

Date: August 21, 2021

Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Fort, Mumbai 400 001	Corporate Listing Department National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400 051.
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SUB: Submission of Annual Report of the Company for the FY 2020-21.

Scrip Code: BSE Code: 541700, NSE Code: TCNSBRANDS

Ref: Intimation pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the FY 2020-21. The copy of the Annual Report is also available on the website of the Company viz., <https://wforwoman.com/content/report/annual-report-2020-21>.

This is for your information and record.

For and On behalf of **TCNS Clothing Co. Limited**



Piyush Asija
Company Secretary and Compliance Officer
M. No. A21328

Date: August 21, 2021

Place: New Delhi



HOPE

is trending

ANNUAL REPORT

2021

TCNS Clothing Co. Limited



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INVESTOR INFORMATION

Market Capitalisation as at March 31, 2021	:	3117.96 Cr
CIN	:	L99999DLI997PLC090978
BSE Code	:	541700
NSE Symbol	:	TCNSBRANDS
Bloomberg Code	:	TCNSBR:IN
AGM Date	:	September 17, 2021
AGM Venue	:	Registered Office (Through VC/OAVM)

Disclaimer

This document contains statements about expected future events and financials of TCNS Clothing Co. Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements, as a number of factors could cause assumptions, results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of this Annual Report.

Introducing TCNS

The Journey Unfolds

2001 THE BEGINNING
A thought that changed the Indian fashion landscape forever.



2002 THE PERFECT FIT DECODED
Path-breaking study of the sizing of Indian women, First Brand to offer 6 sizes.



2003 THE ICONIC KNIT CHURIDAR
Combining functionality & fashion, knit churidar revolutionised this category.



2006 WISHFUL
Marks an era of understated elegance in occasion wear.



2009 AURELIA BRAND INCEPTION
Birth of the ethnic jewel for suave women.



2013 THE FIRST 100
W opened 100 stores across 50 cities.



2012 REINTERPRETING FUSION WEAR
Palazzos and slim pants added an edge to fusion wear.



2011 FASHION AT FINGERTIPS
Amongst the first brands to have its own e-commerce portal.



2015 GOES INTERNATIONAL
Opened stores in Mauritius and Sri Lanka.



2016 INVESTMENT BY TA ASSOCIATES
Largest PE deal in the category with an investment of USD 140M by TA Associates.



2021 SUPPLY CHAIN 2.0
Automated Inventory Management System.



2017 FIRST WISHFUL STORE
Expanded brand by opening first exclusive brand store.



2018 TCNS LISTED
TCNS listed on NSE/BSE, 1st in the category to be listed.



2020 LAUNCHED FOOT APPAREL
W forayed into the footwear market.



2020 BRAND ELLEVEN LAUNCHED
First exclusive brand store of Elleven opened.



2019 550+ EXCLUSIVE STORES & OMNI FORWARD
550+ stores across the country. Omnichannel business launched.



India's Leading Women's Branded Apparel Company

Brand Portfolio

To provide fashion in a modern retail environment to the Indian women, TCNS launched its first brand "W" in FY2001-02. The brand emerged from the contemporary Indian woman's need for innovative ready-to-wear clothing that combines fashion and functionality.

We have come a long way in less than two decades to become the leading women's wear platform in the country.

Incubating and scaling up home-grown brands, we now have a portfolio of four segment defining brands, each having a distinct positioning, straddling across fashion sensibilities and value chain.

"W" is a premium fusion wear brand that essentially merges Indian and Western sensibilities, emphasizing distinctive design and styling. The brand targets primarily the modern Indian woman's work, casual and light occasion wear requirements.



"Aurelia" is a contemporary ethnic wear brand that targets a woman looking for a mix of great design, fit and quality.



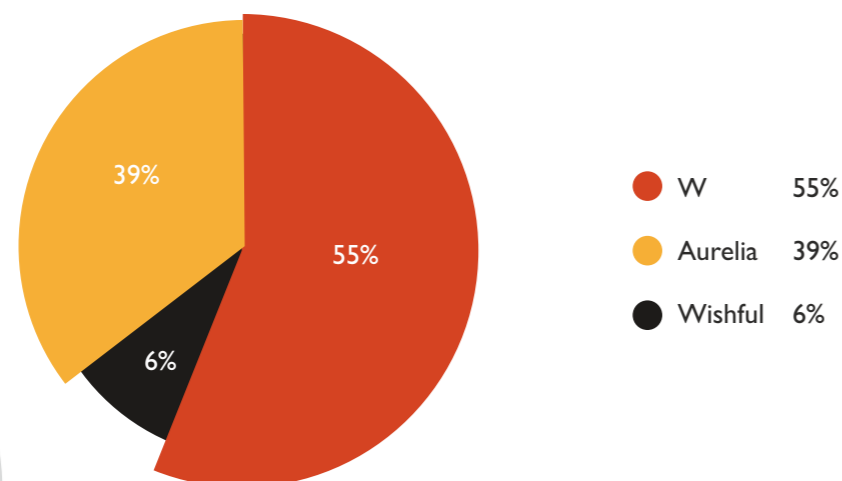
"Wishful" is a premium occasion wear brand with elegant designs catering to women's apparel requirements for evening and occasion wear.



"Elleven" is a coordinates brand with a brand promise to be the ultimate destination for bottoms and drapes choices.



Revenue Share of Brands - FY21 (%)

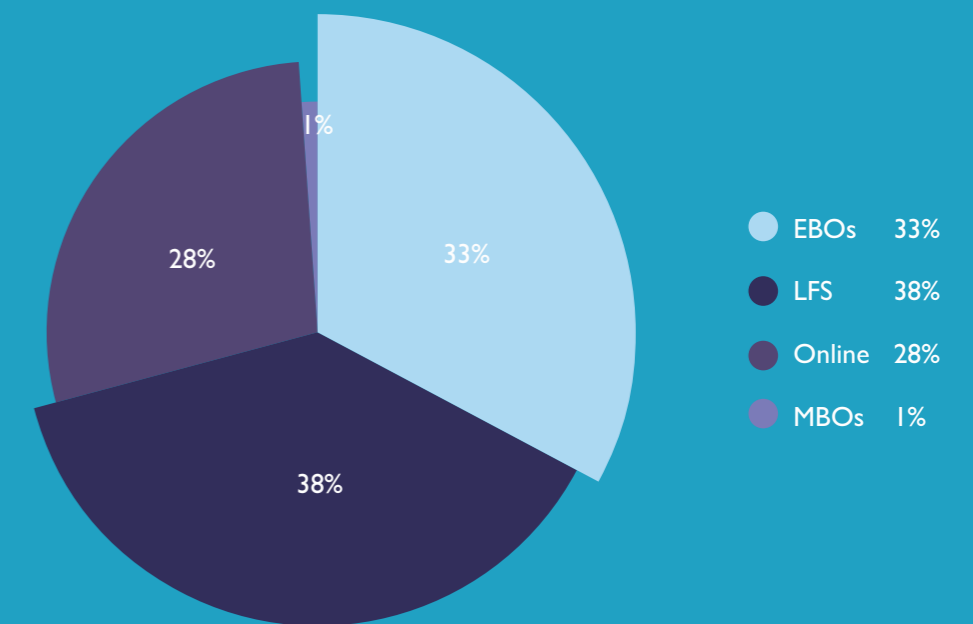


Established Product & Retail Model Across Channels & Geographies

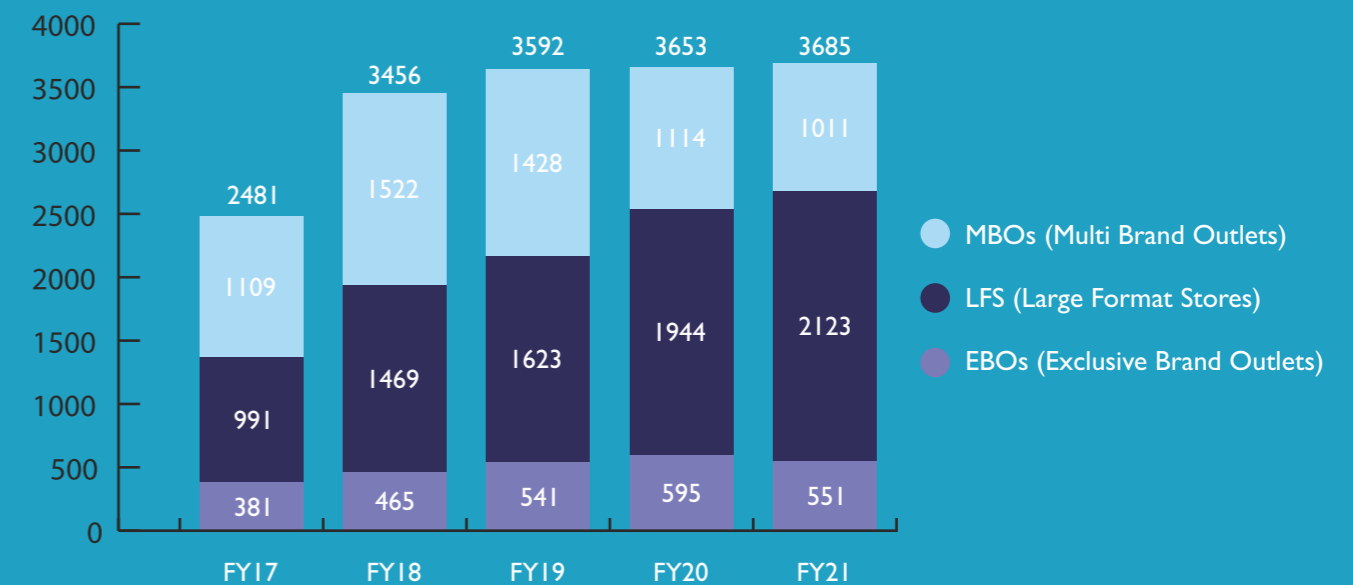
On the back of a proven product and retail model, we have been able to establish a strong presence across geographies and channels in a fragmented industry.

Every year, we come up with over 2500 styles that are available across more than 3500 points of sale in the Indian and the International market for our customers.

Revenue Share Across Channels - FY21 (%)



Distribution Network - A Snapshot



Transcending BORDERS

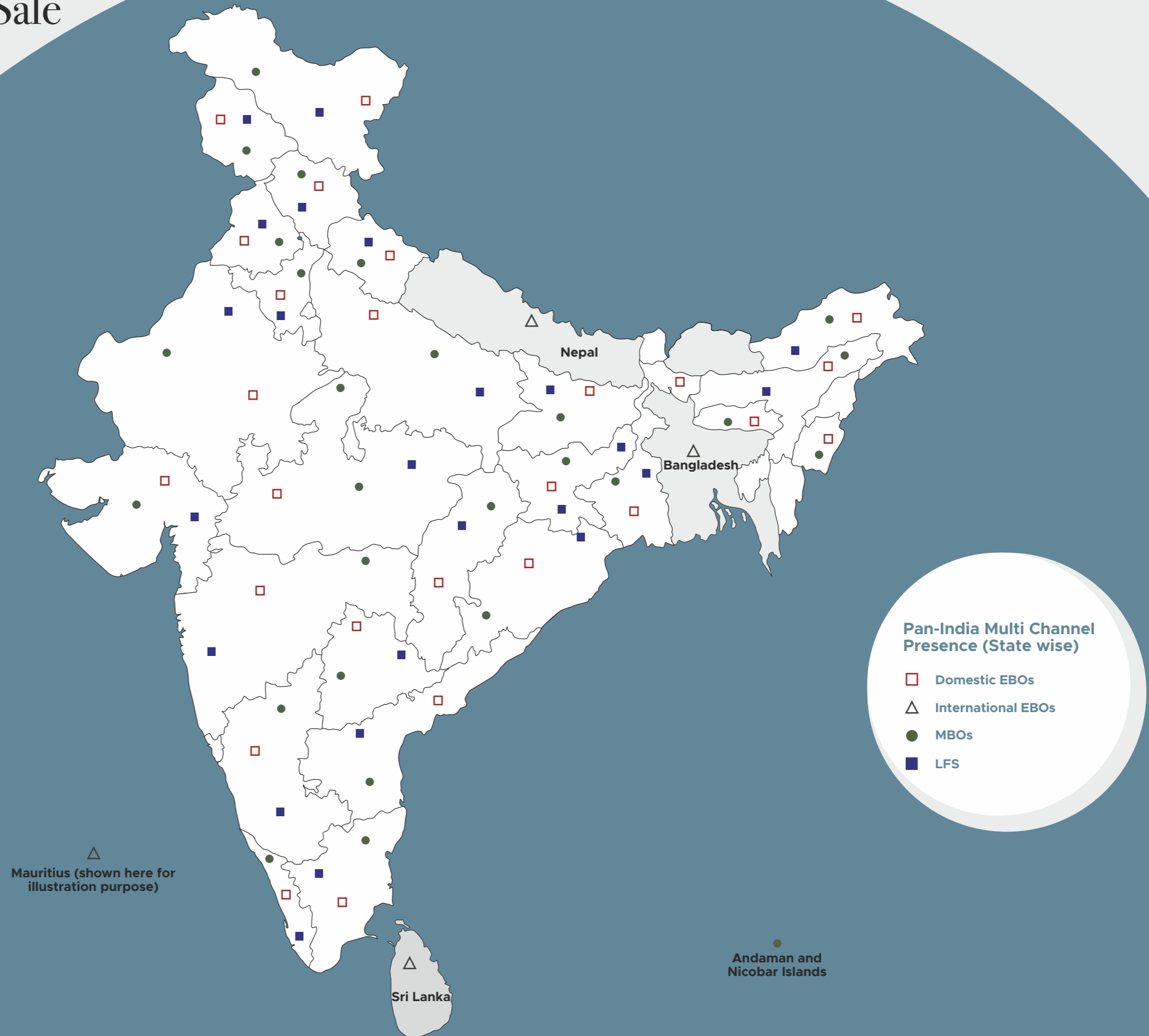








Our Network - Points of Sale



DESIGN PROCESS

The Art of Creation

Designing in the fashion industry is a dynamic and intricate process encompassing research, ideation, product creation and feedback. At TCNS, the design process has been institutionalised on the back of a strong 50+ members design team, robust processes and continuous consumer feedback. The design process seamlessly integrates multiple stages of trend analysis, product conceptualization, print creation and range planning to produce the final products. Strong creative orientation and institutionalised product creation processes ensure the balance of creativity and commerce for every single range.



25+
New concepts/stories every season across brands

2500+
Styles in a year across brands

Every 2-3 weeks
New styles launched in stores

“First *Concept*,
then Design.”

INCUBATION CELL

Creativity is at the core of TCNS brands and being the market leaders, we strive to be ahead of the fashion curve all the time. To build our edge further, we have set up the "Incubation Cell" - an initiative to push the envelope on product innovation beyond what we are doing today. It is like an "Art Lab" where the ideas are developed into something real, tangible and beautiful. Observation, Ideation, Innovation and Implementation are the founding principles. The cell hosts a dynamic environment to facilitate a free flow of thoughts, co-creation and collaborative development.



"Creativity is intelligence having fun."



SUPPLY CHAIN

Robust & Well Balanced

Women's ethnic wear is inherently a complex category due to the nature of fabrics, trims and value-additions involved and it requires a robust, agile and extensive supply chain base.

At TCNS, we have been associated with 250+ suppliers for years now. These partners range from artisanal groups to large mills, enabling a highly differentiated product every single time.

3000+ unique fabric prints are designed to create 2500+ product styles for the brands, fulfilling multiple customer requirements across the spectrum.

Well Balanced & Diversified Supply Base



Stable & Scalable Supply Chain Network



250+ suppliers across India for printed and unprocessed fabrics/trims and garment manufacturing

3000+ preliminary fabric prints designed

2500+ product styles launched every year

Integrated WAREHOUSING FACILITY

TCNS is setting up an integrated warehousing facility with the capability of managing new product categories and new age business models. A strong warehouse management system, backed by AI tools, upgraded infrastructure and specialised third-party operations team, will drive efficiencies and facilitate scaling up of operations. Along with other initiatives like express replenishment mechanism and automated inventory management system, it will fundamentally change the way we operate our supply chain.



