equity shares in the Company as on the financial year ended 31st March, 2019 and the Company has not issued any convertible instruments.



Familiarisation 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:

SI. NO	NAME OF THE DIRECTORS	SKILLS/EXPERTISE/COMPETENCIES
1.	Mr. Venkatesh Rajagopal	Apparel & Textile Industry Domain, Entrepreneur, Board Service, Business Strategy, Corporate Planning and functional areas like Managerial, Financial, Marketing and Administration.
2.	Mrs. Rama Rajagopal	Entrepreneur, Business and Corporate and Planning.
3.	Mr. Charath Ram Narsimhan	Business Strategy, Apparel & Garment Industry Domain, Managerial, Financial, Commercial, Systems and Administration.
4.	Mr. N.K. Ranganath	Board Service, Business Strategy, Corporate Planning and expertise in sales, marketing, finance, production and human resource disciplines.
5.	Mr. P.S. Raman	Experience and Expertise in the field of law.
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.

Independence of 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. Therefore, in the opinion of the Board, the independent directors fulfill the conditions specified in the above-mentioned regulations and are independent of the management.

Resignation of Independent Director and reasons thereof

None of the independent director has resigned from the Board during the financial year ended 31st March, 2019.

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 05 (five) Independent directors namely Mr. N.K. Ranganath - Chairman, Mr. Harsh Bahadur, Mr. Manoj Mohanka, Mr. P.S. Raman and Mr. K.S. Suresh and 02 (two) Executive non-independent director namely Mr. Venkatesh Rajagopal and Mr. Charath Ram Narsimhan as the members. 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 28th May, 2018, 08th August, 2018, 13th November, 2018, and 12th February, 2019 during the financial year ended 31st March, 2019.

Sl. 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. P.S. Raman	Member	1/4
5	Mr. Kalpathi S.Suresh*	Member	1/1
6	Mr. Venkatesh Rajagopal	Member	4/4
7	Mr. Charath Ram Narsimhan*	Member	1/1

*Appointed as member of Audit Committee with effect from 14th November, 2018.

The Company Secretary acts as the Secretary to the Committee. Mrs. L. Visalakshi – Chief Financial Officer (resigned w.e.f. 13th November, 2018) and Mr. N. Nandakumar – Chief Financial Officer (appointed w.e.f. 14th November, 2018), and Partner of M/s. RVKS & Associates, Internal Auditors of the Company are regular invitees to the meeting. The internal auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the Company's Annual General Meeting held on 25th September, 2018 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 05 (five) independent directors as its members viz., Mr. N.K. Ranganath being the Chairman of the committee, Mr. P.S. Raman, Mr. Harsh Bahadur, Mr. Manoj Mohanka and Mr. Kalpathi S. Suresh as its members.

Meetings and attendance details during the financial year

The Committee met 3 (three) times on 28th May, 2018, 08th August, 2018 and 13th November, 2018 during the financial year ended 31st March, 2019.

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

The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September, 2018 to answer the shareholders' queries.

*Appointed as member of Nomination and Remuneration Committee with effect from 14th November, 2018.

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

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

Performance evaluation criteria for Independent Directors

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

Remuneration to Directors

Policy on Remuneration and details of remuneration paid

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

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

Remuneration to Non-executive Directors

The Non-Executive Directors do not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the Board and Committee meetings. The details of sitting fees paid to Non-Executive Directors during the financial year ended 31st March, 2019 is given below. The Executive Directors are not eligible for sitting fees.

Name of the Non-Executive Director	Sitting Fee paid for Board and Committee meetings (In ₹)
Mr. N.K. Ranganath	3,90,000
Mr. Harsh Bahadur	2,75,000
Mr. Manoj Mohanka	2,55,000
Mr. P.S. Raman	85,000
Mr. Kalpathi S.Suresh	2,20,000
TOTAL	12,25,000

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, 2019.

(₹ in Lakhs)

Name of the Director	Salary	Commission	Retirement Benefits	Total
Mr. Venkatesh Rajagopal	72.39	75.30*	Nil	147.69
Mrs. Rama Rajagopal	42.39	Nil	Nil	42.39
Mr. Charath Ram Narsimhan	31.12	37.65**	Nil	68.77
Total				258.85

* 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 mediclaim policy for hospitalization and reimbursement of all actual medical expenses for themselves and their family to the extent not reimbursed under Mediclaim policy. They shall be entitled to telephone, fax and other communication facilities at their residence at company's cost. They are entitled to a 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, 2019, 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 once on 12th February, 2019 during the financial year ended 31st March, 2019. The Stakeholders' Relationship Committee has been constituted with the following members:

Sl. No	Name of the Members of Stakeholders' Relationship Committee	Designation	No of Meeting Attended
1	Mr. N.K. Ranganath	Chairman	1/1
2	Mr. P.S. Raman	Member	0/1
3	Mr. Kalpathi S.Suresh*	Member	1/1
4	Mr. Venkatesh Rajagopal	Member	1/1
5	Mr. Charath Ram Narsimhan*	Member	1/1

*Appointed as members of Stakeholders' Relationship Committee with effect from 14th November, 2018.



The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September, 2018 to answer the shareholders' queries.

Name and designation of Compliance Officer

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

Brief description and term of reference

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

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

Status of Shareholders complaints/grievances

The following were the status of Shareholders complaints during the financial year ended 31st March, 2019.

Sl. No	Particulars	Designation
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 during the financial year ended 31st March, 2019.

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 2019, the Corporate Social Responsibility committee met 2 (two) times on 08th August, 2018 and 13th November, 2018.

The committee consists of following members.

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

*Appointed as members of CSR Committee with effect from 14th November, 2018.

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

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

- 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, 2019, the Independent Directors met on 12th February, 2019 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 effectively and reasonably perform its duties.

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 and Mr. Kalpathi S.Suresh were present for the meeting.

4. GENERAL MEETINGS

Location, Date and Time, where last three annual general meetings held

Location	Date	Time	Special resolutions passed at previous three Annual General Meetings (AGM)
SDF- IV & C2, 3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Tuesday, 25 th September 2018	11.30 A.M	Special resolutions were passed for the re-appointment of Independent Directors viz., Mr. N. K. Ranganath, Mr. Manoj Mohanka, Mr. Harsh Bahadur and Mr. P.S. Raman.
SDF- IV & C2, 3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Friday, 25 th September 2017	11.30 A.M	No special resolution was passed
SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Friday, 30 th September 2016	11.30 A.M	No special resolution was passed

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

The Company has not passed any ordinary/special resolution during previous year ended 31st March, 2019 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 20th May, 2019 and the date, time and venue of the 10th 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 : 1st April to 31st March

Calendar of financial year ended 31st March, 2019

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, 2019 were held on the following dates:

First Quarter Results	08 th August, 2018
Second Quarter and Half yearly Results	13 th November, 2018
Third Quarter Results	12 th February, 2019
Fourth Quarter and Annual Results	20 th May, 2019

Tentative Calendar for financial year ending 31st March, 2020

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, 2020 are as follows:

First Quarter Results	August, 2019
Second Quarter and Half yearly Results	November, 2019
Third Quarter Results	February, 2020
Fourth Quarter and Annual Results	May, 2020

Dividend payment date : **Not Applicable**

Listed on Stock Exchange:

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

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

ISIN : INE611L01021

Listing Fees:

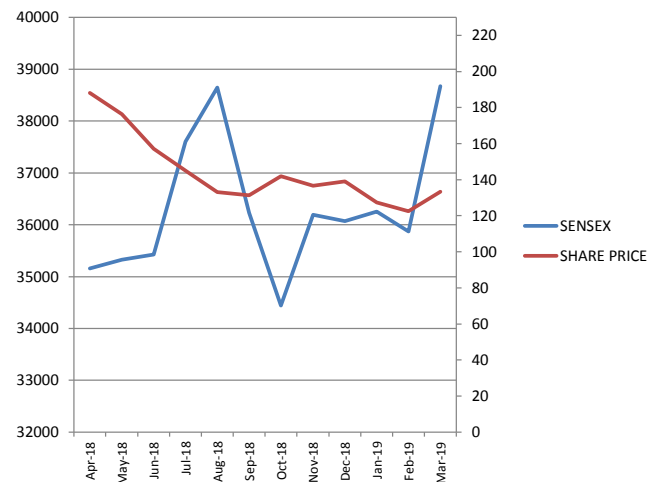
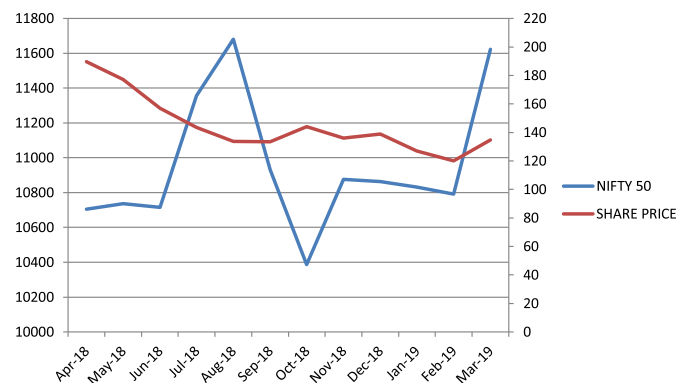
The Annual listing fees for the financial year have been paid to the above Stock exchanges where the shares of the Company are listed.