Alia
for

aurelia®

NOW
VIBING
TOGETHER,
Beautifully





HOPE
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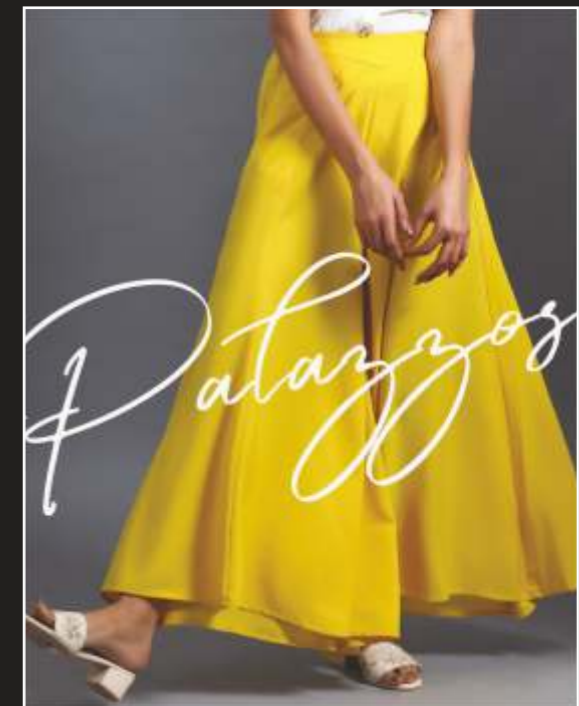


 **WISHFUL**

www.wishfulbyw.com



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CHAIRMAN'S Communique



Dear Shareholders,

It has been over a year now that India and the world are battling with the COVID-19 outbreak. Although India contained the first wave, the second wave of the pandemic has been far more debilitating for our country. I would therefore like to wish you all and everyone associated with us and beyond, good health and safe passage through these difficult times.

As I salute each and every individual amongst us who has risen up to the occasion and has contributed to the best of understanding, knowledge and expertise, I want to express that the TCNS family is continuously striving to go beyond our regular calling in giving back to society. Your Company through multiple initiatives has contributed to various health agencies, NGOs and other administrative bodies to support people in these tough times.

To address the employee health and safety challenges, our in-house COVID-19 Relief Team, led by the HR Department, has introduced several measures for the benefit of

employees. Under our "Let's Fight Corona" initiative, we are actively engaging employees to address their urgent needs for healthcare support while monitoring the health of employees who are recovering from COVID-19. Employee health and well-being remain amongst our topmost priorities and we are committed to extend every possible support to them and their families.

Last year, I had mentioned that difficult times like these drive us to reimagine, recreate and rebuild strategies. We are committed to a long-term strategy and we continue to invest in multiple areas while building shareholder value. Despite the challenges, we have been able to address the needs and expectations of the consumer in the new normal while ensuring multiple initiatives across the organisation are on track. We have scaled up our omnichannel initiatives along with a robust replenishment system to provide a superior customer experience across channels. The brands - W, Wishful, Aurelia and Elleven continue to deliver on the brand promise.

Your Company will continue to be agile and resilient and our efforts will be directed to build all aspects of the business. We are geared up to work through these challenging times and continue to focus on value

enhancement for the consumer while ensuring network expansion. In the current context, organisations need to stay focused on the future while positively contributing to society and I am happy to say that our Company is on the right path. While the situation evolves in the upcoming weeks, let us commit ourselves to be disciplined in following the COVID-19 appropriate measures. Together, we can come out of this and help our nation chart its way towards recovery.

I want to thank our employees, partners and associates for their commitment and service to TCNS in these challenging times. Most importantly, I thank you, our shareholders, for your continuous trust, support and confidence in the Company.

Best Wishes
Onkar Singh Pasricha
Chairman



*"If you light a lamp for someone else,
it will also brighten your path." - Buddha*

From the Desk of MANAGING DIRECTOR



Dear Shareholders,

2020 was the year of rediscovering ourselves. Yes, it was inarguably the toughest time that we have seen in our lives but it also provided us with an opportunity to take a pause, introspect and take a fresh guard. The learning curve has never been steeper and openness to change never greater.

Disproportionate mindshare has gone into building a more responsive, flexible and consumer-centric business model. The pandemic has clearly emphasized the importance of having the ability to quickly adapt to ever changing external environment. It has also forced us to think beyond the conventional wisdom of running the business. Customer connect, supply chain processes, thought-to-shelf cycles-all the set norms are being challenged. The year was indeed the one of reinventing the business model and accelerating change.

On the front-end, one major change was the journey from a brick-and-mortar business model to that of an omnichannel business model. We have been on this path for a couple of years now and have

demonstrated strong leadership both in offline and online space. The year 2020 marks the integration of these two channels, as we now have a single view of customer and inventory across our Brand.com platform and exclusive brand outlets (EBOs). The pandemic has made the customers look at online channels as not just a deal-seeking platform but also as a go-to option for exploring the season's fashion. On the back of 551 EBOs and strong own e-commerce capabilities, your Company is now ready to provide an unparalleled omnichannel experience to the customers. We have also extended the omnichannel capability to our online partners, further enhancing customer outreach strength. Now our ambition is to have a third of total business generated through omnichannel and online channels in the next 3 years.

Accelerated online scale-up will be complemented with aggressive offline expansion. We have launched two key initiatives - Project RISE aimed at upgrading store presence across critical high streets and malls and Project BHARAT pursuing Tier III and IV footprint expansion through franchising route. Eleven store rollout, which paused due to the pandemic, will get kick-started. We are looking at opening pilot stores around select geographies and basis the experience, we will roll out stores across the country. On the back of these initiatives, we are looking at FY2021-22 to be the highest store addition year ever for the company.

On the backend, the key focus areas have been inventory management and enabling supply chain platform. Inventory is the growth capital in our business and optimizing the same is essential for scaling up. While our scale of business was significantly impacted last year, we took this opportunity to automate the entire inventory management process and upgrade our warehousing infrastructure. We are in the process of implementing the best-in-class machine learning (ML) powered inventory management solutions. This will completely change the way we buy, allocate and replenish inventory and bring in significant efficiencies in the process. We are also consolidating our warehouse infrastructure by moving to a new location with capabilities to handle new-age delivery modules and manage new categories that we are foraying into. These initiatives will significantly strengthen the responsiveness of the supply chain and thought-to-shelf cycles.

We have always taken pride in our understanding of balancing creativity and commerce, which is the key differentiator for us. While we continue to invest in data sciences and automation systems that will guide us what works and what does not, it is imperative in the fashion business not to look at the rear-view mirror only. We must make more of what is selling, but at the same time, we should also keep pushing the envelope on the creativity front and delight our consumers with innovation. To bolster the existing creative capabilities, we have set up a Design Incubation Cell with the sole purpose of bringing never-seen products to our consumers. Our brands have always played the fashion leadership role and this will further extend our edge.

Looking at last year's performance, the entire industry was impacted due to the pandemic. Our revenues were Rs. 635 Cr. We rationalised our EBOs network and shut 44 stores on a net basis, ending the year with 551 stores. We added 179 doors in LFS in the same period. We formulated a 5-pronged COVID-19 response strategy. The overarching vision was to retain our ability to scale-up while preserving the strength of the balance sheet. I am happy to share that we ended the year with a higher cash balance of Rs. 182 Cr against the opening cash balance of Rs. 171 Cr and this was achieved without any external fundraising. Despite the challenging times, our working capital came down to Rs. 352 Cr against an opening balance of Rs. 383 Cr. We have delivered over Rs. 124 Cr on the cost-savings front, which is ~30 percent against last year. I want to take this opportunity to thank all our employees and business partners who supported us in achieving these objectives. The understanding and cooperation reinforce our relationships we have built over the years.

Today, the world is still reeling under the impact of the second wave of the pandemic. The business continues to be disrupted, although recovery so far looks sharper than the last time. Proactive measures by the Government, including the accelerated vaccination drive and the collective efforts of all stakeholders, should see us navigate the pandemic better. We continue to keep a razor-sharp focus on cash conservation and cost controls while building growth runways and new capabilities. Given the Company's balance sheet strength and preparedness to scale-up, we are well poised to ride the growth curve post-pandemic.

This is also the time to step up our efforts to give back to society and the environment. We have taken small steps to make a difference to our ecosystem. Today, many of our product collections use eco-friendly fabrics like Livaeco and production methods like Solar Charkha Mission. We have launched new lines like Folk Song that support artisans' livelihoods while presenting traditional Indian crafts in a completely new avatar. Our efforts of setting up partner manufacturing units in rural areas have resulted in women empowerment and the economic well-being of those clusters. We have worked with various government agencies in extending support in fighting the pandemic. We will continue to amplify our efforts in the areas of empowerment and sustainability.

Finally, I would like to thank everyone in the entire ecosystem for their extraordinary contribution and support in such difficult times. The pandemic challenge has reinforced our belief in Culture, People and Relationships being the greatest strength of our organisation. There is no substitute for people's passion and commitment for which I thank all stakeholders, including our employees, business partners, customers and investors. I also express our gratitude for the entire medical fraternity, social service organisations and all such people who braved the pandemic selflessly. There is no doubt that we all will emerge stronger from the pandemic and together build a better tomorrow.

Thank You and Stay Safe
Anant Kumar Daga

DIGITAL UPGRADE Version 2.0

The Move to Digital

Customer behaviour towards online shopping has been undergoing a change and pandemic has expedited the same. Online shopping has become a norm, with increasing interaction and customer expectations around services.

TCNS had initiated building a robust technical infrastructure for end-to-end digitalization and faced with pandemic, we have accelerated our efforts in this area to meet evolving customer needs and requirements. The adoption of these new initiatives has helped the organisation build a future-ready, agile and resilient system.

Omnichannel

Omnichannel is the integration of all physical and digital channels to offer a unified customer experience and TCNS is on its journey of becoming truly an omnichannel business.

TCNS launched omnichannel play by bringing inventory from stores to Brand.com and marketplace. In the last 6 months, we scaled up the “Endless aisle” initiative significantly for our own stores, some marketplaces and Company operated Brand.com. With omnichannel capabilities, around 99 percent of season’s styles are available across channels with industry leading fulfilment rates. We would soon be adding other marketplaces to our omnichannel systems to ensure a seamless, effortless and high-quality customer experience.



Direct-to-Consumer (D2C) Business

TCNS has the ability to offer its entire catalogue of inventory to consumers across all major third-party marketplaces and company's Brand.com websites, while leveraging a shared pool of inventory at our warehouses/stores.

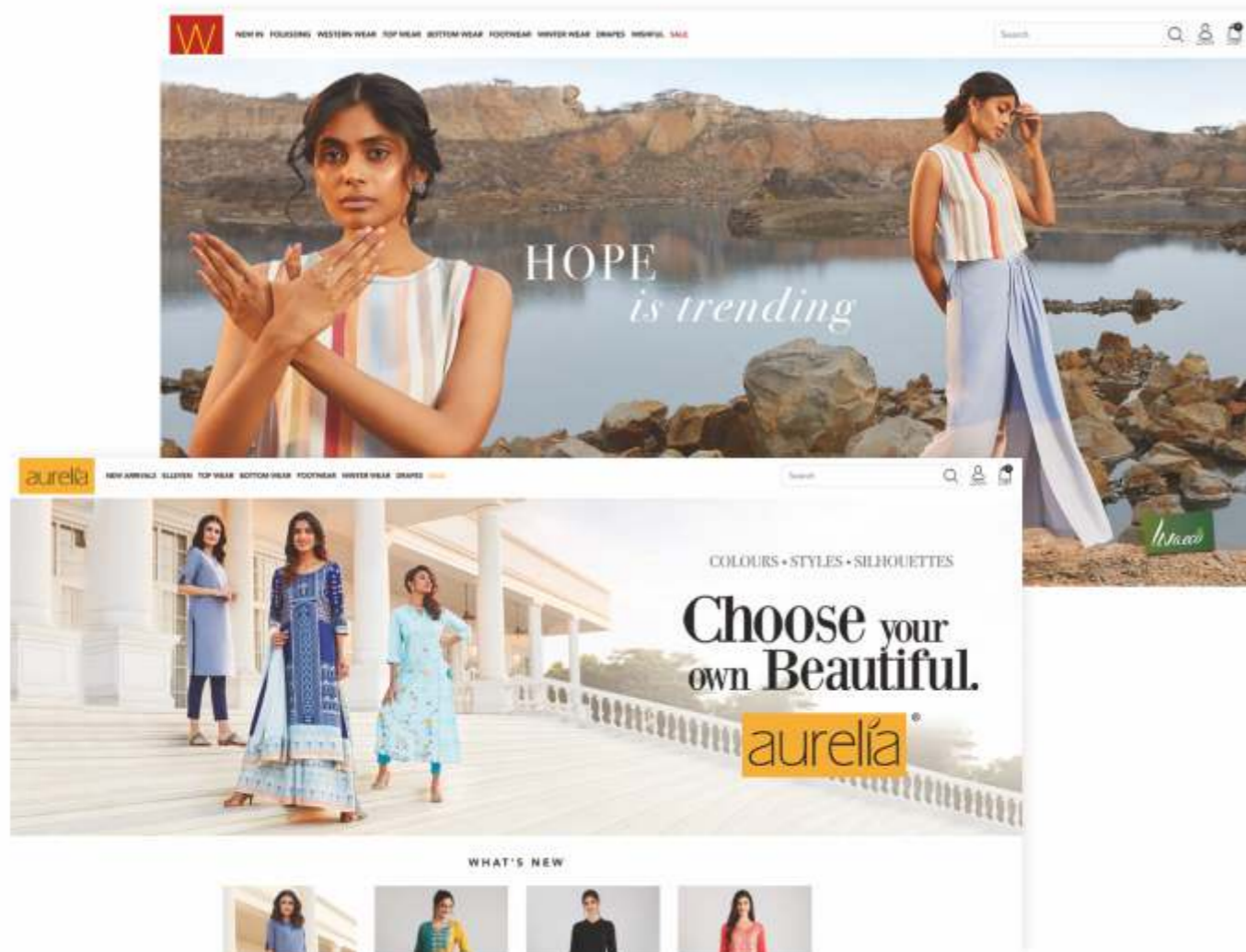
Currently, the D2C marketplace contributes approximately one-third of the Company's overall online marketplace revenue. While establishing this inventory efficient model, we have ensured world-class experience through streamlined operations and have received highest certifications from our partners.



Scaling up Brand.com

Across the world, the buying habits of consumers are changing and moving towards e-commerce, with the current pandemic accelerating the trend. The year saw robust growth for our brand websites with revenue growing 2X compared to the previous year in spite of rationalized marketing spends. The Brand.com websites share improved to double-digits of overall online revenue of the Company.

The focus on category-specific promotions facilitated a more targeted consumer segmentation, leading to better consumer engagement on the website. "Weeble" - The Style Beetle engaged the consumers and simultaneously recommended products as per their tastes and preferences. The data-driven sorting logic armed with a promotion algorithm improved conversion on the site. This year also witnessed website orders being fulfilled by the stores enabling a true omnichannel experience for the consumer.



Category Expansion

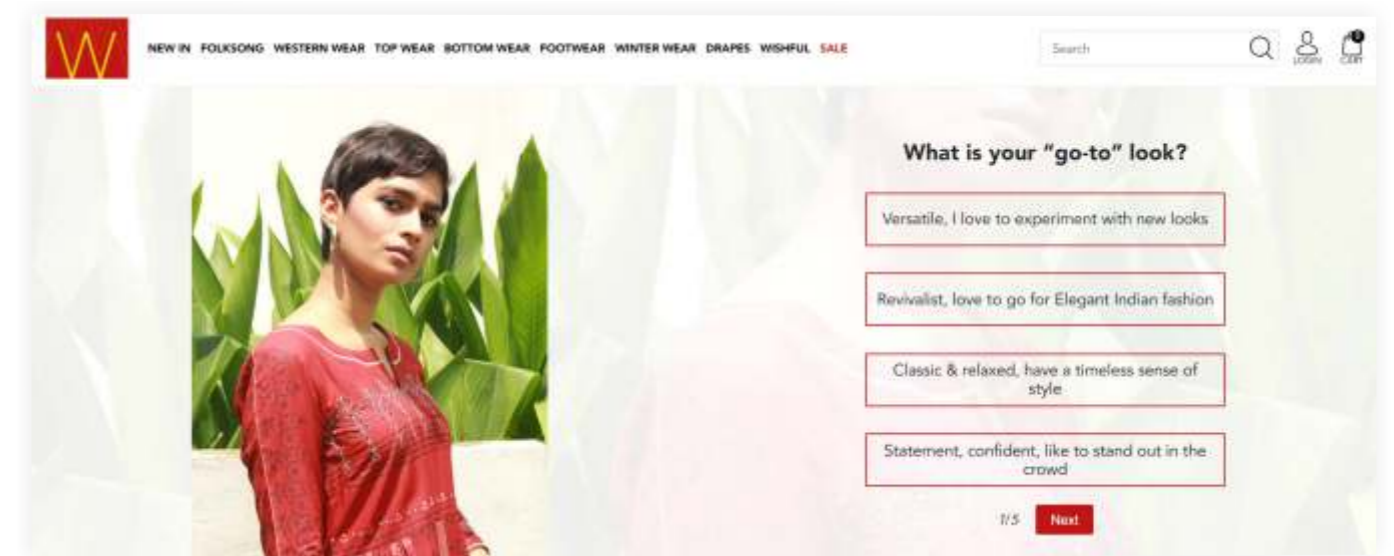
The successful launch of W's footwear category in the offline stores was followed by an online pilot on the brand's website in April 2020.

Supported by continuous customer engagement activities, promotions and PR, the category grew six times in a period of four months. Encouraged by the positive response, Brand.com now offers a complete footwear range for consumers.



Weeble

Weeble has changed the shopping experience on the website since its development. It has become the stylist at one's disposal, 24x7! Few quick questions help map the right outfit, irrespective of whether the customer is a "no time, quick shopper" or "want time to decide with help" kind, the technology has proven to be helpful for all.



Automated Inventory Management System

Over the past year, TCNS has initiated an automated inventory management system that plays a critical role in streamlining various inventory operations. The data analytics based system assists in the buying, allocation and replenishment process. When completely implemented, the system will not only result in operational efficiencies but will also play a critical role in reducing inventory levels across the supply chain.

In phase 1, we piloted the auto-replenishment and refreshment for EBO channels, allowing us to react quickly on demand trends by supplying the required stock. In phase 2, we are expanding the depth and range of inventory management through intelligent in-season reordering of core and classic styles, maintaining the right attribute mix in network and reducing unproductive inventory by redistribution of stock.



Depth Management

- Ensure availability of Best-Seller Products
- Optimization of stock by Inter Store Transfer
- Adjust inventory norms automatically during sales spike events

Variety Management

- Define customer-centric assortments to represent customer's point of view
- Customize Planogram for each store based on the sale potential of Assortment Group
- Allocate new items basis target and attribute gaps

Life Cycle Management

- Identify major shifts in the product performance
- Automatically assign triggers to better manage the product life cycle
- Manage liquidation based on variety and freshness targets

E-invoicing

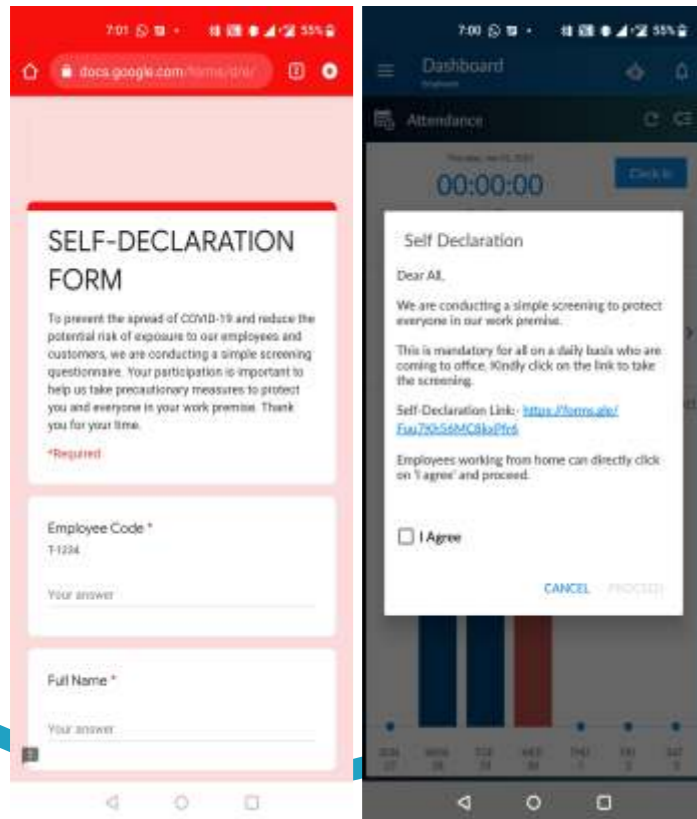
The digitisation of bills across 80 percent of our offline stores has enabled contactless and eco-friendly billing across the system. The ease of payment, along with the ease of future reference, has helped us improve customer service. Digitalisation of shopping experiences and product feedback has improved the merchandise mix and upgraded customer service standards.

TCNS Way of Life

COVID-19 Prevention

Amidst COVID-19 pandemic, TCNS has taken many preventive measures and precautions at the Corporate Office, Warehouse facilities and Stores to ensure safety and well-being of the staff as well as our customers.

Daily sanitization and temperature checks for all employees were conducted; wearing masks at all times was made compulsory; use of stairs instead of lifts was encouraged; floors were marked with yellow tape for maintaining social distancing and hand sanitizers along with infrared thermometers were made readily available.



Team Building

Team building has always been an integral part of TCNS culture since its inception. For us, it's very important to inculcate our core values as these are the key pillars that drive our employees. These activities are aimed to drive teamwork which enables problem-solving, strategizing and decision-making capabilities. Due to the pandemic, most physical interactions had taken a backseat in the organisation. To jumpstart the transition of new joiners to the workplace smoothly, TCNS in collaboration with Bluesky Learning organized a corporate induction program where the new joiners participated in multiple power-packed activities that revolved around understanding our organisational values and strengthening of team coordination.



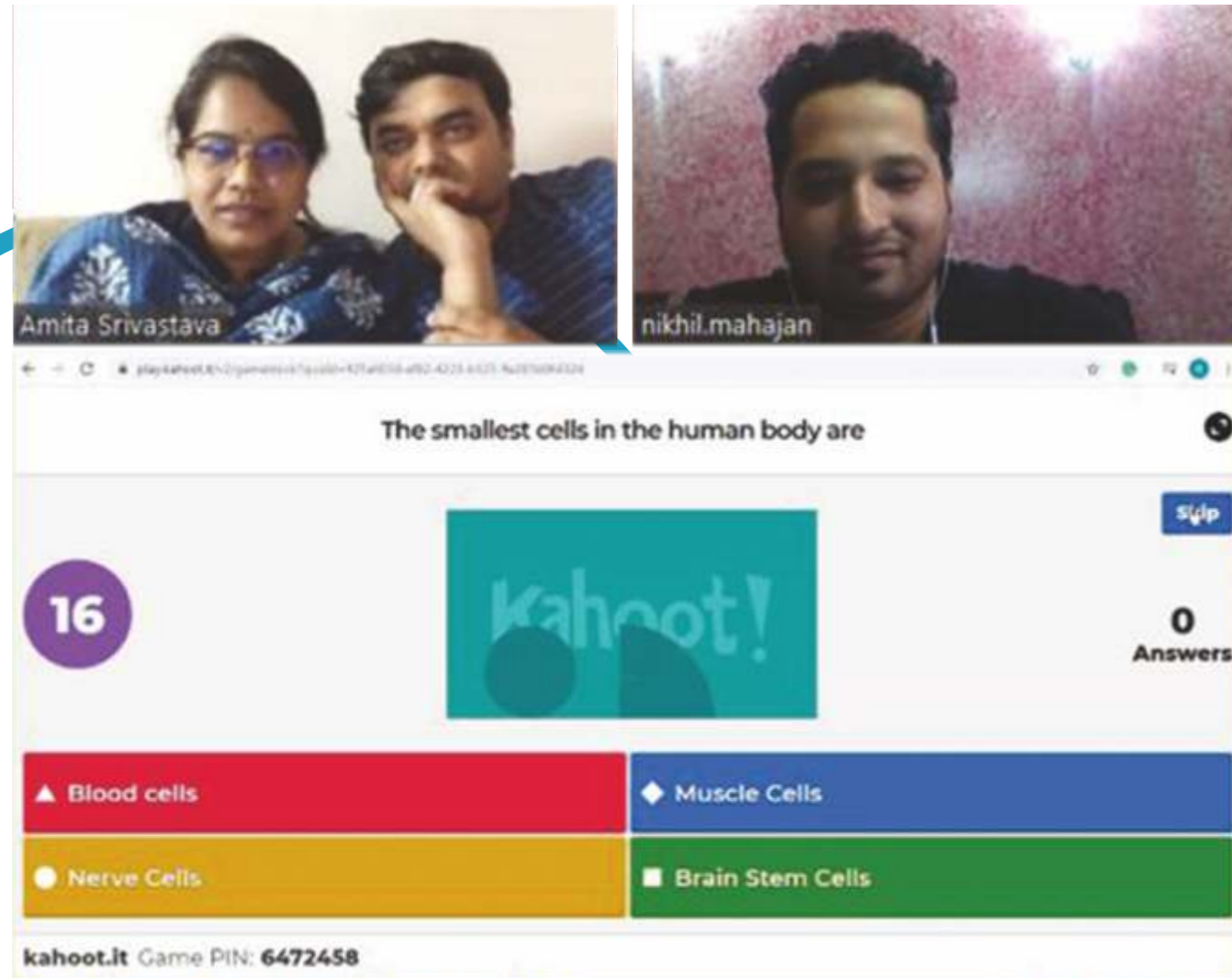
Activations/Online Training

Prioritizing employee safety, TCNS is at the forefront of adopting digital technologies for on-boarding and induction in the new normal. Digitisation not only makes learning easy but also makes it more interactive, engaging and exciting. A shift from classroom training to e-learning has helped a lot during this pandemic. With the help of our Learning Management System, all major training programs like induction, product training, seasonal training, category management training, etc., are just a click away for our employees. All the training sessions are available in dual language (English and Hindi) for ease.



Unlocking Fun

Fun activities conducted by TCNS played a vital role in the ongoing tense situation, as they proved to be effective in helping people relax, improve teamwork and build trusting relationships. Amidst lockdown, when everyone was at home, we engaged with our employees and their families to keep their morale high.



Family Happy Hour

We created a small virtual quiz game for employees to participate along with their families on video conference. Besides it being fun and engaging, many families were introduced to each other during the session.



Dance Workout Session

Christmas brought together a unique combination of health and fun. We organized a special session of dance workout where the employees had fun through a high-energy workout.



Clay Relief Workshop

What could be better than a clay relief workshop to get a break? To rejuvenate employees, a stress-busting session was organised where employees learned the art of sculpting out of clay. Everyone had a beautiful opportunity to relive their childhood, get their hands muddy and create a fabulous piece of art, handcrafted by them!

CSR - Corporate Social Responsibility Activities

With the core belief of giving back to society, TCNS has initiated several programs as per its CSR policy on education. The programs include special education and vocational skilling of underserved people especially children, women, the elderly and the differently-abled. TCNS undertakes its CSR activities directly as well as in association with its primary implementation agency - Indus Quality Foundation (IQF), a trust registered under the provisions of Indian Trust Act, 1882.

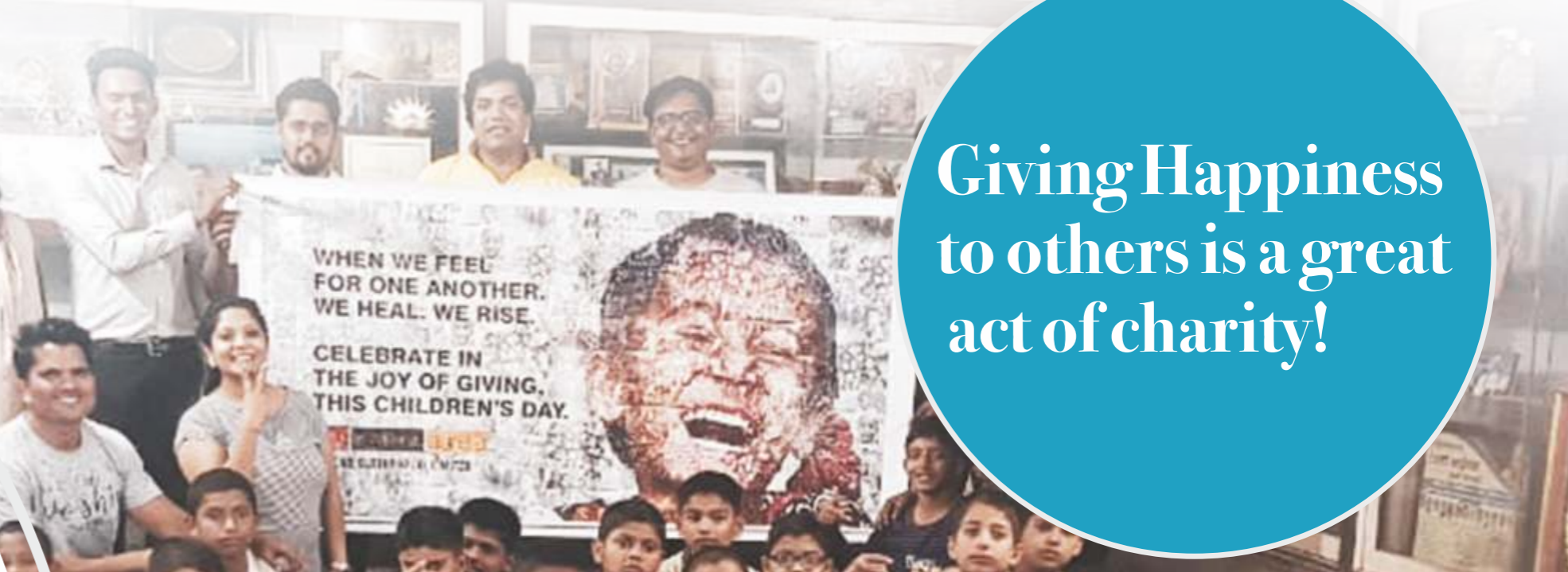
CSR funds are used in imparting education by organising student training programmes, teacher's inter-school programmes and inter-school competitions for fostering value-based personality and psychological development. The implementing agency 'IQF' has launched IQF clubs of service with an aim to catalyse the physical, mental and spiritual growth of students.

Also, under the joint efforts, various slum development programmes, national support programmes and workshops are being undertaken to support children belonging to the underprivileged sections of society.



Supporting Underprivileged Kids

Giving Happiness to others is a great act of charity!



Till date, IQF has touched the lives of more than 5,70,000 students, teachers and parents through sustained interventions on Value-oriented Personality Development and Quality Management.

Donation Drive



Scholarships and donation of books to Kalgidhar Trust and Pragati.



Distribution of masks and drapes in areas near TCNS office and COVID facility.



Distribution of masks and drapes at office of the District Magistrate (South Delhi).



Beyond CSR

Rural Area Factories

TCNS has gone beyond CSR and implemented major initiatives for rural development by creating manufacturing clusters at remote areas in association with our supply chain partners. This initiative has helped in creating a skilled workforce while delivering social and economic empowerment of the locals.



Etha in Uttar Pradesh



Himachal Pradesh



Patra in Jharkhand

Responsible Fashion

As a part of its sustainability efforts, TCNS partnered with Livaeco, a pro-planet fabric by Birla Cellulose, which helps save water, maintain forest cover, is biodegradable and reduces CO₂ emission.

TCNS has also partnered with Indian Government's "Solar Charkha Mission" to promote sustainability and Indian handlooms. The collaboration has created skill development and employment opportunities for rural women while encouraging sustainable production and mass distribution of the textile.



Women Workforce

Leveraging the joint initiatives with our partners, TCNS has strengthened its commitment to empowering women by providing avenues of learning and livelihood. Two factories, one each in Harur, Tamil Nadu and Pathankot, Punjab have been set up under this initiative and majority of the workforce employed by these units are women.

We will continue to expand our women empowerment initiatives with our vendor partners, encouraging them to set up more manufacturing units in the rural areas to vitalize the same.



Integrated MARKETING COMMUNICATION

BOMBER Set - The Bold Festive Gear

With the advent of festivities, W, the leading women's clothing brand, launched Bomber sets, one of the most talked-about fashion trends of the season, in its Festive'20 collection.

The "bomber jacket" set is a unique interpretation of the "bomber biker jacket", paired with a flared skirt to create fusion festive look that is a trendy departure from the traditional concept of festive dressing. The set, treated with decorative motifs, multi-coloured crafty embroideries and embellishments, gives a vibrant and modish impression.