Payment of Depository Fees :

Annual Custody / Issuer fee for the financial year 2019-20 has been paid by the Company to Central Depository Services Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) upon receipt of invoice.

Market price data - high, low during each month in the previous financial year
Share price (₹)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-18	206	171	34896	200.00	175.55	223626
May-18	194	169.3	1082430	194.50	169.00	624980
Jun-18	178.5	147.5	204735	178.30	147.05	1762202
Jul-18	165	143	34042	160.00	142.00	240178
Aug-18	169	125.3	136493	162.05	126.45	642532
Sep-18	149.8	127.1	110941	143.95	126.95	508868
Oct-18	144.65	121	335299	144.50	120.00	666160
Nov-18	158.5	136.5	138066	154.00	133.95	218263
Dec-18	155	130	13748	151.00	130.00	84162
Jan-19	143.9	125.25	42542	141.80	125.10	98648
Feb-19	129	111.2	155399	129.90	112.20	214955
Mar-19	148.8	122	21583	141.45	119.05	210487

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

(ii) NSE NIFTY 50

Registrar and Share Transfer Agents:

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



Share Transfer System

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

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

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

Distribution of Shareholding

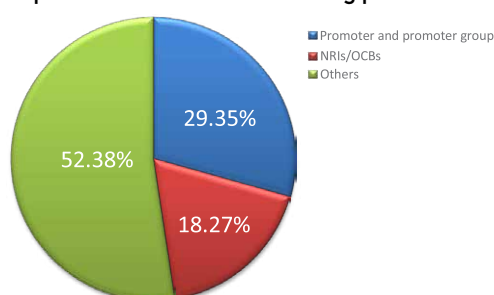
Distribution of Shareholding as on 31st March, 2019 is as under:

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-500	9853	84.0987	1041849	2.7459
501-1000	839	7.1611	629828	1.6600
1001-2000	471	4.0201	678674	1.7887
2001-3000	217	1.8522	550767	1.4516
3001-4000	80	0.6828	285413	0.7522
4001-5000	59	0.5036	271081	0.7145
5001-10000	79	0.6743	578634	1.5251
Above 10000	118	1.0072	33905054	89.3619
Grand Total	11716	100	37941300	100.00

Shareholding Pattern as on 31st March, 2019

Category	No. of Shares	Percentage
Promoter and promoter group		
Promoter and promoter group	11136100	29.35
Subtotal (A)	11136100	29.35
NRIs/OCBs		
Foreign Company	1245140	3.28
Foreign Nationals	0	0.00
Non Resident Indians	258872	0.68
Foreign Portfolio Investor	5427755	14.31
Subtotal (B)	6931767	18.27
Others		
Clearing Members	27460	0.07
Private Corporate Bodies	1205234	3.18
Mutual Funds	8326768	21.95
Public	7431166	19.58
Others (HUF, NNB)	2882805	7.60
Subtotal (C)	19873433	52.38
Total (A+B+C)	37941300	100.00

Graphical Representation of the Shareholding pattern



Dematerialization of shares and liquidity as on 31st March, 2019

Particulars	No. of Shares	% to Capital
National Securities Depository Limited	23530716	62.0187
Central Depository Services (India) Limited	14409159	37.9775
Subtotal -Demat (A)	37939825	99.9962
Subtotal -Physical (B)	1425	0.0038
Total (A+B)	37941300	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 November 15, 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 Thiruvengeri Village, Tambaram Taluk, Kancheepuram District.

Address for correspondence:

Registered Office

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

Corporate Office

SDF - IV & C2, 3rd Main Road,
MEPZ - SEZ, Tambaram, Chennai 600 045.
Tel: +91 44 4227 9100
Email : response.itfl@indianterrain.com
Website : www.indianterrain.com

Contact details of Designated Official for assisting & handling Investor Grievances

Mr. Ravi B.S.G
Company Secretary & Compliance Officer
INDIAN TERRAIN FASHIONS LIMITED
SDF-IV & C2, 3rd Main Road
MEPZ-SEZ, Tambaram, Chennai-600 045
Tel : +91 44 4227 9100 (Board)
+91 44 4227 9241 (Direct)
E-mail : ravi.bsg@indianterrain.com / response.itfl@indianterrain.com

Credit ratings obtained by the entity:

The detail of credit rating obtained by the Company during the financial year 2018-2019 is as follows:

A. Name of credit rating agency: CRISIL Limited

B. Whether there is any revision in credit rating: Yes. The credit rating of the Company was revised vide CRISIL Report dated 30th August, 2018.

C. Credit rating:

Type of instrument	Rating
Long term rating	CRISIL BBB+/STABLE (Upgraded from 'CRISIL BBB/Stable')
Short term rating	CRISIL A2 (Upgraded from 'CRISIL A3+')

7. OTHER DISCLOSURES:

During the year, the Company has 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 with related parties have been made in the ordinary course of business and at arm's length.

The Company has already taken approval from the shareholders for a contract value upto a maximum of ₹ 40.00 Crores in any financial year towards related party transactions on Job work charges, purchase of fabrics, washing charges, FOB Purchases, Sale of Fabrics and Rental income.

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

Sl.No	Name of the Party	Transaction Details
1	Mr. Venkatesh Rajagopal	Celebrity Fashions Limited – Job work charges, purchase of fabrics, washing charges, FOB Purchases, Sale/purchase of Fabrics and Rental income
2	Mrs. Rama Rajagopal	

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

The Policy on dealing with Related Party Transactions is put up on website of the Company www.indianterrain.com

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 3 (three) years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 (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, 2019. 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.

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 and Practising Company Secretaries

• Pursuant to Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by M/s. CNGSN & Associates LLP, Chartered Accountants.

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

Whistle Blower Policy / Vigil Mechanism

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

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

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

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

- The Company has appointed separate persons to the post of Chairman and Managing Director;
- The internal auditor may report directly to the audit committee;

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

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

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

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

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

Total fees paid to the statutory auditors for the FY 2018-19

(₹ in Crores)

Sl.No	Name of Auditors	Description of Service	Amount
1	CNGSN & Associates LLP	Statutory Audit	₹ 0.025
2	Anil Nair & Associates	Statutory Audit	₹ 0.030

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

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

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

Particulars	No. of Shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 st April, 2018	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, 2019	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31 st March, 2019 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Indian Terrain Fashions Limited

We have examined the compliance of conditions of Corporate Governance by Indian Terrain Fashions Limited for the financial year ended 31st March 2019, as stipulated under Schedule V(E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For CNGSN & Associates LLP
Chartered Accountants
F.R.No.004915S/S200036

sd/-

V. Vivek Anand
Partner

Membership No.208092

Date: 20th May, 2019

Place: Chennai

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, 2019, 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, 2019.