BOMBER

set

THE BOLD
FESTIVE GEAR



HOPE is trending

Last year had been a difficult one for everyone in terms of facing unforeseen challenges. During these unprecedented times, however, being together with our loved ones assisted all of us to stay strong and positive. As individuals adapt to the new normal ways of operating, we all hope for the best and look for happiness in the future. The Spring Summer 21 collection by W symbolizes the strength of women and celebrates their courage as they stood strong for their families. The campaign aims at bringing forth the positive notes to sail through the difficult times. The collection is designed to reflect the light and life witnessed by people during such unprecedented times.



#IAMAWAKE





#IAMAWAKE™



HOPE
is trending



aurelia®

www.shopforaurelia.com

Be your
own beautiful.

-Disha Patani-

Choose Your Own Beautiful

Aurelia launched the campaign - 'Choose Your Own Beautiful', showcasing an exquisite Spring Summer 21 collection fit for all occasions. The collection offers women a wide range of designs, colours and occasion wear to choose from in order to break free from the set norms of beauty. The campaign is a natural progression of 'Be Your Own Beautiful' that encourages women to embrace themselves and define beauty as per their understanding.



The collection is created for every woman who is looking for style and comfort paired with an unmatched ethnic vibe and an edgy look for the workplace, casual meetings and celebrations.



COLOURS • STYLES • SILHOUETTES

Choose your own Beautiful.

aurelia[®]
www.ShopForAurelia.com

CONSUMER Engagement

Pop-up Stores

Society "Pop-up" stores idea is a perfect example of out-of-the-box thinking and working outside the comfort zone. It started from one of the societies in Gurugram and became a successful organisational-level initiative. Creating a successful property amidst pandemic and other challenges, approaching the target audience as they could not reach our stores was a clear reflection of customer-centricity at TCNS. Ultimately, it became a project of more than 400 Pop-up stores across 75 cities, bringing the shopping experience home for people.



VIRTUAL SHOPPING

What better way than getting on a call for shopping. Well, the plan was to become that friend of yours who is your go-to person when it comes to shopping.

Virtual shopping personalised the whole experience for the customers to be able to shop from the safest place, their home. The front-end team got together and assisted the consumers from the process of selection to delivery.



Social Media Activities

Earth Day

On the occasion of Earth Day, we seeded the conversation of "Responsible Fashion" amongst our customers. With the help of influencers, we highlighted the elements of nature with the brand's thought and at the same time propelled the audience to take the responsible fashion pledge. We also created a contest to further engage with our audience.



Web Series collaboration

We collaborated with Timeliners, one of the popular web series to bring out the brand's message.



Women's Day

On the occasion of Women's Day, TCNS initiated two campaigns #ChooseToAccept and #ChooseToChallenge to celebrate womanhood by embracing the uniqueness that defines women irrespective of their size, fit or shape and by questioning stereotypes and gender bias while encouraging mutual support amongst women.

Influencer Activation



Now Brewing

Strengthening FOOT APPAREL by 'W'

Expanding its offering in the fashion ecosystem,W has forayed into the footwear market with an exclusive range of fashionable Foot Apparel. In the first phase of the launch, the Company plans to retail the foot apparel across 80+ W stores as well as on the Brand.com.



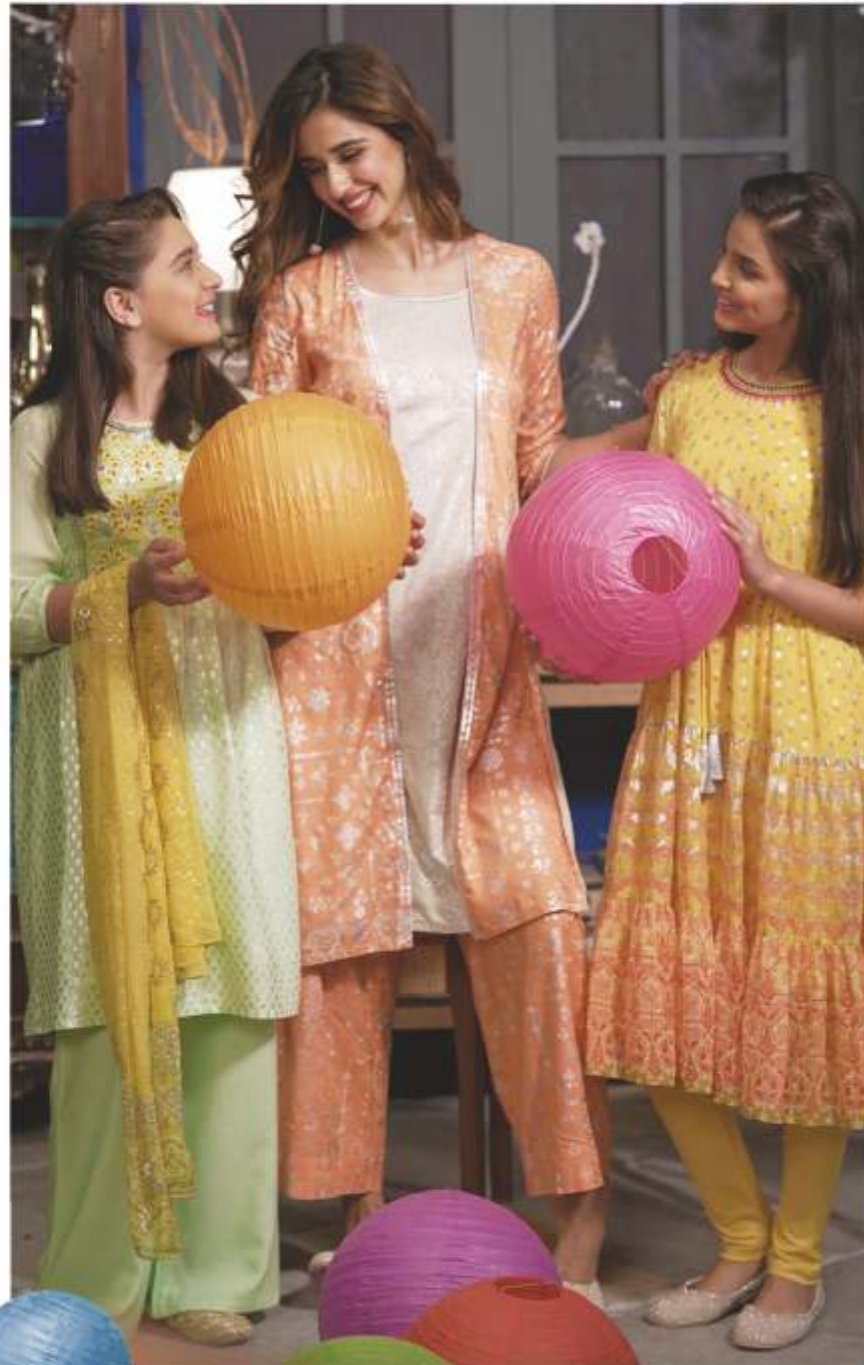
www.wforwoman.com



www.wforwoman.com



aurelia
girls™



Venturing into a new category, Aurelia introduced Aurelia Girls which caters to ethnic wear needs of young girls in the age group of 04-15 years.

Reflecting the true essence of the brand, the new range of girls wear also comes with a specially curated MOM & ME section, emanating from the emerging trend of twinning amongst mother and daughter duos. Prioritizing the delicate balance of comfort and style for young girls, the collection specializes in skilfully made dressier outfits in contemporized silhouettes for a modern touch.

Awards and Recognition

#e4mPlay 2021 award
(SILVER) for the "W Is
M; M Is W" campaign in
the Best Use of Video
Marketing on Digital /
OTT Platform



STREAMING
MEDIA
AWARDS 2021



Most liked women's
brand, 'W' - by Myntra

Most Liked Women's Brand, 'W'- by Myntra 2020

Images Retail Forum-Most Admired Retailer of the Year, 2019 Visual Merchandising

Consumer Choice Women's Ethnic Brand of the Year, by Flipkart Fashion Conclave 2019

India TV-Great Lifestyle Brands: Best Social Media Campaign 2019

Images Fashion Forum-Most Admired Fashion Brand of the Year 2019 (6th Consecutive Year)

Images Fashion Forum-Most Admired Fashion Concept of the Year Yolo Dress 2019

BOARD OF DIRECTORS



Mr Onkar Singh Pasricha
Chairman and Executive Director

He holds a Bachelor's degree in Technology in Electrical Engineering from Indian Institute of Technology, Delhi. One of the Co-founders of TCNS Clothing Co. Limited, he has been on our Board since December 3, 1997. He has more than 40 years of experience in the apparel industry, including retail/trading from the early 1970s, manufacturing and exporting of apparel to international brands and setting up contract manufacturing operations in other countries to serve global markets. He has been also awarded for Entrepreneur of the year by Images North Indian Awards (FY 2019).



Ms Neeru Abrol
Independent Director

She is an Associate Member of the Institute of Chartered Accountants of India. She has worked with National Fertilizers Limited (NFL) as its Chairperson and Managing Director. Prior to NFL, she has worked with the Steel Authority of India Limited, holding various management positions.



Mr Anant Kumar Daga
Managing Director

He holds a Bachelor's degree in Commerce from the University of Calcutta and a Post-Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined the Company as a Chief Executive Officer with effect from March 16, 2010, and has been on the Board since September 7, 2016. Prior to joining our Company, he has worked with Reebok, India and with ICICI Bank. He also got featured in the Economic Times' 40 under 40 list of India's hottest business leaders for 2017 and has been awarded the 'Brand Professional of the Year Award' at the CMAI Apex Awards 2017.



Ms Sangeeta Talwar
Independent Director

She holds a Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata. She is currently a partner at Flyvision Consulting LLP. She has worked with Nestle India as an Executive Vice President (Marketing), Mattel Inc., India as its Managing Director, Tata Tea as an Executive Director (Marketing) and NDDDB Dairy Services as its Managing Director.



Mr Naresh Patwari
Non-Executive Director

He holds a Bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Kharagpur and a Master's Degree in Business Administration from the Tuck School of Business at Dartmouth College, United States. He has been on the Board since August 18, 2016. Naresh Patwari is currently employed with TA Associates Advisory as a Director. He was previously employed with Schlumberger, McKinsey & Company and ICICI Venture.



Mr Bhaskar Pramanik
Independent Director

He holds a Bachelor's degree in Technology from Indian Institute of Technology, Kanpur. He has served as the Chairman of Sun Microsystems India, Managing Director of Oracle India and as the Chairman of Microsoft India.

STATUTORY REPORTS AND FINANCIAL STATEMENTS



MANAGEMENT DISCUSSION AND ANALYSIS

TCNS Clothing Co. Limited (“TCNS”, “TCNS Clothing” or “the Company”) is India's leading women's branded-apparel company. The company designs, manufactures, markets and retails a comprehensive portfolio of women's branded apparel across multiple brands. The company sells its products across India and select International locations through multiple distribution channels.

MACRO-ECONOMIC SCENARIO

During the financial year under review, economies across the world got impacted by COVID-19. Governments and organisations stepped up to face the challenge posed by this once-in-a-lifetime occurrence and undertook all measures to ensure the safety of people while minimizing the impact on economic activities.

At the start of 2020, COVID-19 caused a sudden and unforeseen blow to the economies and businesses that were already reeling under the slow-down witnessed in 2019. During last year, Governments and organisations prepared themselves for all eventualities while struggling with the uncertainties associated with the pandemic and its multiple waves. It is believed that the Global GDP contracted by ~3.3 percent in 2020. Major economies and central banks stepped in with relief packages to control the contraction. The last two quarters of the calendar year 2020 saw sequential recovery worldwide and the trend continued in the first quarter of the calendar year 2021. United Nations (UN) has raised its forecast for global economic growth to 5.4 percent in 2021 in its mid 2021 World Economic Situation and Prospects report.

India is one of the fastest-growing economies in the world. With attractive demographics (relatively young population), rising disposable income, increasing internet penetration and many other favourable trends, India is well placed to become a major economy in the next 5 years. The pandemic caused a major but temporary disruption in this growth phase of the Indian Economy. The country witnessed significant disruption in all facets of personal life and economic activity. Various lockdowns and other restrictions imposed to control the spread of the virus impacted production as well as consumption. All industries got impacted during the initial phase of this period. With the gradual lifting of lockdowns, economic activity restarted gradually and sequentially improved over the next quarters. Retailing, in particular, was severely impacted. Our store and warehouse operations had to be shut for the larger part of Q1 of the financial year in review. With the reduction in daily new cases/active cases and lifting of lockdowns and other restrictions, the business started recovering gradually. We saw an uptick during the festive season (November 2020) and recovery continued beyond that. However, around mid-March 2021, the Government and local authorities had to reinstate lockdowns and restrictions due to rising cases of COVID-19. Most of these lockdowns continued till June 2021 and in certain cases, even beyond that. As per various Government sources, it is estimated that the economy shrank 8 percent in FY21 in terms of real GDP.

Growth in Real GDP and GVA, India

	FY2018 (3rd RE)	FY2019 (2nd RE)	FY2020 (1st RE)	FY2021 (2nd AE)
Real GDP Growth	6.8%	6.5%	4.0%	(-) 8.0%
Real GVA Growth	6.2%	5.9%	4.1%	(-) 6.5%

Source: Government of India, CSO. AE denotes advance estimate and RE denotes revised estimate

The Government of India has undertaken a massive vaccination drive, the largest in the world. Rapid vaccination and selective lockdowns/restrictions are expected to reduce the spread of the virus. While the situation will continue to remain uncertain and difficult to predict or plan for, it is expected that the recovery in consumer sales would happen at a faster pace this time compared to 2020. The businesses would have to learn to operate in a fluid environment and dynamically manage risk and growth. United Nations expects India's GDP to grow 7.5 percent in the calendar year 2021 while cautioning against the fragile outlook.

INDUSTRY OVERVIEW

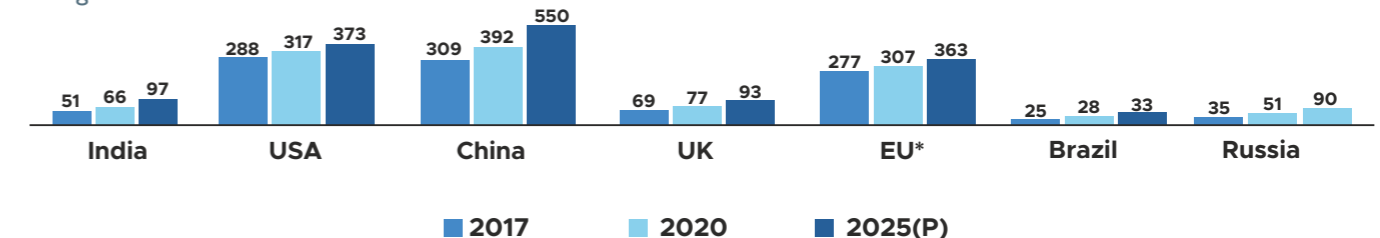
Indian Retail

India is ranked the world's fifth-largest global destination in terms of retail space. With a market size of around USD 883 Bn in 2018, the retail market in India is expected to witness a 6.4 percent CAGR during the period 2018-23.

The transition from traditional retail to organized retail is driven by changing consumer expectations, growing middle-class, higher disposable income and change in the demographic mix, among other factors. This is further intensified with the convenience of online shopping, the multiplicity of choice under one roof (shop-in-shop) and the increase of mall culture. These factors are expected to drive the organized retail growth in India over the long term.

Apparel Market in India

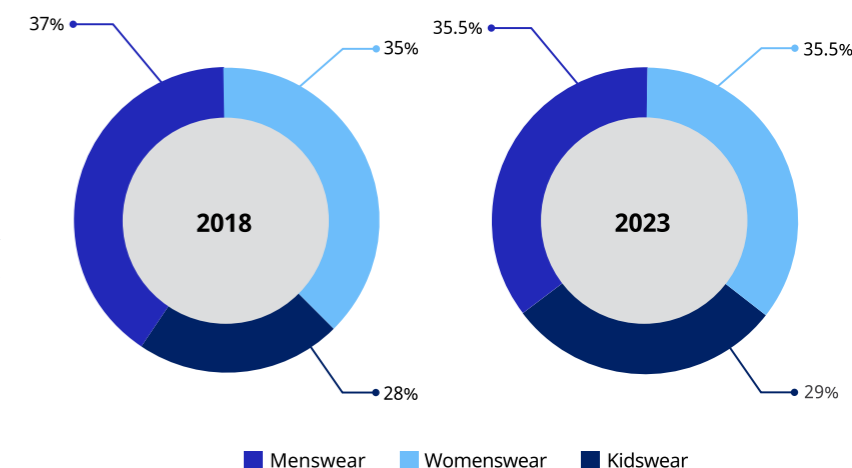
The apparel market in India was estimated to be around USD 51 Bn in 2017 and is expected to grow to USD 97 Bn by 2025. This translates to a CAGR of 8.4 percent. The ready-to-wear part of the market is expected to grow faster compared to the ready-to-stitch. The construct of the market is expected to change with this growth. Over this period the women's apparel segment is expected to grow to an equal share with the men's wear segment. The sheer growth in the market size will create opportunities in its various segments and sub-segments. The consumption trends like the increasing share of organized market vis-à-vis unorganized market, increasing share of branded apparel over unbranded, lower-tiered cities/towns getting on the fashion bandwagon in a larger way, etc., will pave for creation of even larger brands and categories.



*Includes Germany, Italy, France, Spain and 7 other countries only; indicates fiscal year. (Source: Marketline 2017, 1£=USD 1.3)

Women's Apparel Market

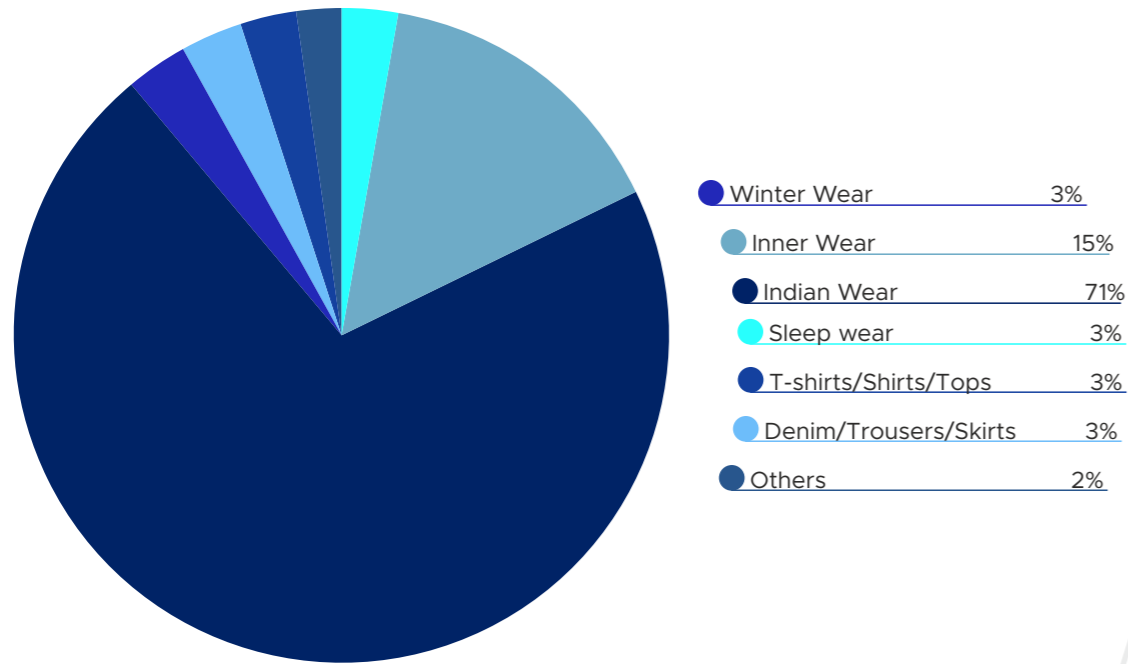
The women's wear market was estimated at USD 19.3 Bn in 2017 and is expected to grow at a faster pace compared to its peer - the men's wear market. This is in line with trends in western developed economics where women's wear typically takes a larger chunk of the overall apparel market. Driven by a shift in socio-cultural mindset, modern trade channels, changing consumer behaviour and an increased number of working women. India is expected to achieve this feat sooner than later.



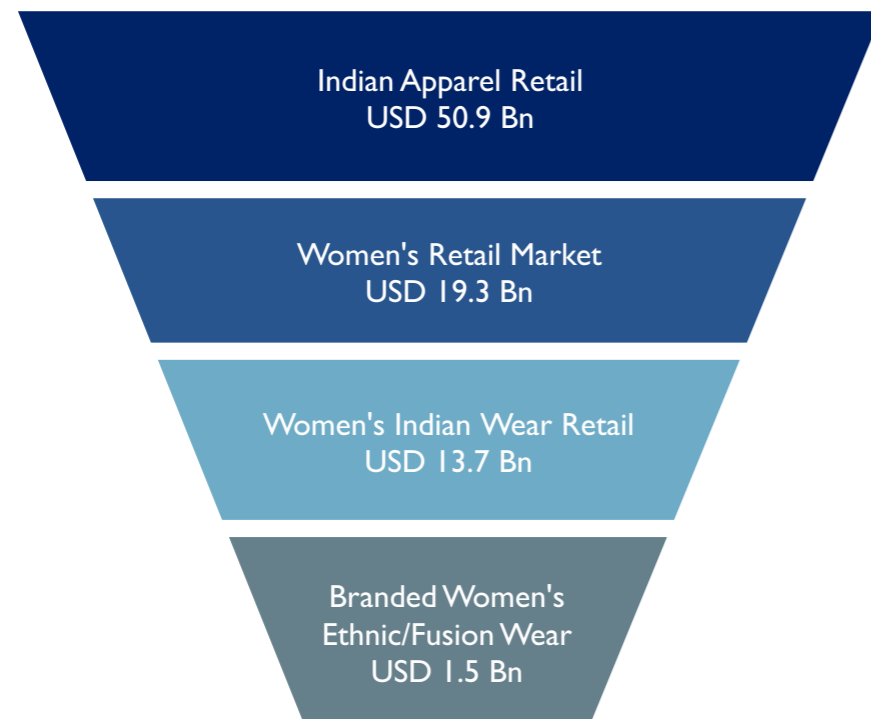
Source: Apparel Consumption Trends in India published by Wazir Advisors, 2018

The dominant share of the women's wear market is taken by "Indian wear". It is estimated that Indian wear is worth USD 13.7 Bn or 71 percent of the overall women's wear market. This is unique to India and offers an opportunity for domestic brands focused on the Indian wear. The Indian wear market is broadly divided into two sub-segments: Sarees (along with Blouse/Petticoat) which has roughly 52 percent shares and Kurti/Kameez, Salwar, Dupatta, Mix & Match, etc., with an estimated share of 48 percent.

Segments within Indian Women's Wear Market



Overall market structure (2017 estimates)



Trends & Growth Drivers in the Women's Ethnic Wear Market

- Increasing number of women entering the workforce, leading to higher spending power and resultant increase in demand for convenient work wear as well as day wear.
- Shift from unorganized players to organized players.
- Shift from unbranded to branded segment.
- Rapid growth in e-commerce due to increased penetration of mobile internet, convenience of online shopping as well as widening reach of online players is also growing organized market.



THE COMPANY

Brands and Distribution

As on March 31, 2021, the Company sold its products through 551 exclusive brand outlets, 2123 large format store outlets and 1011 multi-brand outlets, located across 29 Indian states and 2 union territories and also in Nepal, Bangladesh, Mauritius and Sri Lanka. We also sell our products through our own Brand.com websites and various online marketplaces. Our product portfolio includes top wear, bottom wear, drapes, combination sets, footwear and accessories that cater to a wide variety of wardrobe requirements of Indian women including casual wear, work wear and occasion wear. We have a track record of developing home-grown brands leveraging our deep understanding of the needs and aspirations of Indian women. Over the years, we have expanded our brand portfolio to four brands, each positioned to cater to the well-defined needs of their respective target consumers:

“W” is a premium fusion wear brand that essentially merges Indian and western sensibilities with an emphasis on distinctive design and styling. This brand caters primarily to the modern Indian woman's casual wear, work wear and occasion wear requirements.

“Aurelia” is a contemporary ethnic wear brand targeted at a woman looking for a mix of great design, fit and quality.

“Wishful” is a premium occasion wear brand, with elegant designs catering to women's apparel requirements for evening wear and occasion wear.

“Elleven” is a coordinates brand with a brand promise to be the ultimate destination for bottoms and drapes choices .

We focus on creating innovative designs and optimizing fit and sizing while emphasizing higher quality. We launch approximately 2500 new styles every year introducing freshness to our consumers every two to three weeks. We can achieve these parameters through an institutionalized product development process that starts with in-depth research, trend forecasting, concept/story development, fabric and textile designing, garment styling, sample development, presentations to internal teams and roadshows for our sales partners. We work with 250+ suppliers ranging from artisanal groups to large mills, enabling production of a highly differentiated product every single time.

Financial Highlights for 2020-21

The Company's financials for the year have been impacted due to COVID-19:

Rs. in Million

Particulars	FY2020-21	FY2019-20	% Increase/(Decrease)
Total Revenue	6355.36	11486.67	(-) 44.7
EBITDA	514.29	2074.03	(-) 75.2
PBT	(-) 769.38	660.63	NA
PAT	(-) 563.83	694.12	NA
Total Asset	10741.43	11975.82	(-) 10.3
Earnings per Share (EPS) in Rs.	(-) 8.85	10.84	NA

Some of the Key Financial Ratios (with significant YoY change):

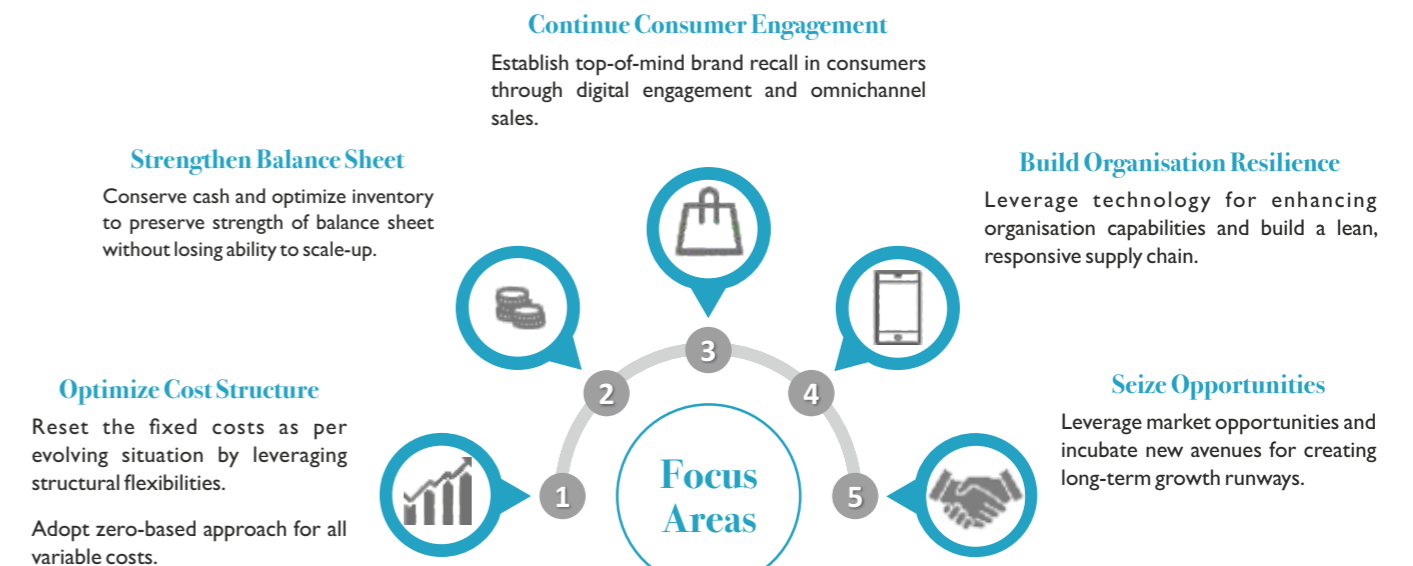
Ratios	Formulas	FY2020-21	FY2019-20	Comments
Debtor Turnover Ratio	Revenue from operations/Average Debtors	3.73	6.45	Sales and profitability were impacted in FY21 due to COVID-19 related closures and disruptions with resultant impact in the key ratios
Inventory Turnover Ratio	Revenue from operations/Average Inventory	0.90	1.33	
Interest Service Coverage Ratio	PBT/Finance Costs	(2.11)	1.73	
Operating Profit (% to Sales)	PBIT (excl. other income)/Revenue from operations	(-) 14%	7%	
Net Profit (% to Sales)	PBIT/Revenue from operations	(-) 6%	9%	
RONW	PAT/Equity	(-) 9%	11%	
Current Ratio	Current Assets/Current Liabilities	3.65	3.26	Not a material change
Debt Equity Ratio	Borrowings/Equity	0.01	-	Debt as on 31.03.21 is not material

COVID-19 Mitigation Measures

The disruption caused by COVID-19 had a severe impact on the Indian Retail industry, particularly the segments catering to discretionary consumer spends. The fashion segment and players with a larger share of business generated through offline channels were impacted throughout the financial year. The impact was seen on the supply side too. Factories, warehouses and other parts of the supply chain faced disruption for the most part of Q1.

We were quick in adapting to the new scenario. We prioritized the safety of our employees, business partners and customers and worked towards minimizing the economic impact of the pandemic. We enabled employees and vendor partners to work from home during lockdowns and to collaborate using technology tools. We redesigned store operations to cater to the customer requirements while providing a safe environment for shopping. We reviewed the inventory lying at different parts of the supply chain and reconfigured our launch of new styles to maintain a healthy inventory situation without compromising on customer experience. To mitigate the impact of COVID-19 on the business, the company embarked on a 5-pronged strategy.

5-Pronged Strategy for mitigating the impact of COVID-19 on business:



To ensure the safety of our employees, the Company took the following initiatives:

- Promoting work from home for corporate employees and enabling them with resources to facilitate the same. Curtailing domestic travels.
- Conducting all trainings virtually.
- Precautionary measures including frequent sanitization of offices and availability of hand sanitizers and masks.
- Ensuring social distancing while working in offices.
- Staggered office attendance.

Additionally, to support employees during these difficult times, the Company undertook the following steps:

- Offering financial aid to its COVID-19 infected employees to reduce their burden of isolation, medicine and other medical expenditure. This was in addition to the medical insurance cover already provided to them.
- Allowing employees infected by COVID-19, 15 days of additional paid leaves over and above the yearly leave quota available to them. 28 percent of our corporate employees availed the same.

- Free subscription to employees for Doctor Consultations.
- A dedicated group called “Let’s Fight Corona” was created to constantly monitor the health of our COVID-19 positive employees to provide help for medicine/hospital/other requirements on an expedited basis.
- Wellness webinars to promote mental well-being.

With the lifting of lockdowns and other restrictions, revenues from our offline business started gaining traction and the recovery improved sequentially over the financial year. The festive season in Q3 saw footfalls improving significantly in both malls and high streets. Most of our distribution network was operational by end of Q3.

Our Online business has witnessed meaningful growth last year in spite of pandemic-related disruptions and partially mitigated the drop in revenues in the offline business. Our strategy of focusing on Direct-to-Consumer (D2C) has started showcasing healthy results. D2C’s share of marketplace business grew multifold and now contributes almost one-third of the third-party marketplace sales. We have been investing in our Brand.com websites and the resultant business has grown to contribute in double digits of the total online sales. This growth of online business has been built on the back of best-in-class certified operations and fulfilment.

We achieved our key goals set as part of the 5-pronged strategy. Our business has been cash accretive in Q3 and Q4 of the financial year in review. We closed the financial year with higher cash reserves than at the beginning of the year without any external fundraise. A continued strong balance sheet, despite the adverse market conditions, sets us up well to tap into growth opportunities as the market comes back on track. We augmented our partnerships with vendors by fulfilling all payment commitments and providing additional support. Not only did we tide the impact of COVID-19, but our partners also managed to survive and emerge stronger.

On the costs reduction front, we delivered substantial savings on all key cost fronts. On an annual basis, the savings were to the tune of 45 percent on rental expenses, 23 percent on salary and 29 percent on overheads. These savings were delivered despite investing in building new capabilities such as an integrated warehouse, nimbler supply chain for faster thought-to-shelf and investing in new initiatives.