For Indian Terrain Fashions Limited

sd/-

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

Date: 20th May, 2019

Place: Chennai

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 208, Velachery Tambaram Road Narayanapuram, Pallikaranai Chennai – 600100, Tamil Nadu, India (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 my/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 ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment
1.	Rama Rajagopal	00003565	01/10/2013
2.	Pattabi Sundar Raman	00003606	20/09/2010
3.	Venkatesh Rajagopal	00003625	29/09/2009
4.	Ranganath Nugehalli Krishna	00004044	20/09/2010
5.	Manoj Mohanka	00128593	13/12/2011
6.	Kalpathi Subramanian Suresh	00526480	28/05/2018
7.	Harsh Bahadur	00724826	27/06/2011
8.	Charath Ram Narsimhan	06497859	08/08/2018

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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BP & Associates
Company Secretaries

sd/-

K. J. Chandra Mouli
Partner

M.No: 25315
CP No: 15708

Date: 20th May, 2019

Place: Chennai

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDIAN TERRAIN FASHIONS LIMITED REPORT ON THE AUDIT OF IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS Financial Statements of **Indian Terrain Fashions Limited** ("the Company"), which comprises the Balance sheet as at 31st March, 2019 the Statement of Profit and Loss (including Other Comprehensive income) and the Cash Flow Statement and the Statement of Change in Equity 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 Ind AS 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, 2019 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

Key Audit Matters	How the matters were addressed during our audit
<p>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 on-going basis by its management.</p> <p>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, 2019 an amount of ₹240.06 crores is classified as 'Receivables considered good and unsecured'.</p> <p><i>Refer Note No. 7 of the Financial Statements</i></p>	<p>Our procedures included, but were not limited to the following:</p> <p>Performed audit procedures on the existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivables external confirmations and testing the subsequent payments received.</p> <p>Assessed 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>Tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Assessed the appropriateness of the disclosures made in Note 7 to the financial statements.</p> <p>Our audit procedures did not identify any material discrepancies with respect to trade receivables.</p>
<p>Recoverability of Indirect Tax Receivables:</p> <p>As at 31st March, 2019 Other Non-Current Assets in respect of balances with government authorities includes VAT recoverable amounting to ₹ 0.17 crores which are pending adjudication.</p> <p><i>Refer Note No. 4 to the Financial Statements</i></p>	<p>Our procedures included, but were not limited to the following:</p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>
<p>Contingent Liabilities:</p> <p>Assessment of Provision of Taxation, Litigations and Claims: As in 31st March, 2019 the Company had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 1.97 crores. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices and in considering precedents in various forums.</p> <p><i>Refer Note No. 41 in the Financial Statements</i></p>	<p>Our procedures included, but were not limited to the following:</p> <p>Obtained details of completed tax assessments and demands for the year ended 31st March, 2019 from the management.</p> <p>Assessed the adequacy of tax provisions by reviewing correspondence with the tax authorities.</p> <p>Assessed the view of the external advisors regarding the likely outcome and magnitude of and exposure to the relevant litigation and claims.</p> <p>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p> <p>Our audit procedure did not identify any material discrepancies with respect to contingent liabilities.</p>



INFORMATION OTHER THAN THE IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's 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 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

MANAGEMENT RESPONSIBILITIES FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (here in after referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Companies Act, 2013, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement and the statement of changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on as at March 31st, 2019 on its financial position in its Ind AS Financial Statements as referred to in Note 31 (c) to the Financial Statements;
- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2019;
- 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, 2019;

For Anil nair & Associates
Chartered Accountants
ICAI Firm Registration
Number 000175S
sd/-
Sunil Krishnan
Partner
Membership No.203649

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration
Number 004915S/S200036
sd/-
V. Vivek Anand
Partner
Membership No.208092

Chennai, 20th May, 2019

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF INDIAN TERRAIN FASHIONS LIMITED

(Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **Indian Terrain Fashions Limited** on the Ind AS Financial Statements for the year ended 31st March, 2019)

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, 2019 in conjunction with our audit of the Ind AS 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 Company's internal financial controls over financial reporting 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 operate 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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, 2019 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 Anil nair & Associates
Chartered Accountants
ICAI Firm Registration
Number 000175S
sd/-
Sunil Krishnan
Partner
Membership No.203649

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration
Number 004915S/S200036
sd/-
V. Vivek Anand
Partner
Membership No.208092

Chennai, 20th May, 2019

ANNEXURE - B

TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF INDIAN TERRAIN FASHIONS LIMITED

The Annexure referred to in our Independent Auditors' Report to the members of the **Indian Terrain Fashions Limited** on the Ind AS Financial Statements for the year ended 31st March, 2019, we report that:

1. In respect of its Fixed Assets:

a. To the best of our knowledge and on the basis of available information, we report that the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. As explained to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In our opinion, the inventories of the Company have been physically verified during the year by the management at reasonable intervals and as explained to us no material discrepancies were noticed on such physical verification.

3. To the best of our knowledge and accordance to the information and explanations given to us, the Company has not granted during the year under review any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, in our opinion, requirements of clause (iii) of paragraph 3 of the Order are not applicable.



4. To the best of our knowledge and belief and according to the information and explanations given to us, during the year under review, there are no loans, investments, guarantees and securities provided by the Company as specified under Sections 185 and 186 of the Companies Act, 2013. Therefore, in our opinion, the provisions of paragraph 3(iv) of the order are not applicable to the Company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, in our opinion, the provisions of clause 3(v) of the Order are not applicable to the Company.

6. To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the products/services manufactured/rendered by the Company.

7. In respect of Statutory dues:

a. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees State Insurance Scheme, Income Tax, Duty of Customs, Duty of Excise, Goods and Services Tax, Cess and other material statutory dues as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance Scheme, Income Tax, Duty of Customs, Duty of Excise, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the following amounts have not been deposited by the Company on account of disputes: -

(₹ 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	Appellate Tribunal, Central Excise & Service Tax, Chennai	February 2012 to April 2012	47.43
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	May 2012 to September 2012	32.18
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	October 2012 to January 2013	23.29
Central Excise Act, 1944	Excise duty	Commissioner, Central Excise, Chennai	February 2013	51.82
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	October 2015	42.65
Total				197.37

8. Based on our audit procedures and according to the information and explanations provided by the management, in our opinion, the Company has not defaulted in repayment of loans or borrowing to banks. During the year, there are no loans or borrowings from government, nor has it issued any debentures.

9. To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised.

10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, in our opinion paragraph 3(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with its related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.

14. According to the information and explanations given to us and based on an overall examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, in our opinion, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company, and hence not commented upon.

15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of paragraph 3 of the order is not applicable to the Company.

16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, in our opinion, paragraph 3(xvi) of the Order is not applicable.

For Anil nair & Associates
Chartered Accountants
ICAI Firm Registration
Number 000175S
 sd/-
Sunil Krishnan
Partner
Membership No.203649

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration
Number 004915S/S200036
 sd/-
V. Vivek Anand
Partner
Membership No.208092

Chennai, 20th May, 2019





BALANCE SHEET AS AT 31st MARCH, 2019

(₹ in crores)

	Notes	As at 31 st March, 2019	As at 31 st March, 2018
Assets			
Non-current assets			
Property, plant and equipment	2	50.20	45.74
Other intangible assets	2	3.27	3.47
Financial assets			
i) Loans	3	13.22	10.89
Deferred Tax Assets	16	-	-
Other non-current assets	4	0.99	1.63
Total non-current assets		67.68	61.73
Current assets			
Inventories	5	68.44	80.58
Financial assets			
i) Investments	6	30.07	-
ii) Trade receivables	7	240.06	178.66
iii) Cash and cash equivalents	8	5.47	50.59
iv) Bank Balances other than Cash & Cash Equivalents	9	2.36	1.04
v) Loans	10	2.05	2.16
Other current assets	11	2.14	2.19
Total current assets		350.59	315.22
Total Assets		418.27	376.95
Equity and liabilities			
Equity			
Equity share capital	12	7.59	7.59
Other Equity	13		
i) Share Premium		76.71	76.71
ii) Retained Earnings		137.37	111.72
iii) Capital Reserve		8.01	8.01
Total equity		229.68	204.03
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	14	1.58	2.22
ii) Loans		-	-
ii) Other Financial Liabilities	15	16.91	15.83
Deferred tax liability	16	3.96	1.37
Other Non Current Liabilities		0.76	0.89
Total non-current liabilities		23.21	20.31
Current liabilities			
Financial liabilities			
i) Borrowings	17	31.17	34.55
ii) Trade payables	18		
(a) Total outstanding dues to micro and small enterprises		13.90	11.05
(b) Total outstanding dues other than micro and small enterprises		73.39	72.60
iii) Other financial liabilities	19	29.53	25.52
Customer Loyalty Program	20	1.27	0.89
Current Tax Liabilities		9.93	1.25
Short Term Provisions	21	1.65	1.47
Other Payables	22	4.54	5.28
Total current liabilities		165.38	152.61
Total liabilities		188.59	172.92
Total equity and liabilities		418.27	376.95

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Anil Nair & Associates,
Chartered Accountants
ICAI Firm Registration No. 000175S

sd/-
Sunil Krishnan
Partner
Membership No. 203649

sd/-
Ravi B.S.G
Company Secretary

Chennai, 20th May, 2019

For CNGSN & Associates LLP,
Chartered Accountants
ICAI Firm Registration No. 004915S / S200036

sd/-
V. Vivek Anand
Partner
Membership No. 208092

sd/-
N. Nandakumar
Chief Financial Officer

For and on Behalf of the Board

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

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

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


PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in crores (expect per shares data)

	Notes	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
Income			
Revenue from operations	23	422.37	401.45
Other income	31	2.98	2.50
Total Income		425.35	403.95
Expenses			
Cost of materials consumed	24	1.85	42.86
Purchase of Finished Goods	24	239.46	181.44
(Increase) / Decrease in Inventories of Finished Goods, Work-In-Progress & Bought-Out Goods	25	10.68	(7.24)
Garment Processing Costs	26	2.24	24.25
Employee Benefits Expense	27	27.78	29.31
Other Expenses	28	89.53	82.97
Total Expenses		371.54	353.59
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)		53.81	50.36
Less:			
Depreciation and amortisation expense	29	5.54	4.22
Finance Costs	30	8.46	7.04
Profit / (Loss) Before Tax		39.81	39.10
Income tax expense			
Current tax	33	13.89	6.84
Deferred tax		0.21	6.82
(Excess) / Short Provision of previous years		-	-
Total Tax Expense		14.10	13.66
Profit / (Loss) for the Year		25.71	25.44
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains / (losses) on defined benefit plans		(0.09)	(0.38)
Income Tax effect		0.03	0.13
Other Comprehensive Income for the Year	32	(0.06)	(0.25)
Total Comprehensive Income for the Period		25.65	25.19
Earnings per equity share nominal value of share ₹ 2/- (31 st March, 2018 ₹ 2/-)	34		
Basic (in ₹) per share		6.78	6.71
Diluted (in ₹) per share		6.78	6.71

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

 For Anil Nair & Associates,
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ICAI Firm Registration No. 000175S

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Sunil Krishnan
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Company Secretary

 Chennai
20th May, 2019

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Managing Director & CEO
(DIN: 06497859)

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

STATEMENT OF CASH FLOWS

(₹ in crores)

	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
Cash flow from operating activities		
Profit before income tax	39.81	39.10
Adjustments for		
Depreciation and amortisation expense	5.54	4.22
Deferred Revenue	0.39	0.06
Interest on fair valuation of security deposits	(0.31)	0.31
Income from sale of investments	(2.10)	(1.97)
Interest income	(0.29)	(0.15)
Finance costs	8.46	7.04
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(61.40)	(69.48)
(Increase) in inventories	12.14	(6.93)
Increase in trade payables	3.65	36.14
Increase/(decrease) in other financial liabilities	5.22	17.02
Increase in other payables and provisions	(0.69)	3.28
(Increase) in other financial assets	(3.65)	(1.98)
(Increase)/decrease in other non-current assets	0.64	(0.53)
(Increase)/decrease in other current assets	0.05	0.78
Cash generated from operations	7.46	26.91
Income taxes paid	2.80	8.21
Net cash inflow from operating activities	4.66	18.70
Cash flows from investing activities		
Payments for property, plant and equipment (net)	(9.80)	(16.90)
Purchase of Investments	(30.07)	-
Loans to employees	0.11	(1.82)
Income from Mutual funds	2.10	1.97
Interest received	0.29	0.15
Net cash outflow from investing activities	(37.37)	(16.60)
Cash flows from financing activities		
Share Capital	-	-
Share Premium	-	-
Short Term Borrowings	(3.38)	(0.51)
Long Term Borrowings (net)	(0.57)	(6.40)
Interest paid	(8.46)	(7.04)
Net cash inflow (outflow) from financing activities	(12.41)	(13.95)
Net increase (decrease) in cash and cash equivalents	(45.12)	(11.85)
Cash and cash equivalents at the beginning of the financial year	50.59	62.44
Cash and cash equivalents at end of the year	5.47	50.59

The accompanying notes are an integral part of the financial statements
As per our report of even date

Notes:

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

For Anil Nair & Associates,
Chartered Accountants
ICAI Firm Registration No. 000175S

sd/-
Sunil Krishnan
Partner
Membership No. 203649

sd/-
Ravi B.S.G
Company Secretary

Chennai, 20th May, 2019

For CNGSN & Associates LLP,
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Managing Director & CEO
(DIN: 06497859)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

a) Equity Share Capital	No. of Shares	₹ In Crs
As at 1 st April, 2017	3,79,41,300	7.59
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2018	3,79,41,300	7.59
As at 1 st April, 2018	3,79,41,300	7.59
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2019	3,79,41,300	7.59

b) Other Equity (Refer Note 12)

	Reserves and surplus (Note 13)			(₹ in crores)
	Share Premium	Capital reserve	Retained earnings	Total
As at 1 st April, 2017	76.71	8.01	86.54	171.26
Profit for the year			25.44	25.44
Other comprehensive income (Refer Note 32)			(0.25)	(0.25)
As at 31st March 2018	76.71	8.01	111.72	196.45
As at 1 st April, 2018	76.71	8.01	111.72	196.45
Profit for the year			25.71	25.71
Other comprehensive income (Refer Note 32)			(0.06)	(0.06)
As at 31st March 2019	76.71	8.01	137.37	222.09

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Anil Nair & Associates,
Chartered Accountants
ICAI Firm Registration No. 000175S

sd/-
Sunil Krishnan
Partner
Membership No. 203649

sd/-
Ravi B.S.G
Company Secretary

Chennai
20th May, 2019

For CNGSN & Associates LLP,
Chartered Accountants
ICAI Firm Registration No. 004915S / S200036

sd/-
V. Vivek Anand
Partner
Membership No. 208092

sd/-
N. Nandakumar
Chief Financial Officer

For and on Behalf of the Board

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

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

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

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.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

1.2 Basis of preparation and presentation

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

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

The principal accounting policies are set out below:

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

1.3 Going concern

The Board of directors have considered the financial position of the Company at 31st March 2019 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

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

1.4 Use of estimates and judgments

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

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

Significant Estimates

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation- Refer Note - 39

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

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

Recognition of deferred tax asset -Refer Note 16

1.5 Revenue recognition

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

1.5.1 Sale of goods

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

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

1.5.2 Income from service

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

1.5.3 Revenue Recognition - Loyalty Points

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

1.6 Foreign currencies

1.6.1 Functional and presentation currency

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

1.6.2 Transactions and balances

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

1.7 Employee Benefits

1.7.1. Short Term Obligations

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

1.7.2. Other long term employee benefit

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as a 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 a 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 the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

1.7.3. Post employment obligation

The Company operates the following post-employment schemes:

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



Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan:

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

1.7.4. Bonus plans

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

1.8. Taxation

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

1.8.1. Current tax

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

1.8.2. Deferred tax

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

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

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

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

1.8.3. Current and deferred tax for the year

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

1.9. Property, plant and equipment

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

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

Company has ascertained and adopted the useful life of the asset as mentioned in the schedule II of Companies Act, 2013

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

1.10. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Intangible assets are amortised over its estimated useful life of 5 years on straight line basis.

1.10.1. Deemed cost on transition to Ind AS

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

1.11. Impairment of tangible and intangible assets

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

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

1.12 Inventories

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

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

1.13 Provisions and contingencies

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



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

1.14 Financial instruments

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

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

1.15 Financial assets

1.15.1. Classification of financial assets

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

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

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

Debt instruments

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

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

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

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

Equity instruments

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

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

1.15.2. Trade receivables

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

1.15.3. Cash and cash equivalents

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

1.15.4. Impairment of financial assets

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

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

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

1.15.5 Interest Income recognition on financial assets

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

1.16 Financial liabilities

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

1.17. Trade and other payables

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

1.18. Borrowings

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

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

1.19. Foreign exchange gains or losses

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

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

1.20. Segment reporting

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

1.21. Leases

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.



The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

1.22. Borrowing costs

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

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

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

1.23. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are recognised in the profit or loss over the period necessary to match them with the costs.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

1.24. Earning Per Share

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

1.25. Dividends

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

1.26 Accounting for Corporate Social Responsibility

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

1.27. New standards and amendments

Ind AS 115, Revenue from contracts with customers

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

b. The company is in the process of evaluating the impact of the standard

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

a. The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property.

b. The company doesn't have any investment property accordingly no impact is envisaged

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

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

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

a. The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

b. The company has assessed the impact of the above the notification and concluded there no impact on the above

1.28 New Amendments issued yet not effective:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on 30th March, 2019. The rules notify the new lease standard Ind AS 116, Leases and also brings in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after 1st April, 2019 and cannot be early adopted.

Ind AS 116, Leases

Ind AS 116 requires the lessee to recognise a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. The lessee will no longer be required to classify a lease as operating or financial.

The new standard requires entities to make more judgements and estimates in determining when a customer has the right to direct the use of an identified asset and the incremental rate of borrowing and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information). In the capacity of a lessee, most companies will have a significant impact on their balance sheets along with ancillary impacts on their financial metrics.