Other focus areas for us were customer engagement, organisation resilience and seizing growth opportunities. We have established capabilities to build a single view of inventory and leverage the inventory across sources to be showcased and sold to our consumers through all D2C delivery models and wider third-party channels. This is reflected in the accelerated Online D2C growth stated above. On the Offline side as well, we launched multiple direct-to-consumer initiatives. Initiatives such as Virtual shopping via video call and chat have been embedded as core offerings for the convenience of consumers. Phase I of the automated inventory management system has been rolled out to optimize inventory across EBO and LFS points of sale using data science algorithms. This is a key project for us that will change the way we optimize, allocate and sell inventory across the value chain. We are in the process of setting up a new integrated warehouse for a more robust, efficient and scalable supply chain. The new warehouse would enable us to further build on our Online D2C initiative. We institutionalized the express production and replenishment model which would allow us to place orders for inventories closer to the season.

Current Situation & Outlook

During mid-March 2021, the country witnessed sharp growth in COVID-19 cases (referred to as the second wave of COVID-19) and the Government had to re-impose lockdowns and other restrictions throughout the country. This impacted our business again, particularly store operations and supply chain. We built on our learning from the first wave to minimize the impact on people and business. These lockdowns/restrictions have been mostly lifted as of the date of this report.

While being fully cognizant of the current market scenario, we believe we need to balance long-term growth opportunities with near-term challenges. We see a limited window to lock in long-term accretive real estate opportunities and are embarking on an accelerated store expansion plan. Strategically, we are adopting a two-pronged approach: 1) Project RISE - upgrading our flagship stores and 2) Project BHARAT - pursuing Tier III and Tier IV footprint expansion through the franchising route. Online is expected to evolve at a fast pace and should see another year of robust growth for both Brand.com and third-party marketplaces. Additional channels, newer business models, personalized digital marketing and online first product ranges are some of the initiatives which will drive this growth. We are also looking at the coming season to build on our new product initiatives which have not seen a regular full-season yet. Cash conservation will remain a key focus area for us and we aim to add to our cash reserves through working capital reduction and cost control. Investment in capability building will further pick up the pace with full rollout of Automated Inventory Management System, setup of Design Incubation Cell and shortening Thought-to-Shelf time.

FY22 Key Priorities:

Invest in building growth runways and key capabilities while preserving balance-sheet strength

01. Online Business Growth

- Continue scale-up of own websites through deeper omnichannel, personalized marketing and technology upgradation.
- Expand third-party marketplaces with new business models, additional channels and online first product offering.



02. Calibrated Offline Expansion

- Project RISE - upgrade and expand the flagship stores to tap into available real estate opportunity.
- Project BHARAT - expand store network across Tier III and IV markets through franchisee-led model.

04. Swifter Thought-to-Shelf

- Enhance design, sampling and production capabilities to develop products closer to season launch.
- Institutionalize next phase of Automated Inventory Management System.



03. Cash Conservation

- Reduce working capital through inventory optimization and lower-risk trade models.
- Continue optimizing costs on all fronts, especially rentals and overheads.

Our current cash reserves and capabilities built within the organisation to manage uncertainties related to pandemic give us the confidence to manage the evolving market scenario.

Technology

Our digital strategy is built around 5 key focus areas:

1. Online Sales: To capitalize on the trend towards an increased share of online business in our industry and business segment, we aim to further enhance our capabilities to manage D2C businesses which include our own Brand.com websites and partners' marketplaces. Differentiated product portfolio and customized supply chain processes coupled with best-in-class operational capabilities for superior customer experience have caused this segment to grow in the financial year under review.

2. Omnichannel Experience: Seamless discovery, purchase and post-purchase journeys across online/offline touch-points are the essence for a true omnichannel experience for the customer. Omnichannel is the integration of all physical and digital channels to offer a unified customer experience and TCNS is on its journey of becoming truly an omnichannel business. TCNS launched omnichannel play by bringing inventory from stores to Brand.com and marketplaces. In the financial year under review, we scaled up the "Endless aisle" initiative significantly for our own stores, some marketplaces, and Company operated Brand.com. With omnichannel capabilities, around 99 percent of season's styles are available across channel with industry-leading fulfilment rates. We would soon be adding other marketplaces to our omnichannel systems to ensure a seamless, effortless and high-quality customer experience.

3. Customer Engagement: Our strategy is to ensure high consumer retention and increased organic share by delivering personalized and relevant communication leveraging digital technologies. Additionally, it would provide us with detailed insight into consumer purchase behaviour and allow us to deliver differentiated experiences to our consumers.

4. Inventory Management: We are leveraging technology to implement automated and pull-based inventory allocation and replenishment to boost inventory efficiency. Technology will also help us in strengthening our supply chain and improving its responsiveness to demand patterns through enhanced data analytics providing granular sales and inventory visibility across channels.

5. Thought-to-Shelf Cycle: Our digital initiatives also support our express production capabilities to improve speed-to-market and data-supported design and sampling capabilities for closer-to-season and in-season innovation.

Supply Chain

Supply chain efficiency and nimbleness are the key reasons for the success of a business like ours and we want to build this part of the business with the adoption of new technologies and keeping our commitment to sustainable development in sight. We have set out a multi-pronged long-term strategy for this area.

On the manufacturing side of the supply chain, we are consciously working with our manufacturing partners and encouraging them to set up factories in economically backward areas. While this will directly uplift the earning potential in these areas, we are encouraging employing women to empower them financially. Two factories, one each in Harur, Tamil Nadu and Pathankot, Punjab have been set up under this initiative and majority of the workforce employed by these units are women.

We are in the midst of implementing a world-class technology tool for Planning and Allocation. This Automated Inventory Management tool would use advanced data analytics in determining the right "buy" for our EBOs and LFS points of sale and in deciding what inventory has to be replenished at these locations. When fully implemented and stabilized, this tool will bring efficiencies in the quantum of inventory that is required for our operations as well as a reduction in discounting.

Additionally, we are in the process of setting up a new integrated warehouse for a more robust, efficient, and scalable supply chain.

Internal Control System

An adequate internal control system of the Company ensures that transactions are authorized, recorded and reported correctly. Internal control is exercised through procedures and rights authorized in the Enterprise Resource Planning (ERP) system. The controls are supplemented by a program of internal audits. The audit observations and the corrective measures taken thereon are periodically reviewed by the Audit Committee to ensure the effectiveness of the internal control system.

Risk Management

The Company is governed by a risk management framework, comprising regular risk assessment by a Committee, review of processes and controls over data flow. Key risks and our mitigation measures are mentioned below:

- **Fashion risk: Inability to respond to changes in customer preferences and fashion trends on time may have an adverse effect on our business**

All of our products are designed through an institutionalized process which includes constant feedback. Structured range architecture and a strong design team helps in ensuring delivery of designs on a timely basis while maintaining an edge in fashion. We have shifted away from a strict two season calendar to bring the planning and production closer to the season specific requirements, resulting in a shorter lead time for production.

- **Supply Chain risk: Inability to manufacture and supply products on time**

We have developed a wide base of suppliers, both for fabrics as well as for manufacturing. We develop long-term relationships with our suppliers who have continued to grow with us. We keep developing new sources, expanding in new geographies to de-risk dependency on the existing base of suppliers as well as to avoid any geographical risk. We are gradually moving to machine learning (ML) led replenishment process to enable a more accurate and quicker replenishment cycle.

- **People risk: Inability to attract/retain talent**

Our team has been a key reason for our success. The entrepreneurial culture along with a widely distributed Employee Stock Options Plan (ESOP) pool has led to a stable team. All of our key employees are stakeholders and have long continuity in the company.

- **Discounting: Trend of longer End of Season Sale (EOSS) and deeper discounting**

We are a multi-channel business which gives us the opportunity to get higher realization by selling through alternate channels. The effort is also to launch fresh season stocks in store early, reducing the proportion of stocks being sold at discount.

- **High Inventory Days: Risk of liquidity, if sales projections are not met**

We constantly monitor the freshness of finished goods and ensure that not more than 20 percent of our stock is more than three seasons old. Our aggressive dormancy provisioning policy ensures that older stocks are valued below historical realization values. Express production process, intended to reduce inventory risk and maximize top-selling styles, has already been tested for a meaningful number of styles and we are now expanding it to cover a large proportion of our inventory. A part of our inventory is in raw-material and work-in-process stage for the ongoing and the next season and these do not carry significant risk of obsolescence.

Human Resources

Our team is the most valuable resource and we believe in building a high-performing entrepreneurial organisation, where everyone is motivated to perform to their fullest capacity. We pride ourselves upon having a professional and healthy work culture, built around strong corporate values. Employees are provided with an enabling working environment and culture, with equal opportunity for learning and individual growth. People are our key assets and we invest in the overall wellness of its employees.

We segregate wellness into four key focus areas:

Physical Wellness	Financial Wellness
<p>Nutrition: Proper eating is an essential part of overall wellness, but this is often difficult to address in the workplace. During pandemic, this need aggravated as employees were getting used to working from home, adapting to the new tools and methods, battling stress while balancing work and personal life. We intensified our efforts to promote proper eating during pandemic and organized the Nutrition challenges for taking steps to build healthier eating habits. Some of challenges were Green Tea, Healthy snacks and Fruit Challenge. Employees were encouraged to attend nutrition seminars and webinars or being quizzed on navigating proper eating habits and food groups. Healthy recipes were also shared in the newsletter to promote healthy habits.</p> <p>Fitness: Promoting fitness is one of the most beneficial choices any employer can make to encourage their workers to reach their full potential. Exercise supports an optimal weight, better overall health and has many other benefits. Fitness challenges like yoga, surya namaskar and plank, etc., created awareness about fitness amongst employees. Employees were encouraged to participate in these challenges along with their family members.</p> <p>Chair Yoga sessions and Healthy Lifestyle webinars were organized by experts to create awareness.</p>	<p>Financial wellness is about educating employees so that they can have a strategic approach towards their finances. Numerous Financial awareness workshops had been conducted for employees which have helped them plan their finances.</p> <p>During the financial year, the Company understood the following additional steps to support employees financially:</p> <ul style="list-style-type: none"> • Offering financial aid to the COVID-19 infected employees to reduce their burden of isolation, medicine and other medical expenditure. This was in addition to the medical insurance cover already provided to them. • Allowing employees infected by COVID-19, 15 days of paid leaves over and above the yearly leave quota available to them and around 28 percent of our corporate employees availed the same. • Free subscription to employees for Doctor Consultations. • Education assistance program - Child's Tuition fees reimbursement for a certain set of employees (based on their CTC/designation).
Social Wellness	Mental Wellness
<p>Social wellbeing is a measure of an employee's interpersonal relationship with coworkers, interactions with management and a sense of belonging within the business as a whole. Social connections are extremely important, not just for wellbeing, but productivity too.</p>	<p>A shift in attitudes by both employees and employers about psychological conditions is needed to address the importance of mental health in the workplace and thus TCNS prioritized mental health at workplace especially during these challenging times.</p>

A team-building exercise is a ritual at TCNS wherein employees from different functions get to interact with each other, foster a sense of one team and its direct outcome is 'Camaraderie'- a guiding value at TCNS.

Our employment policies are employee-friendly. These include for leaves for important events in one's personal life (Birthday-Leave, Bereavement-Leave, Marriage-Leave, Paternity-Leave and Maternity-Leave) and also permit flexible office timings.

A cross-functional team (CFT) was formed to address the same. The suggestions made by the CFT were promptly implemented including communication about mental health through videos and discussions around the same, engaging external support to address mental issues of the employees, buddy system for new joinees and promoting cross-functional fun and distressing activities.

Employees suffering from mental health have been given full support from the organisation.

We invest in skill-development and continued professional learning of our employees. All the employees are encouraged to undergo training programs to enhance their competence through technical and behavioural programs. During the pandemic, we leveraged Learning Management System (LMS) to enable our employees to understand short-duration and long-duration courses from the safety of their homes.

Support for Women: TCNS believes in supporting and empowering female employees at all levels and the testimony is in the fact that we have 4 women at the senior management level directly reporting to the Managing Director of the Company. The company sponsors its women managers for Leadership Development programs. Women health related webinars are organized on a regular basis to create awareness and prevention. We believe that an expecting woman should not be subjected to physical or mental stress and thus, TCNS has some extra benefits for pregnant women-

- High insurance coverage for Maternity.
- Additional Travel Allowance for expecting women till the time of delivery.
- Flexibility in working hours.

The Company has a total of 3578 permanent employees as of March 31, 2021, out of which 36.5 percent are women employees.

OUTLOOK

Globally, India is seen as one of the key consumer markets from where future growth is likely to emerge. The growth in consumption will be driven by both services and private consumption. As a country, we are better prepared to manage any further wave(s) of COVID-19. With the lifting of lockdowns and restrictions in most parts of the country, we expect that the economy would return to normalcy in an expedited manner and consumer spending would resume to pre-COVID levels. The Company is prepared to manage the recovery phase as well as ready to capitalize on growth opportunities.

CAUTIONARY STATEMENT

Estimates and expectations stated in the Management Discussion and Analysis may be forward-looking statement, within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to Company's operation include economic conditions, Government regulations, tax laws, other statutes and different incidental factors.

NOTICE

Invitation to attend the 24th Annual General Meeting (“AGM”) of TCNS CLOTHING CO. LIMITED

Dear Members,

You are cordially invited to attend the 24th Annual General Meeting (“AGM”) of the Company to be held on Friday, September 17, 2021 at 02:30 P.M. (IST) through Video Conferencing. The Notice convening the Annual General Meeting is attached herewith.

We are providing the below key details regarding the meeting for your reference:

S. No.	Particulars	Details
1.	Time and date of AGM	Friday, September 17, 2021 at 02:30 P.M. (IST)
2.	Mode	Video Conferencing/Other Audio-Visual Means.
3.	Link for attending the AGM through Video Conferencing (“VC”)	https://emeetings.kfintech.com
4.	Link for remote E-voting (Please use as applicable to you)	https://evoting.kfintech.com https://eservices.nsd.com https://web.cdslindia.com/myeasi/home/login
5.	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using their remote e-voting credentials. Please refer the detailed instructions available in the Notice.
6.	Helpline number for VC participation and e-voting	Contact KFin Technologies Private Limited (“KFin Tech”) at 1800-309-4001 or write to them at evoting@kfintech.com
7.	Cut-off date for E-voting	Friday, September 10, 2021.
8.	E-Voting Start time and Date	9:00 A.M. (IST) on Tuesday, September 14, 2021.
9.	E-Voting End time and Date	5:00 P.M. (IST) on Thursday, September 16, 2021.
10.	Book Closure Dates	From Saturday, September 11, 2021 to Friday, September 17, 2021 (Both days inclusive).
11.	Link for Members to temporarily update e-mail address	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
12.	Last date for publishing results of the E-voting	Sunday, September 19, 2021.
13.	Registrar and Share Transfer Agent Contact details	Mr. Umesh Pandey, Manager KFin Technologies Private Limited (“KFin Tech”) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. Toll-free No.: 1800-309-4001 E-mail: einward.ris@kfintech.com ; umesh.pandey@kfintech.com Website: https://www.kfintech.com
14.	TCNS’s Contact details	investors@tcnsclothing.com ; 011-42193193/011-42193176
15.	Link of Proxy Advisors Report	https://www.sesgovernance.com/ses-recommendations (SES) https://www.iiasadvisory.com/(Iias) https://wforwoman.com/content/report/other-general-meeting-disclosures-20-21
16.	Link of disclosures on Stock Exchange website	https://www.nseindia.com/companies-listing/corporate-filings-announcements (NSE) https://www.bseindia.com/corporates/ann.html (BSE) https://wforwoman.com/content/investor-relation

For and on behalf of Board of Directors

Sd/-

PIYUSH ASIJA

Company Secretary and Compliance Officer

ACS 21328

Date: August 13, 2021

Place: New Delhi

Notice (Contd.)