The new standard is mandatory for financial years commencing on or after 1st April, 2019 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Impact: The Company is in the process of assessing the impact of adoption of Ind AS 116.

Amendments to Ind AS 12, Income Taxes

- Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.
- New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Impact: The Company is in the process of assessing the detailed impact above amendment

Amendment to Ind AS 19, Employee Benefits

Amendment to Ind AS 19, Employee Benefits requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Impact: Management has assessed the effects of the above amendment and concluded that the same has no impact on the Company.

Amendment to Ind AS 23, Borrowing Costs

Amendment to Ind AS 23, Borrowing Costs clarifies that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Impact: Management has assessed the effects of the above amendment and concluded that the same has no impact on the Company.

Amendment to Ind AS 109, Financial Instruments

Amendment to Ind AS 109 to enable an entity to measure at amortised cost some prepayable financial assets with negative compensation.

Impact: Management has assessed the effects of the above amendment and concluded that the same has no impact on the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
2. PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Freehold land	Buildings	Plant and equipment	Electrical Installation	Office Equipments	Computers*	Vehicles	Furniture & Fixtures	Total Tangible Assets	Computer Software	Total Non-Tangible Assets	Intangibles under development	Total
Deemed Cost													
As at 1 st April, 2017	8.22	6.76	1.05	0.03	0.32	0.34	1.64	18.70	37.06	0.59	0.59	2.03	39.68
Additions	-	0.01	0.21	0.54	0.44	0.88	0.70	13.38	16.16	3.62	3.62	-	19.78
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	0.85	-	0.85	-	-	2.03	2.88
As at 31st March, 2018	8.22	6.77	1.26	0.57	0.76	1.22	1.49	32.08	52.37	4.21	4.21	-	56.58
As at 1 st April, 2018	8.22	6.77	1.26	0.57	0.76	1.22	1.49	32.08	52.37	4.21	4.21	-	56.58
Additions	-	-	0.46	0.73	0.14	0.40	0.85	6.91	9.49	0.74	0.74	-	10.23
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	0.66	-	0.66	-	-	-	0.66
As at 31st March, 2019	8.22	6.77	1.72	1.30	0.90	1.62	1.68	38.99	61.20	4.95	4.95	-	66.15
Depreciation and Impairment													
As at 1 st April, 2017	-	0.21	0.08	0.01	0.05	0.11	0.32	2.25	3.03	0.11	0.11	-	3.14
Additions	-	0.23	0.08	0.02	0.08	0.27	0.26	2.66	3.60	0.63	0.63	-	4.23
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2018	-	0.44	0.16	0.03	0.13	0.38	0.58	4.91	6.63	0.74	0.74	-	7.37
As at 1 st April, 2018	-	0.44	0.16	0.03	0.13	0.38	0.58	4.91	6.63	0.74	0.74	-	7.37
Additions	-	0.23	0.11	0.08	0.17	0.27	0.14	3.60	4.60	0.94	0.94	-	5.54
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	0.22	-	0.22	-	-	-	0.22
As at 31st March, 2019	-	0.66	0.27	0.11	0.30	0.65	0.50	8.51	11.01	1.68	1.68	-	12.68
Carrying amount as on 31 st March, 2018	8.22	6.33	1.10	0.54	0.62	0.84	0.91	27.18	45.74	3.47	3.47	-	49.21
Carrying amount as on 31 st March, 2019	8.22	6.11	1.45	1.19	0.60	0.97	1.18	30.48	50.20	3.27	3.27	-	53.47
Net Book Value									As at 31st March, 2019		As at 31st March, 2018		
Property, plant and Equipment									50.20		45.74		
Other intangible assets									3.27		3.47		
Other intangible assets under development									-		-		

Notes:

*Computers include assets capitalised under finance lease. For terms of the finance lease refer note 14(iii).

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	As at 31 st March, 2019	As at 31 st March, 2018
3. Loans		
Loans considered good - secured	-	-
Loans considered good - unsecured	-	-
Security Deposits	13.22	10.89
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
	13.22	10.89
Less : Loss allowance	-	-
Total	13.22	10.89
4. Other non-current assets		
Capital advances	0.82	1.46
Balances with government authorities	0.17	0.17
Total	0.99	1.63
5. Inventories		
Raw Materials	0.02	1.03
Trims and Packing Materials	0.04	0.49
Work-in-Progress	-	1.07
Finished Goods / Bought-out Goods	68.38	77.99
Total	68.44	80.58
6. Investments		
Investments in mutual funds		
Unquoted		
At fair value through profit and loss		
Aditya Birla Sun Life Money Manager - Growth - Direct	30.07	-
Total	30.07	-
7. Trade receivables		
Receivables considered good - secured	-	-
Receivables considered good - unsecured	240.06	178.66
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	240.06	178.66
Less : Loss allowance	-	-
Total	240.06	178.66
No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.		
Trade receivables are unsecured and non-interest bearing with credit terms ranging from 45 to 120 days.		
8. Cash and cash equivalents		
Balances with banks		
Current Accounts	5.44	50.58
Cash on hand	0.03	0.01
Total	5.47	50.59
For the purpose of Statement of cash flows, Cash and cash equivalents comprises of above balances		
9. Bank Balances		
Fixed Deposits with Bank	2.36	1.04
The above deposits are being held as margin money under lien to bank for borrowings / bank guarantee		
Interest accrued on Fixed Deposits	-	-
Total	2.36	1.04
10. Loans		
Loans considered good - secured	-	-
Loans considered good - unsecured	-	-
Loans and advances to employees	2.05	2.16
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	2.05	2.16
Less : Loss allowance	-	-
Total	2.05	2.16

Loans and advances to employees includes a sum of ₹ 2.00 Crores advanced to Mr. Charath Ram Narsimhan when he was a employee of the Company and not a member of the Board. Mr. Charath Ram Narsimhan was appointed as Managing Director of the Company on 08.08.2018. (refer note 38)

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	As at 31 st March, 2019	As at 31 st March, 2018
11. Other Current assets		
Prepaid expenses	1.64	1.24
Advances to Suppliers	0.50	0.95
Total	2.14	2.19

12. Equity share capital

Authorised Share Capital	No. of Shares	₹ In Crs
As at 31 st march, 2018	6,00,00,000	12.00
Increase during the year	-	-
As at 31 st March 2019	6,00,00,000	12.00
Issued, Subscribed and Paid-up Capital	No. of Shares	₹ In Crs
As at 31 st march, 2018	3,79,41,300	7.59
Increase during the year	-	-
As at 31 st March 2019	3,79,41,300	7.59

 i) **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

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

 iii) **Details of shareholders holding more than 5% shares**

Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Venkatesh Rajagopal	47,47,115	12.51%	47,47,115	12.51%
Mrs. Rama Rajagopal	62,52,930	16.48%	62,02,930	16.35%
Reliance Small Cap Fund	37,39,390	9.86%	37,39,390	9.86%
SBI Consumption Opportunities Fund	37,01,827	9.76%	35,75,000	9.42%
Malabar India Fund Limited	28,93,473	7.63%	18,55,473	4.89%

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

- v) The Shareholders of the Company approved the sub-division of each equity share having a face value of ₹ 10/- each into five equity shares having a face value of ₹ 2/- each through postal ballot on December 1, 2015. The record date for the sub-division was December 22, 2015. All shares and per share information in the finance statements reflect the effect of sub-division for each of period presented.

13. Other Equity

Share Premium	76.71	76.71
Retained earnings	137.37	111.72
Capital Reserve	8.01	8.01
Total	222.09	196.44

 a) **Share Premium**

As at the beginning of the year	76.71	76.71
Proceeds received during the year	-	-
As at the end of the year	76.71	76.71

 b) **Retained earnings**

As at the beginning of the year	111.72	86.54
Profit for the Year	25.71	25.44
Other Comprehensive Income (Refer Note 32)	(0.06)	(0.25)
As at the end of the year	137.37	111.72

 c) **Capital Reserve**

As at the beginning of the year	8.01	8.01
Additions / (Utilisation)		
As at the end of the year	8.01	8.01

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

Nature of Reserves

- i) Retained Earnings - Company's cumulative earnings since its formation less distribution
- ii) Share Premium - represents the premium received on issue of equity shares. The reserves is utilised in accordance with the provisions of Companies Act, 2013
- iii) Capital Reserve - Capital Reserve was created out of the demerger in 2010-11

	As at 31 st March, 2019	As at 31 st March, 2018
14. Borrowings		
Non-Current		
Secured		
i) Term Loans from Banks	0.07	0.09
ii) From Others	0.02	0.06
iii) Finance Lease Obligations	0.22	0.33
Unsecured		
From Others	1.27	1.74
Total	1.58	2.22

- a) Secured Term loan from ICICI Bank Limited amounting to ₹ 0.09 crs (Previous Year ₹ 0.12 Crs) represents the vehicle loan availed which carries interest rate of 8.30% p.a. This loan is repayable in 60 monthly instalments from the date of the loan. The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

The maturity profile and rate of interest of the above term loans from banks are as set out below:

Term Loan from Bank	Rate of Interest	2019-20	2020-21	2021-22	2022-23
ICICI Bank Limited	8.30%	0.02	0.02	0.03	0.02

- b) Secured Term loan from others represents:

Loan from Kotak Mahindra Prime Limited (Secured)

Vehicle loan outstanding from Kotak Mahindra Prime Limited Amounting to ₹ 0.05 Cr (31st March, 2018 ₹ 0.08 Cr) which carries interest rate of 10% p.a. This loan is repayable in 60 monthly instalments from the date of the loan.

The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

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

Term Loan from Bank	Rate of Interest	2019-20	2020-21
Kotak Mahindra Prime Ltd	10.00%	0.03	0.02

- c) Finance lease obligations

Finance lease obligations represents the finance lease of Computer Server and Network Equipment availed from Hewlett Packard Financial Services (HPFS). The lease obligations and the finance charge are as mentioned below:

Term Loan from Others	Rate of Interest	2019-20	2020-21	2021-22	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.09	0.10	0.11	0.03

Loan from Hewlett Packard Financial Services India Private Limited (HPFS) (Unsecured)

Unsecured loan from others represents the unsecured loan availed from HP Financial Services

The loan was availed towards funding of Software licenses and development. The loan is repayable in 20 Quarterly instalments and carries an interest rate of 10.8%

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

Term Loan from Others	Rate of Interest	2019-20	2020-21	2021-22	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.48	0.53	0.59	0.16

- e) Current Maturities of Long Term Borrowings (considered in Note 18)

Total Long Term Loans	2.20	2.77
Considered under Current Liabilities		
ICICI Bank Limited - Vehicle Loan	0.02	0.02
Finance Lease Obligations from HPFES	0.09	0.08
Unsecured Loan from HPFES	0.48	0.43
Kotak Mahindra Prime Ltd - Vehicle Loan	0.03	0.03
Total current maturities of long term borrowings	0.62	0.56

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	As at 31 st March, 2019	As at 31 st March, 2018
15. Non-current		
Security deposits received	16.91	15.83
Total	16.91	15.83
16. Deferred Tax - (liabilities) / asset		
The balance comprises temporary differences attributable to:		
Depreciation	(4.86)	(4.29)
Provision for employee benefits	0.90	0.51
Others	-	-
MAT Credit Entitlement	-	2.41
Net deferred tax (liabilities) / asset	(3.96)	(1.37)

Movement in deferred tax (liabilities) / asset

	Depreciation	Provision for employee benefits	Others	MAT Credit	Total
At 1 st April, 2017	(3.34)	0.41	5.84	1.76	4.67
(Charged)/credited:					
- to profit or loss	(0.95)	(0.03)	(5.84)	-	(6.82)
- to other comprehensive income	-	0.13	-	-	0.13
- (Debited) / Credited to Current tax payable	-	-	-	0.64	0.64
At 31st March, 2018	(4.29)	0.51	(0.00)	2.41	(1.37)
(Charged)/credited:					
- to profit or loss	(0.57)	0.39	-	-	(0.18)
- to other comprehensive income	-	-	-	-	-
- (Debited) / Credited to Current tax payable	-	-	-	(2.41)	(2.41)
At 31st March, 2019	(4.86)	0.90	(0.00)	-	(3.96)

Significant Estimate

The company has recognised MAT credit entitlement under Deferred Tax Asset based on the estimated future taxable income. MAT credit entitlement can be carried forward for 10 years

17. Borrowings

	As at 31 st March, 2019	As at 31 st March, 2018
Current		
Loans Repayable on Demand		
Cash Credit from State Bank of India (Secured)	31.17	34.55
Total	31.17	34.55

Cash Credit availed from State Bank of India is secured by charge over the stocks, receivables and other current assets the Company.

The loan is further secured by the following collaterals:

- i) Hypothecation of plant & machinery
- ii) Equitable Mortgage over land and building situated at 70/2 & 70/3A, Agaram Road, Thiruvanchery, Chennai - 600 073
- iii) Pledge of Promoters Shares in the Company to an extent of 76,46,450 Equity Shares and
- iv) Personal guarantee of the promoters

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at 31 st March, 2019	As at 31 st March, 2018
Current borrowings	31.17	34.55
Non-current borrowings	1.58	2.22
Net debt	32.75	36.77

	Non-current borrowings	Current borrowings
Net debt as at 1st April, 2017	0.06	35.06
Cash flows	2.19	1.91
Interest paid	(0.03)	(2.42)
Net debt as at 31st march, 2018	2.22	34.55
Cash flows	(0.38)	(0.45)
Interest paid	(0.26)	(2.93)
Net debt as at 31st march, 2019	1.58	31.17

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	As at 31 st March, 2019	As at 31 st March, 2018
18. Trade payables		
Trade Payable (Refer Note below)		
Dues to Micro and Small Enterprises **	13.90	11.05
Dues to enterprises other than Micro and Small Enterprises	60.87	69.89
Amount Due to related parties (Refer Note 38)	12.52	2.71
	87.29	83.65

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

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	13.90	11.05
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 maturities of long term borrowings (Note 14)	0.62	0.56
Salaries, Wages and Other benefits payable	3.01	2.97
Accrued Expenses	25.90	21.99
Total	29.53	25.52

20. Customer Loyalty Program

As at the beginning of the year	0.89	0.83
Deferred during the year	1.89	1.28
Less : Released to the Statement of Profit and Loss	1.51	1.22
As at the end of the year	1.27	0.89

Significant Estimate

Revenue recognition – Loyalty points

The Company estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

21. Short Term Provisions

Provision for unavailed leave	0.56	0.72
Provision for Gratuity (Refer Note 39)	1.09	0.75
Total	1.65	1.47

22. Other Payables

Withholding and Other Taxes payables	4.54	5.28
Total	4.54	5.28

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
23. Revenue from Operations		
Sale of goods	420.86	400.23
Revenue from redemption of loyalty points (refer Note 20)	1.51	1.22
Total	422.37	401.45

23.1 Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

23.2 The operations of the Company relate to only one segment viz., Apparels and Accessories. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

23.3 Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

23.4 Reconciliation of revenue with contract price

		Year Ended 31 st March, 2019
1.	Contract price	(485.81)
2.	Adjustments :	
	Discounts	63.44
	Customer loyalty programme	1.51
3.	Revenue from operations as per Statement of Profit and loss	(420.86)

23.5 Significant judgements

(a) Timing of satisfaction of performance obligations.
There are no significant judgements made by the Company in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract.

(b) Transaction price and the amounts allocated to performance obligations.

Sale of apparels and accessories

Revenue from sales is recognised based on the transaction price, adjusted for variable consideration in the form of volume discounts, loyalty points, penalty on delay in delivery of goods and marketing expenses. A liability is recognised for expected variable consideration payable to customers in relation to sales made until the end of the reporting period.

Customer loyalty Program

The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of likelihood of redemption, based on past experience.

The stand-alone selling price of product sold is estimated on the basis of retail price. Discounts are not considered as they are only given in rare circumstances

23.6 There is no impact on the retained earnings as on the date of adoption of the standard. There is no effect on any financial statement line item due to application of this standard and there is no requirement to disclose the same.