Notice is hereby given that the 24th (Twenty Fourth) Annual General Meeting (“AGM”) of the Members of TCNS Clothing Co. Limited will be held on Friday, September 17, 2021 at 02:30 P.M. (IST) through Video Conferencing (VC)/Other Audio Video Mode (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Onkar Singh Pasricha (DIN: 00032290) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Approval for Remuneration of Mr. Onkar Singh Pasricha (DIN:00032290), Chairman and Executive Director.**

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

“RESOLVED THAT pursuant to the provisions under Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the Rules made thereunder (including any statutory amendments, modifications or re-enactment thereof for the time being in force) and subject to such other requisite approvals, as may be required in this regard, consent of the Members of the Company be and is hereby accorded for the payment of remuneration not exceeding ₹ 3.0 Mn. per annum to Mr. Onkar Singh Pasricha (DIN:00032290), Chairman and Executive Director of the Company for the FY 2021-22, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company on terms and conditions as set out in the explanatory statement forming part of this Notice.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactments thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits during FY 2021-22,

the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this Notice be paid as minimum remuneration to Mr. Onkar Singh Pasricha, Chairman and Executive Director of the Company subject to compliance of the provisions of the Act.”

“RESOLVED FURTHER THAT Mr. Anant Kumar Daga, Managing Director of the Company and Mr. Piyush Asija, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things, as may be necessary to give effect to this resolution.”

4. **Re-Appointment of Mr. Anant Kumar Daga (DIN: 07604184) as the Managing Director of Company and fixation of his remuneration.**

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), on the recommendation of Nomination & Remuneration Committee, pursuant to the provisions of Articles of Associations of the Company and subject to any other approvals as may be required, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Anant Kumar Daga (DIN: 07604184) as Managing Director of the Company for a period of five (5) years with effect from September 07, 2021 upon the terms & conditions of appointment, as set out in the explanatory statement forming part of this Notice.”

“RESOLVED FURTHER THAT pursuant to provisions of Sections 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Rules made thereunder, on the recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Articles of Associations of the Company, the consent of members of the Company be and is hereby accorded for the payment of remuneration, perquisites (excluding perquisite benefit that may arise on exercise of Employee

Notice (Contd.)

Stock Options) and other benefits to Mr. Anant Kumar Daga, of an amount not exceeding ₹ 25.5 Mn. per annum for the FY 2021-22 as set out in the explanatory statement annexed to the Notice.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactments thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits during FY 2021-22, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this Notice be paid as minimum remuneration to Mr. Anant Kumar Daga, Managing Director of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors on the recommendation of Nomination and Remuneration Committee be and are hereby authorised to revise the terms and conditions including remuneration of Mr. Anant Kumar Daga from time to time to the extent the Board of Directors may deem appropriate, provided that

such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

“**RESOLVED FURTHER THAT** Mr. Onkar Singh Pasricha, Executive Director of the Company and Mr. Piyush Asija, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things, as may be necessary to give effect to this resolution.”

For and on behalf of Board of Directors

Sd/-

PIYUSH ASIJA

Company Secretary and Compliance Officer

ACS 21328

Date: August 13, 2021

Place: New Delhi

Notice (Contd.)

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) related to the Special Business to be transacted at the Annual General Meeting (“AGM”/“Meeting”) is annexed hereto. The Board of Directors of the Company has opined that the Special Business under Item No. 3 and 4, being considered unavoidable, be transacted at 24th AGM of the Company.
2. Pursuant to the provisions of Section 152 of Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR), Regulations, 2015”) and the Secretarial Standard on General Meetings (“SS-2”), the relevant information in respect of the Directors seeking re-appointment and fixation of remuneration at the AGM is attached as **Annexure-B** and forms an integral part of this Notice.
3. In view of the COVID-19 pandemic and restrictions on movement as well as social distancing norms, the Ministry of Corporate Affairs (“MCA”) has vide its Circular Nos. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively, read with Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and the Securities and Exchange Board of India (“SEBI”) has vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively “Applicable Circulars”), relaxing provisions of the SEBI (LODR), Regulations, 2015, permitted holding of the AGM through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”). Accordingly, the 24th AGM of the Company will be held through VC/OAVM in compliance with the provisions of the Act and the SEBI (LODR), Regulations, 2015. The deemed venue for the AGM shall be the Registered Office of the Company.
4. As this AGM is being held pursuant to the Applicable Circulars through VC/OAVM, the route map to the AGM venue is not required to be annexed to this Notice.
5. As this AGM is being held pursuant to the Applicable Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment

of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not required to be annexed to this Notice.

6. M/s. KFin Technologies Private Limited, Registrar & Transfer Agent of the Company (“RTA”), shall be providing facility for voting and for attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of upto 2,000 members on a first-come-first-served basis. The members (holding 2% or more shareholding), Promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinisers, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join 30 (Thirty) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the scheduled time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in **Annexure – A** attached to this Notice.
7. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id sanjaygrover7@gmail.com with a copy marked to evoting@kfintech.com and investors@tcnsclothing.com. The scanned image of the above-mentioned documents should be in the naming format “TCNS Clothing Co. Limited_6121.”
8. In case of joint holders, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Friday, September 17, 2021.
10. The Company has appointed M/s. Sanjay Grover

Notice (Contd.)

- and Associates, Practicing Company Secretaries, to act as the Scrutiniser to scrutinise the E-voting process in a fair and transparent manner and Mr. Devesh Vasisht (FCS No. 8488 and CP No. 13700) and in case of his unavailability Ms. Priyanka (FCS No. 10898 and C P No. 16187) on behalf of M/s. Sanjay Grover and Associates, has communicated his/her willingness to be appointed and be available for the purpose.
11. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 12. Pursuant to the provisions of Regulation 42 of the SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 11, 2021 to Friday, September 17, 2021 (Date of AGM) (Both days inclusive). The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-Off Date i.e. Friday, September 10, 2021.
 13. Pursuant to Section 101 and Section 136 of the Act read with the applicable circulars and relevant Rules made thereunder, to support the "Green Initiative" announced by the Government of India, read with Applicable Circulars, the Company is sending the Annual Report and Notice of the AGM with e-voting instructions only in electronic form to the registered email addresses of the Members. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, August 13, 2021 have been considered for the purpose of sending the AGM Notice and the Annual Report. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure provided in **Annexure-A** attached to this Notice.
 14. Pursuant to Section 72 of the Act read with the Rules made thereunder, members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members

holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 to KFin Tech. Members holding shares in electronic form may contact their respective DPs for availing this facility. The Nomination form can be downloaded from the Company's website at <https://wforwoman.com/content/investor-support-nomination-form/>.

15. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company/KFin Tech has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation by contacting the Company/KFin Tech for assistance in this regard.
16. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to KFin Tech.
17. In case of change in residential status of Non-Resident Indian Shareholders, the same should be immediately informed to the Registrar & Share Transfer Agents of the Company along with particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank.
- 18. INSPECTION OF DOCUMENTS:**
 - (i) Certificate from Deloitte Haskins and Sells LLP, Statutory Auditors of the Company, with respect to implementation of Employee Stock Option Scheme, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all other relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.

Notice (Contd.)

- (ii) All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@tcnsclothing.com. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company at least 10 days before the date of AGM, through email at investors@tcnsclothing.com. The same will be replied by the Company suitably.
19. (i) Further, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/

DPs in order to increase the efficiency of the voting process.

19. (ii) Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
20. The 24th Annual General Meeting is being convened through VC/OAVM in Compliance with applicable provisions of the Companies Act, 2013 read with Rules and Applicable Circulars.
21. The recorded transcript of this meeting, shall be made available on the website of the Company at www.wforwoman.com.

Notice (Contd.)

ANNEXURE -A

DETAILED INSTRUCTIONS FOR REMOTE E-VOTING, PROCESS TO RECEIVE NOTICE AND LOGIN CREDENTIALS BY THE PERSONS WHO BECOME MEMBERS AFTER THE CUT-OFF DATE, PROCESS FOR PARTICIPATION IN THE AGM THROUGH VC, AND FOR E-VOTING DURING THE AGM.

1. Members desiring to download the Annual Report and Notice of the AGM, may visit the website of the Company <https://wforwoman.com/content/investor-relation/> or the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively, or the website of the RTA viz. <https://evoting.kfintech.com>, for the same. Alternatively, Members may send an email request at the email id einward.ris@kfintech.com for sending the Annual report and Notice of AGM by email.
2. Members who have not registered their email address, as a consequence of which the Annual Report, Notice of AGM with e-voting instructions could not be serviced, may temporarily get their email address and mobile number updated with the Company's RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. Alternatively, in case of any queries, Members may write to einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master Copy for electronic folios/ share certificate for physical shares. Members may however note that this is a temporary registration and the Company urges all Members

to get their email address and mobile number registered with their respective Depository Participant(s).

3. INSTRUCTION FOR REMOTE E-VOTING

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI (LODR) Regulations, 2015 and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to "e-Voting Facility provided by Listed Entities", the Company is pleased to provide the facility to Members to exercise their right to vote on all the resolutions as set forth in this Notice and proposed to be passed at AGM by electronic means, through the e-Voting services provided by KFin Tech.

A. LOGIN METHOD FOR REMOTE E-VOTING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access remote e-Voting facility.

Notice (Contd.)

OPTION 1 – LOGIN THROUGH DEPOSITORIES

Members having NSDL as Depository	Members having CDSL as Depository
<ol style="list-style-type: none"> 1. Members who have already registered and opted for IDeAS facility to follow below steps: <ol style="list-style-type: none"> (i) Go to URL: https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under "IDeAS" section. (iii) On the new page, enter the existing User ID and Password. Post successful authentication, click on "Access to e-Voting". (iv) Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> (i) To register click on link: https://eservices.nsdl.com (Select "Register Online for IDeAS") or https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp (ii) Proceed with completing the required fields. 3. First-time users can visit the e-Voting website directly and follow the process below: <ol style="list-style-type: none"> (i) Go to URL: https://www.evoting.nsdl.com/ (ii) Click on the icon "Login" which is available under "Shareholder/Member" section. (iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. (iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 	<ol style="list-style-type: none"> 1. Members who have already registered and opted for Easi/Easiest to follow below steps: <ol style="list-style-type: none"> (i) Go to URL: https://web.cdslindia.com/myeasi/home/login ; or (ii) URL: www.cdslindia.com and then go to Login and select New System Myeasi (iii) Login with user id and password. (iv) The option will be made available to reach e-Voting page without any further authentication. (v) Click on company name or e-Voting service provider name to cast your vote during the remote e-Voting period. 2. User not registered for Easi/Easiest <ol style="list-style-type: none"> (i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration (ii) Proceed with completing the required fields. 3. First-time users can visit the e-Voting website directly and follow the process below: <ol style="list-style-type: none"> (i) Go to URL: www.cdslindia.com (ii) Click on the icon "E-Voting" (iii) Provide demat Account Number and PAN. (iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. (v) After successful authentication, the user will be provided links for the respective ESP where the e- Voting is in progress. (vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Notice (Contd.)

OPTION 2 - LOGIN THROUGH DEPOSITORY PARTICIPANTS

- (i) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
- (ii) Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
- (iii) Click on options available against company name or e-Voting service provider-KFin Tech and you will be redirected to e-Voting website of KFin Tech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1-800-1020-990 and 1-800-224-430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk. evoting@cDSLindia.com or contact at 022-23058738 or 022-23058542-43

B. LOGIN METHOD FOR E-VOTING: APPLICABLE FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.

- (i) Please access the RTA's e-voting platform at the URL: <https://evoting.kfintech.com/>

- (ii) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from RTA which will include details of **E-Voting Event Number (EVEN) i.e. 6121**, USER ID and password. Members are requested to use these credentials at the Remote Voting Login at the above-mentioned URL.
- (iii) Alternatively, if the member is already registered with RTA's e-voting platform, then he can use their existing User ID and password for casting the vote through remote e-voting. If they have forgot the password, then they may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (iv) Members can also use SMS service to get the credentials if their mobile number is registered against Folio No./DP ID Client ID, by sending SMS: MYEPWD <space> EVEN No+Folio No. (in case of physical shareholders) or MYEPWD <space> DP ID Client ID (in case of shares held in DEMAT form) to 9212993399.

Example for NSDL	MYEPWD <SPACE> IN12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for Physical	MYEPWD <SPACE> Event No. TCNS12345678

4. OTHER GENERAL INSTRUCTION FOR REMOTE E-VOTING:

- (i) The remote e-voting facility will be available during the following period:

Start date and time	Tuesday, September 14, 2021 at 09.00 a.m IST
End date and time	Thursday, September 16, 2021 at 05.00 p.m IST


- (ii) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by RTA upon expiry of the aforesaid period.

Notice (Contd.)

Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

- (iii) In case of any query pertaining to e-voting, please refer "Help" or "FAQs" and "User Manual for shareholders" available at the "Download" section on the website (bottom corner) of our RTA at <https://evoting.kfintech.com/>. Member may also call RTA at toll free number 1-800-3094-001 or send an e-mail request to inward.ris@kfintech.com for all e-voting related matters.

5. INSTRUCTION FOR E-VOTING AT E-AGM:

- (i) Only those members who will be present in the e-AGM through video conference facility and have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM.
- (ii) Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.
- (iii) Upon the declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall be required to click on the "Vote"/() icon on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the "Instapoll" page.
- (iv) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- (v) The facility of Instapoll will be available not exceeding 15 minutes from the commencement of e-voting as declared by the Chairman at e-AGM and can be used for voting only by those Members who hold shares as on the Cut-Off Date viz. Friday, September 10, 2021 and who have not already cast their vote(s) through remote e-voting.

6. INSTRUCTION FOR MEMBERS FOR ATTENDING THE E-AGM:


- i. Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFin Tech. Members may access the same at <https://emeetings.kfintech.com/>

com by using the e-voting login credentials provided in the email received from the Company/KFin Tech. After logging in, click on the Video Conference tab and select the EVEN (i.e. 6121) of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

- ii. Facility for joining AGM though VC/OAVM shall open atleast 30 (Thirty) minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Members who would like to express their views/ask the questions may register their queries before the AGM by accessing the link <https://emeetings.kfintech.com> from Sunday, September 12, 2021 to Tuesday, September 14, 2021. The Company has further provided a "post your query" option, to the members to express their views or ask questions during the AGM. The Company reserves the right to restrict the number of answers to the queries depending on the availability of time for the AGM. The unanswered queries, if any, shall be answered by the Company after the AGM suitably. Please note that, Member's questions will be answered only if they continue to hold shares as on the Cut-Off Date.
- vi. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/>

Notice (Contd.)

[emeetings/video/howitworks.aspx](#)

- vii. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the "Vote"/() icon displayed on the screen to cast their votes.
- viii. A Member can opt for only single mode of voting i.e., through Remote e-voting or instapoll voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.

7. OTHER INSTRUCTIONS

- i. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions ("FAQs") and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFin Tech's Website) or contact investors@tcnsclothing.com, at evoting@kfintech.com or call KFin Tech's toll free No. 1-800-3454-001 for any further clarifications.
- ii. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, September 10, 2021, being the Cut-Off Date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the Cut-Off Date should treat this Notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not

be allowed to change it subsequently.

- iii. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off Date i.e. Friday, September 10, 2021.
- iv. The Scrutiniser shall, immediately after the conclusion of the remote e-voting (Instapoll) at the AGM, first count the votes cast through remote e-voting (Instapoll) during the Meeting and thereafter unblock the votes cast through remote e-voting before the AGM in presence of at least two witnesses not in the employment of the Company, and make a consolidated Scrutiniser's Report of the total vote cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him in writing who shall countersign the same.
- v. The results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.
- vi. The results declared along with the Scrutiniser's Report will be made available on the website of the Company (www.wforwoman.com) and on Service Provider's website (<https://evoting.kfintech.com>) and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited within 48 hours from the conclusion of the Meeting.

Notice (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT") AND THE SECRETARIAL STANDARDS ON GENERAL MEETINGS ("SS-2") ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ("SECRETARIAL STANDARDS")

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3

On the recommendation of the Nomination and Remuneration Committee under Section 197 and 198 of the Companies Act, 2013, the Board at its meeting held on August 13, 2021 approved the remuneration of Mr. Onkar Singh Pasricha, Chairman and Executive Director of the Company on the terms and conditions enumerated below:

- Salary: ₹ 3.0 Mn. per annum (including Retirals and Perquisites).
- Commission: Nil
- Perquisites: Perquisites include HRA, expenses pertaining to fuel, electricity, other utilities, medical reimbursement, Leave Travel Concession, conveyance, personal accident insurance, car usage telephone expenses.
- Retirals: As per policy of the Company and applicable laws.
- Sitting Fee: Nil

The remuneration proposed to be paid to Mr. Onkar Singh Pasricha, Chairman and Executive Director of the Company for FY 2021-22 is equal to the amount as was approved for the FY 2020-21. Due to unprecedented COVID-19 pandemic situation, Mr. Onkar Singh Pasricha had foregone more than 80% (eighty percent) of his approved remuneration for the FY 2020-21.