24. Cost of Material Consumed

(a) Raw material consumed		
Raw materials at the beginning of the year	1.52	1.83
Add: Purchases	0.39	42.55
Less: Inventory at the end of the Year	0.06	1.52
Cost of Raw material consumed	1.85	42.86
(b) Purchases of Bought-Out goods		
Purchases of Bought-Out goods	239.46	181.44
Total Purchases of Bought-out Goods	239.46	181.44

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
25. (Increase) / Decrease in inventories of finished goods, work-in-progress and bought-out goods		
Opening Inventory		
Work-in-progress	1.07	3.44
Finished goods / Bought-out goods	77.99	68.38
	79.06	71.82
Closing Inventory		
Work-in-progress	-	1.07
Finished goods / Bought-out goods	68.38	77.99
	68.38	79.06
Variation in Excise Duty Provision	-	-
(Increase) / Decrease	10.68	(7.24)
26. Garment Processing Costs		
Subcontracting and other Garment Processing Costs	2.24	24.25
Total	2.24	24.25
27. Employee Benefits Expense		
Salaries, wages and bonus	24.75	25.97
Contribution to Provident and Other funds	1.55	1.66
Gratuity Expense (Refer Note 39)	0.28	0.23
Staff welfare expenses	1.20	1.45
Total	27.78	29.31
28. Other Expenses		
Advertisement	18.77	15.98
Auditor's Remuneration	0.06	0.07
Bad Debts	-	0.60
Books, Periodicals & Subscriptions	0.46	0.34
Communication Expenses	0.68	0.82
Consultancy Charges	4.15	4.25
Corporate Social Responsibility	0.09	0.20
Distribution Costs	6.09	7.69
Entertainment & Sales Promotion Expenses	7.08	7.66
Insurance	0.63	0.75
Other Miscellaneous Expenses	7.68	4.15
Rent, Rates and Taxes	20.81	16.27
Remuneration to Directors	2.65	1.92
Selling Commission	10.39	13.08
Selling Expenditure	3.12	2.30
Showroom Maintenance	1.47	1.51
Traveling & Conveyance	5.40	5.38
Total	89.53	82.97
Details of Auditors' Remuneration:		
Payments to Statutory Auditor:		
For Audit Fee (including Limited Review Fee)	0.05	0.05
For Tax Audit	0.01	0.01
For Other Services	0.00	0.01
For Reimbursement of Expenses	0.00	0.00
	0.06	0.07
Payments to Secretarial Auditor:		
For Audit Fee	0.01	0.01
For Other Services	0.00	0.00
For Reimbursement of Expenses	0.01	0.00
	0.02	0.01
Payments towards Corporate Social Responsibility		
Swabodhini Charitable Trust, Chennai (Special Children Education)	0.04	0.03
Rotary Club of Madras South Trust (Paediatric Heart Surgery)	0.05	0.05
Rally for Rivers (Save Water Campaign)	0.00	0.06
Rotary Club of Madras East Trust (Skill Development)	0.00	0.06
	0.09	0.20

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
29. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer Note 2)	4.60	3.60
Amortisation of intangible assets (Refer Note 2)	0.94	0.62
Total	5.54	4.22
30. Finance Cost		
Interest Expense on Working Capital & Others	6.52	5.11
Other Borrowing Costs	1.94	1.93
Total	8.46	7.04
31. Other income		
Gain on Sale of Investments	2.10	1.97
Interest income earned on financial assets that are not designated at fair value through profit or loss		
<i>Interest income</i>	0.29	0.15
Gain / (loss) on foreign exchange translation	0.03	(0.05)
Unwinding of discount on Security deposits	0.41	0.31
Miscellaneous income	0.15	0.12
Total	2.98	2.50
32. Other Comprehensive Income		
Remeasurement gains / (losses) on defined benefit plans (net of tax)v	(0.06)	(0.25)
Total	(0.06)	(0.25)
33. Income tax expense		
The major components of income tax expense for the years 2019 and 2018 are :		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	13.89	6.84
Adjustments for current tax of prior periods	-	-
Total current tax expense	13.89	6.84
Deferred tax		
Decrease/(Increase) in deferred tax assets	-	5.86
(Decrease)/Increase in deferred tax liabilities	0.21	0.96
Total deferred tax expense/(benefit)	0.21	6.82
Income tax expense	14.10	13.66
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before income tax expense	39.81	-
Tax at the Indian tax rate of 34.944% (March 2018 - 34.608%)	13.91	-
Tax effects of amounts which are not deductible (taxable) in calculating taxable income :		
Corporate social responsibility expenditure	0.03	0.07
Due to change in tax rate	-	0.06
Deferred tax not created	0.32	-
Other	(0.16)	-
Income tax expense	14.10	0.13

34. 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)	25.71	25.44
Weighted average number of equity shares for calculation of Basic EPS	(B)	3,79,41,300	3,79,41,300
Basic EPS (In ₹)	(A/B)	6.78	6.71
Weighted average number of equity shares outstanding for calculation of Basic EPS		3,79,41,300	3,79,41,300
Weighted average number of potential equity shares		-	-
Weighted average number of equity shares outstanding for calculation of Diluted EPS	(C)	3,79,41,300	3,79,41,300
Diluted EPS (In ₹)	(A/C)	6.78	6.71
Nominal Value of Shares (In ₹)		2.00	2.00

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

35. Fair value measurements

Financial instruments by category

	31 st March, 2019	31 st March, 2018
Financial assets		
Amortised Cost		
Security deposits	13.22	10.89
Trade receivables	240.06	178.66
Cash and cash equivalents	5.47	50.59
Other bank balances	2.36	1.04
Loans and advances to employees	2.05	2.16
Fair Value through Profit and Loss		
Mutual Funds	30.07	-
Total financial assets	293.23	243.34
Financial liabilities		
Amortised Cost		
Borrowings	33.36	37.33
Trade payables	87.29	83.65
Salaries and wages	3.01	2.97
Security Deposits	16.91	15.83
Accrued Expenses	25.90	21.99
Total financial liabilities	166.47	161.77

All financial assets and liabilities are held under amortised cost

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of foreign currency option contracts is determined using Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

Fair value of financial assets (Mutual Funds) are measured at Fair Value

Fair value of Other financial assets and liabilities held at amortised cost

The carrying amounts of trade receivables, trade payables, cash and cash equivalent, other financial liabilities, are considered to be the same as their fair values, due to their short-term nature.

The carrying value of borrowings, security deposits paid and received approximate to fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

36. Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

(a) Credit risk:

Company faces credit risk from cash and cash equivalents, deposits with banks and financial institutions and unsecured trade receivables. The company doesn't face any credit risk with other financial assets

Credit risk management

Credit risk on deposit is mitigated by the depositing the funds in reputed public sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. Historical trends showed as at the transition date and 31st March 2017 company had no significant credit risk.

(b) Liquidity risk:

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 st March, 2019	31 st March, 2018
Fixed Rate		
Expiring within one year (cash credit facility)	4.33	2.20

The credit facilities may be drawn at any time by the Company. Subject to the continuance of satisfactory credit ratings, the loan facilities may be withdrawn at any time by the Bank

ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is insignificant.

Contractual maturities of financial liabilities

	31 st March, 2019			31 st March, 2018		
	Maturing within 1 year	Maturing after 1 year	Total	Maturing within 1 year	Maturing after 1 year	Total
Non-derivatives						
Borrowings						
Trade payables	87.29	-	87.29	83.65	-	83.65
Salaries and wages	3.01	-	3.01	2.97	-	2.97
Security Deposits	-	16.91	16.91	-	15.83	15.83
Accrued Expenses	25.90	-	25.90	21.99	-	21.99
Cash Credit from Bank	31.17	-	31.17	34.55	-	34.55
Current Year Long Term Borrowings	0.62	-	0.62	0.81	2.59	3.40
Total non-derivative liabilities	147.99	16.91	164.90	143.97	18.42	162.39

(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, 2019
Financial liabilities	
Trade payables	
Exposure to foreign currency risk (liabilities)	6.85
Net exposure to foreign currency risk	6.85

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 2019

(₹ In Crores)

37. Capital risk management

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, 2019	31 st March, 2018
Net debt	27.89	13.27
Total equity	229.68	204.03
Net Debt to equity Ratio	12.1%	6.5%

Loan covenants

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

Minimum Current Ratio of 2.21

The company has complied with the above covenant throughout the year

38. Related party transactions

Related Parties with whom transactions have taken place during the year:

Key Managerial Personnel:

Mr. V. Rajagopal

Mrs. Rama Rajagopal

Mr. Charath Ram Narsimhan (from 08.08.2018)

Relatives of Key Managerial Personnel

Ms. Anjali Rajagopal

Enterprises under Control or Significant Influence of Key Managerial Personnel / Relatives of Key Managerial Personnel

M/s Celebrity Fashions Limited

Others

ITFL Employees Gratuity Fund**

Transactions carried out with Related Parties during the Year	31 st March, 2019	31 st March, 2018
Managerial Remuneration	2.65	1.92
Salaries - Anjali Rajagopal	0.11	0.12
Job work Charges, Material Purchases and Rental Income - Celebrity Fashions Limited	16.94	25.35

Outstanding Balances	31 st March, 2019	31 st March, 2018
Payable as Managerial Remuneration	1.27	0.88
Salaries	-	0.01
Loan given to Mr. Charath Ram Narsimhan (Managing Director & CEO)*	2.00	-
Trade Payables - Celebrity Fashions Limited	12.52	2.71

* Loans and advances to employees includes a sum of ₹ 2.00 Crores advanced to Mr. Charath Ram Narsimhan when he was a employee of the Company and not a member of the Board. Mr. Charath Ram Narsimhan was appointed as Managing Director of the Company on 08.08.2018 (refer note 10)

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

39. Employee benefit plans
Defined benefit plans
Gratuity

Particulars	For the year Ended	
	31 st March, 2019	31 st March, 2018
Present Value of obligations at the beginning of the year	1.07	0.73
Current service cost	0.23	0.21
Interest Cost	0.07	0.04
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from demographic assumption changes	(0.01)	-
- Actuarial gains and losses arising from change in financial assumption	0.22	(0.01)
- Actuarial gains and losses arising from experience adjustment	(0.12)	0.40
Benefits paid	(0.28)	(0.30)
Present Value of obligations at the end of the year	1.18	1.07
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	0.32	0.27
Interest Income	0.01	0.02
Actuarial gain/loss	-	(0.01)
Contributions from the employer	-	0.35
Benefits Paid	(0.26)	(0.31)
Fair Value of plan assets at the end of the year	0.07	0.32
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	1.18	1.06
Fair value of plan assets at end of the year	(0.07)	(0.34)
Funded status of the plans – Liability recognised in the balance sheet	1.11	0.72
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.23	0.21
Net Interest Expense	0.05	0.02
Net Cost in Profit or Loss	0.28	0.23
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from demographic assumption changes	(0.01)	-
- Actuarial gains and losses arising from change in financial assumption	0.22	(0.01)
- Actuarial gains and losses arising from experience adjustment	(0.12)	0.40
Return on plan assets	(0.00)	(0.01)
Net Cost in Other Comprehensive Income	0.09	0.38
Assumptions		
Discount rate	7.5%	7.5%
Expected rate of salary increases	5.00% to 12.00%	5.0%
Expected rate of attrition	28.7%	7.0%
Average age of members	29.42	28.59
Mortality (IALM (2006-2008) Ultimate)		

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

Sensitivity Analysis

Impact on change in assumptions on liability

(₹ In Crores)

Particulars	31 st March, 2019
Discount rate	
- 1% increase	1.10
- 1% decrease	1.24
Salary growth rate	
- 1% increase	1.24
- 1% decrease	1.11
Attrition rate	
- increase of 1% of attrition rate	1.17
- decrease of 1% of attrition rate	1.17
Mortality rate	
- increase of 10% of mortality rate	1.17

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age :

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

Changes in bond: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Significant Estimates

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

(₹ In Crores)

	31 st March, 2019	31 st March, 2018
Other Disclosures		
40. Commitments		
(a) Capital commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	1.44	2.00
(b) Intangible assets under development	-	0.23
Non-cancellable operating leases		
The Company has entered agreement for leasing Commercial / Office / Warehouse space on lease		
The lease term ranges from 3 year to 9 years		
The escalation clauses generally trigger once in 3 years		
The options on renewal are at mutually agreed terms		
Commitments for minimum lease payments in relation to Non-Cancellable operating leases are payable as follows:		
Within one year	3.06	1.60
Later than one year but not later than five years	9.47	10.93
Rental expense relating to operating leases		
Minimum lease payments	16.25	11.67
Contingent rent	0.52	0.67
Total rental expense relating to operating leases	16.77	12.34
41. 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.	1.97	1.97
ii) Guarantees given by Banks and Counter Guaranteed by the Company	0.38	0.04
iii) On account of Letters of Credit issued by Bankers on behalf of the Company	0.58	1.89

42. Segment Information

Chief Operating Decision Makers (CODM) evaluates the company's performance and allocate resources based on the analysis of various performance indicators of the company as a single unit. Therefore there is single reportable segment for the company.

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Anil Nair & Associates,
Chartered Accountants
ICAI Firm Registration No. 0001755

sd/-
Sunil Krishnan
Partner
Membership No. 203649

sd/-
Ravi B.S.G
Company Secretary

Chennai
20th May, 2019

For CNGSN & Associates LLP,
Chartered Accountants
ICAI Firm Registration No. 004915S / S200036

sd/-
V. Vivek Anand
Partner
Membership No. 208092

sd/-
N. Nandakumar
Chief Financial Officer

For and on Behalf of the Board

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

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

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



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L18101TN2009PLC073017
Name of the Company	INDIAN TERRAIN FASHIONS LIMITED
Registered Office	208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai-600 100
Name of the member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID	
DP ID	

I, We, being the member(s) of Shares of the Indian Terrain Fashions Limited, hereby appoint

1. Name : _____ 2. Name : _____
 Address : _____ Address : _____
 E-mail ID : _____ E-mail ID : _____

Signature:or falling him/her.

Signature :or falling him/her.

as my/our proxy to attend and vote (on a poll) for me/us on my behalf at the 10th Annual General Meeting of the Company to be held on Monday, the 30th day of September 2019 at 11.30 a.m at SDF-IV& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 and at any adjournment thereof in respect of such resolutions are indicated below:

Item No.	Resolutions	For	Against
1.	To consider and adopt the audited financial statements of the Company for the financial year ended 31 st March, 2019 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.		
3.	To appoint the statutory auditors of the Company and fix their remuneration.		
4.	To Re-appoint Mrs. Rama Rajagopal (DIN: 00003565) as Whole Time Director of the Company.		

Signed this _____ day of September 2019.

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Affix ₹ 1
Revenue Stamp

Note: This form of proxy in order to be effective, should be duly completed and deposited at SDF-V& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 not less than 48 hours before the commencement of the 10th AGM.

INDIAN TERRAIN FASHIONS LIMITED

CIN: L18101TN2009PLC073017

Registered Off: No. 208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai - 600100.

Phone No.91-44-4227 9100; email: response.itfl@indianterrain.com

Website: www.indianterrain.com.

ATTENDANCE SLIP

*DP ID		Folio No	
*Client ID		No of Shares	

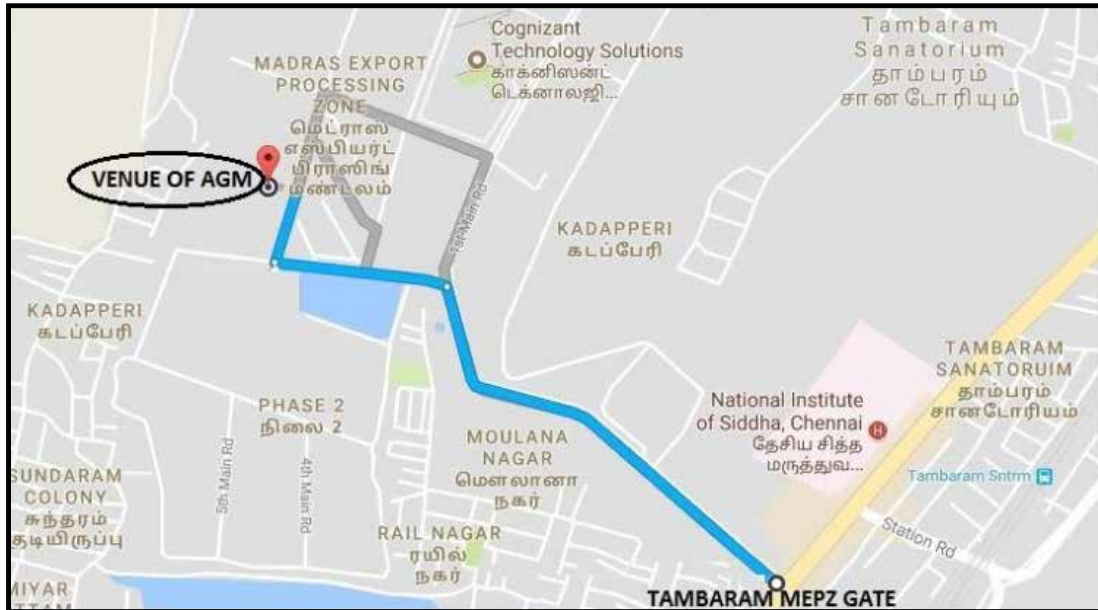
I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and I hereby record my presence at the TENTH ANNUAL GENERAL MEETING of the Company held on Monday, 30th September, 2019 at 11.30 a.m SDF-IV & C2, 3rd Main Road, MEPZ- SEZ, Tambaram, Chennai - 600 045.

Shareholder's / Proxy's name in BLOCK LETTERS

Signature of Shareholder/Proxy

Note: Please fill attendance slip and hand it over at the entrance of the meeting hall.

ROUTE MAP TO THE 10TH AGM VENUE
Venue: SDF - IV & C 2, 3rd MAIN ROAD, MEPZ – SEZ, CHENNAI-600045.







Notes.

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