A brief resume of Mr. Onkar Singh Pasricha, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and Memberships/Chairmanships of Board Committees and Shareholding etc. as stipulated under the SEBI (LODR) Regulations, 2015, are provided as **Annexure-B** to this notice.

It is submitted that based on the projections, the managerial remuneration individually is within the limits specified in Section 197 of the Companies Act, 2013 and is in compliance with Schedule V of the Companies Act, 2013 but the overall managerial remuneration of Directors may exceed the limits specified in Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, necessary disclosure as required under Schedule V of the Companies Act, 2013 for the purpose of aforesaid remuneration as minimum remuneration, forms part of this notice.

The Board of Directors recommends the Resolution at Item No. 3 of the accompanying Notice for the approval of the members of the Company by way of a Special Resolution.

Except Mr. Onkar Singh Pasricha and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or financially or otherwise interested in Resolution at item No. 3. Statements in terms of Schedule V of the Companies Act, 2013 relating to Remuneration payable to Managerial Personnel is annexed as **Annexure-C**.

Item No. 4

Mr. Anant Kumar Daga was appointed and designated as Managing Director of the Company by the Board at its Meeting held on September 07, 2016 for a period of Five (5) years. Further the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company, at their meeting held on August 13, 2021 has re-appointed Mr. Anant Kumar Daga as the Managing Director of the Company for a further period of 5 (five) years from September 07, 2021 up to September 06, 2026, upon the terms & conditions hereinafter mentioned.

A brief resume of Mr. Anant Kumar Daga, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and Memberships/Chairmanships of Board Committees and Shareholding etc. as stipulated under the SEBI (LODR) Regulations, 2015, are provided as **Annexure-B** to this notice.

Notice (Contd.)

It is submitted that based on the projections, the overall managerial remuneration of Directors may exceed the limits specified in Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Members are requested to consider the fixation of remuneration of Mr. Anant Kumar Daga, Managing Director of the Company for FY 2021-22 at the same level as was approved for the FY 2020-21. Due to unprecedented COVID-19 pandemic situation, Mr. Anant Kumar Daga had foregone more than 80% (eighty percent) of his approved remuneration for the FY 2020-21.

Further, as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on August 13, 2021 approved the remuneration of Mr. Anant Kumar Daga for the FY 2021-22.

The principal terms and conditions of appointment of Mr. Anant Kumar Daga as the Managing Director are as follows:

- a. Period of Appointment: for a period of five years from September 07, 2021 up to September 06, 2026.
- b. Remuneration: The proposed remuneration of Mr. Anant Kumar Daga would be as under:
 - Salary: ₹ 25.5 Mn. per annum (including Retirals and Perquisites).

- Commission: Nil
- Perquisites: Perquisites include HRA, expenses pertaining to fuel, electricity, other utilities, medical reimbursement, Leave Travel Concession, conveyance, personal accident insurance, car usage telephone expenses and excludes any perquisite benefit arising upon the exercise of stock options since it can't be pre-determined.
- Retirals: As per policy of the Company and applicable laws.
- Sitting Fee: Nil

The Board of Directors recommends the Resolution at Item No. 4 of the accompanying Notice, for the approval of the Members of the Company by way of Special Resolution.

Except Mr. Anant Kumar Daga with his immediate relatives, none of Directors, Key Managerial Personnel and their relatives are considered to be concerned or interested financially or otherwise, in the said Resolution. Statements in terms of Schedule V of the Companies Act, 2013 relating to Remuneration payable to Managerial Personnel is annexed as **Annexure-C**.

Notice (Contd.)

ANNEXURE-B

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AND SEEKING FIXATION OF REMUNERATION AT THE 24TH ANNUAL GENERAL MEETING

[PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS]

Name of the Director	Mr. Anant Kumar Daga (DIN: 07604184)	Mr. Onkar Singh Pasricha (DIN: 00032290)
Date of Birth	April 28, 1977	September 21, 1950
Age (years)	44	70
Date of first Appointment	September 07, 2016	December 03, 1997
Relationship with Directors, Manager and other KMP	Not related to any Director of the Company	Not related to any Director of the Company
Expertise in specific functional area	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 07, 2016. Prior to joining your Company, Mr. Anant Kumar Daga has worked with Reebok India and ICICI bank.	Mr. Onkar Singh Pasricha has been on Company's Board since December 03, 1997 and was last re-appointed (retirement by rotation) on August 26, 2019. Mr. Onkar Singh Pasricha has more than 42 years of experience in the apparel industry.
Qualification	Bachelor's degree in commerce from the University of Calcutta and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad	B-Tech, Electrical Engineering, IIT-Delhi.
Experience	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 07, 2016. Prior to joining your Company, Mr. Anant Kumar Daga has worked with Reebok India and ICICI bank.	Mr. Onkar Singh Pasricha has been on Company's Board since December 03, 1997 and was last re-appointed (retirement by rotation) on August 26, 2019. Mr. Onkar Singh Pasricha has more than 42 years of experience in the apparel industry.
Terms and conditions of appointment/re-appointment	Terms and Conditions of re-appointment and remuneration are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.wforwoman.com	Terms and Conditions of payment of remuneration are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.wforwoman.com
Details of Remuneration sought to be paid	₹ 25.5 Mn. per annum	₹ 3.0 Mn. per annum
Remuneration last drawn	Last drawn remuneration: <ul style="list-style-type: none"> • Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961: ₹ 40,96,440/- per annum. • Contribution to PF: ₹ 2,81,829/- • Value of perquisites u/s 17(2) Income-tax Act, 1961 ₹ 28,800/- (Remuneration of ₹ 25.5 Mn. per annum was approved by the shareholders for FY 2020-21 at their meeting held on September 24, 2020).	Last drawn remuneration: <ul style="list-style-type: none"> • Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961: ₹ 5,19,336/- per annum. • Contribution to PF: ₹ 50,400/- • Value of perquisites u/s 17(2) Income-tax Act, 1961 ₹ 28,800/- (Remuneration of ₹ 3.0 Mn. per annum was approved by the shareholders for FY 2020-21 at their meeting held on September 24, 2020).

Notice (Contd.)

No. of meetings of the Board attended during the year	6 out of 6 Board Meetings	6 out of 6 Board Meetings
Board Membership of other companies as on March 31, 2021	Nil	1. TCNS Limited 2. Impressions Global Private Limited 3. TCNS Resorts Private Limited 4. Elco Systems Private Limited 5. TCNS Technologies Private Limited 6. Greentex Apparel Solutions Private Limited 7. Goodearth Clothing Co. Private Limited
Chairman/Member of the Committee of the Board of Directors as on March 31, 2021	Risk Management Committee (Chairman) Stakeholders Relationship Committee (Member)	Nomination and Remuneration Committee (Member) Risk Management Committee (Member) Corporate Social Responsibility Committee (Member)
Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2021	Nil	Nil
a) Audit Committee	Nil	Nil
b) Stakeholders' Relationship Committee	Nil	Nil
c) Nomination and Remunerations Committee	Nil	Nil
Number of shares held in the Company as on March 31, 2021	36,05,124 equity shares	67,52,681 equity shares

Notice (Contd.)

ANNEXURE- C

ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V

GENERAL INFORMATION:

Nature of industry	Manufacturing and Retailing of women apparel.		
Date or expected date of commencement of commercial production	The Company is in operation since December 3, 1997.		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
Financial performance based on given indicators	The Financial performance of the Company for Financial Year ended on March 31, 2021 and March 31, 2020 is as under: all the figures are in Mn. except Earning per share		
	Particulars	Current year (FY 2020-21)	Previous year (FY 2019-20)
	Profit (Loss) After Tax	(563.83)	694.12
	Net-worth including balance in profit and loss account	6,119.84	6,600.00
	Earning per share – basic (in ₹)	(8.85)	10.85
	Turnover (Revenue from Operations)	6,355.36	11,486.67
Foreign investments or collaborations, if any.	One Foreign Body Corporate – Wagner Limited holding 29.29% of the total shareholding of the Company (excludes Foreign Mutual Funds, Foreign Portfolio, Non Residents Individuals having shareholding in the Company).		

Information about the Directors:

Background Details	Particulars	Information	
	Name	Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha
	Father's name	Mr. Krishan Kumar Daga	Mr. N.S. Pasricha
	Age	44 years	70 years
	Qualification	Bachelor's degree in commerce from the University of Calcutta and post graduate diploma in management from Indian Institute of Management, Ahmedabad.	Bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi.
Past Experience		Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as Chief Executive Officer with effect from March 16, 2010 and has been on your Board since September 07, 2016, Prior to joining TCNS, Mr. Daga has worked with Reebok India and ICICI Bank.	Mr. Onkar Singh Pasricha has been on the Board since December 03, 1997 and was last re-appointed on August 26, 2019. He has more than 42 years of experience in the apparel industry.

Notice (Contd.)

Past Remuneration	Last drawn remuneration: <ul style="list-style-type: none"> Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961: ₹ 40,96,440/- per annum. Contribution to PF: ₹ 2,81,829/- Value of perquisites u/s 17(2) Income-tax Act, 1961 ₹ 28,800/- (Remuneration of ₹ 25.5 Mn. per annum was approved by the shareholders for FY 2020-21 at their meeting held on September 24, 2020).		Last drawn remuneration: <ul style="list-style-type: none"> Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961: ₹ 5,19,336/- per annum. Contribution to PF: ₹ 50,400/- Value of perquisites u/s 17(2) Income-tax Act, 1961 ₹ 28,800/- (Remuneration of ₹ 3.0 Mn. per annum was approved by the shareholders for FY 2020-21 at their meeting held on September 24, 2020).	
Recognition or awards	<ul style="list-style-type: none"> Featured in the Economic Times "Forty under Forty" list of India's hottest business leaders for 2017. Brand Professional of the Year 2017 by CMAI 		N.A.	
Job profile and his suitability	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 07, 2016. Prior to joining TCNS, Mr. Daga has worked with Reebok India and ICICI Bank.		Mr. Onkar Singh Pasricha has been on the Board since December 03, 1997 and was last re-appointed (retirement by rotation) on August 26, 2019. He has more than 42 years of experience in the apparel industry.	
Remuneration proposed	Particulars	Information	Particulars	Information
	Salary	₹ 25.5 Mn. per annum	Salary	₹ 3.0 Mn. per annum
	Commission	Nil	Commission	Nil
	Perquisites	Perquisites include HRA, expenses pertaining to fuel, electricity, other utilities, medical reimbursement, Leave Travel Concession, conveyance, personal accident insurance, car usage telephone expenses but excludes any perquisite benefit arising upon the exercise of stock options since it can't be predetermined.	Perquisites	Perquisites include HRA, expenses pertaining to fuel, electricity, other utilities, medical reimbursement, Leave Travel Concession, conveyance, personal accident insurance, car usage telephone expenses.
	Retirals	As per policy of the Company and applicable laws.	Retirals	As per policy of the Company and applicable laws.
	Sitting Fee	Nil	Sitting Fee	Nil

Notice (Contd.)

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration as proposed of Mr. Anant Kumar Daga is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its businesses. Moreover in his position as Managing Director of the Company, Mr. Daga is responsible for overseeing the overall operations of the Company.	Mr. Onkar Singh Pasricha has more than forty two (42) years of experience in the apparel industry. Mr. Pasricha is responsible for overseeing the Company and functioning of Board in his position as Executive Director and Chairman of the Company. The remuneration of Mr. Onkar Singh Pasricha is commensurate with the role and responsibility handled by him.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Besides the remuneration proposed and current equity holding in the Company, Mr. Anant Kumar Daga does not have any pecuniary relationship with the Company, except the eligibility for ESOP options as per the ESOP Schemes of the Company.	Besides the remuneration proposed and current equity holding in the Company, Mr. Onkar Singh Pasricha does not have any pecuniary relationship with the Company.
Other information:		
Reasons of loss or inadequate profits	Considering the COVID-19 pandemic impact and the resultant restrictions, it is estimated that there might be disruption of the business operations and loss of revenues for the Company which may result in the inadequacy of profits during the financial year. However, the Company is a profitable entity.	Considering the COVID-19 pandemic impact and the resultant restrictions, it is estimated that there might be disruption of the business operations and loss of revenues for the Company which may result in the inadequacy of profits during the financial year. However, the Company is a profitable entity.
Steps taken or proposed to be taken for improvement/expected increase in productivity and profits.	Not Applicable	Not Applicable
Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been pursuing and implementing its strategies to improve financial performance. But owing to the COVID-19 pandemic the business is expected to grow at slow pace.	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been pursuing and implementing its strategies to improve financial performance. But owing to the COVID-19 pandemic the business is expected to grow at slow pace.
Disclosures:		
Remuneration package of The managerial person:	Fully described in the explanatory statement as stated above.	Fully described in the explanatory statement as stated above.
Disclosures in the Board of Directors' report under the heading "Corporate Governance" included in Annual Report for the FY 2020-21:	The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2020-21 of the Company.	The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2020-21 of the Company.

BOARD'S REPORT

TO THE MEMBERS OF TCNS CLOTHING CO. LIMITED

The Directors take pleasure in presenting their 24th Annual Report on business performance along with the Audited Financial Statements for the Financial Year ended March 31, 2021 and Auditor's Report thereon.

1. FINANCIAL RESULTS

(₹ in Mn.)		
Particulars	FY 2020-21	FY 2019-20
Revenue from Operations	6,355.36	11,486.67
EBITDA	514.29	2,074.03
Finance Costs	364.53	381.89
Depreciation and Amortization Expense	919.14	1,031.51
Profit/(Loss) Before Tax	(769.38)	660.63
Tax Expenses	(205.55)	(33.49)
Profit/(Loss) After Tax	(563.83)	694.12
Other Comprehensive Income/(Loss)	16.18	(9.98)
Total Comprehensive Income/(Loss) for the year	(547.65)	684.14

2. OVERVIEW OF COMPANY PERFORMANCE AND OPERATIONS

During the FY 2020-21:

- Revenue for the Company declined to ₹ 6,355.36 Mn. compared to ₹ 11,486.67 Mn. in the previous year. The revenues were significantly impacted by lock-downs and restrictions in retail operations imposed by governments and local authorities due to COVID-19.
- Company's EBITDA (Earnings Before Interest, Tax and Depreciation) was ₹ 514.29 Mn. against previous year's EBITDA of ₹ 2074.03 Mn.
- Profit/(Loss) After Tax (PAT) was ₹ (563.83) Mn. against previous year's PAT of ₹ 694.12 Mn.

3. COVID-19 IMPACT

COVID-19 had an adverse impact on the business throughout the Financial Year in review. The revenues were impacted by lock-downs and other restrictions imposed by the government and local authorities in operations of retail outlets and deliveries of online orders. The impact was

most severe in the first quarter of FY 2020-21. As and when these restrictions were lifted, the business recovered gradually and sequentially. With the onset of second wave of COVID-19 towards the middle of March 2021, the business got impacted again due to temporary closure of retail outlets, curtailed working hours and lock-downs impacting other parts of the business.

The first priority in our COVID-19 response plan was to ensure business continuity while ensuring the safety of our employees, business partners and customers. The Company had temporarily closed all stores, offices, and warehouses as applicable under the lockdown regulations. The Company also facilitated work from home for various teams through secured remote access with continued robust financial controls. To mitigate the impact of COVID-19, the Company set out a five-pronged approach for FY 2021. Preserving the balance sheet strength was a key objective while retaining the ability to scale up as needed. The key priorities were controlling costs, conserving cash, engaging our consumers, building organizational resilience and seizing potential opportunities.

The Company achieved its objectives on the key fronts. The cash reserves of the Company at the end of the Financial Year were higher than what we started the year with. Company achieved savings of approximately 30% on its fixed costs during the Financial Year. Timely readiness and execution on our Omni-Channel strategy has reaped significant benefits and has been a huge differentiator for us. We built capabilities to leverage inventory across channels to be showcased and sold to our consumers. Our Direct-to-Consumer initiatives have scaled up well and have been institutionalized as a core consumer offering.

4. DIVIDEND

Considering the Company's financial performance, impact of COVID-19 and that the Company would seek to maintain its cash reserves to tide over the current economic environment, the Board of Directors recommends not to give any dividend for the Financial Year under review. The Company would also seek to retain funds for possible expansion/acquisition opportunities.

5. TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND

There were no unclaimed or unpaid dividend during the previous years and hence no funds

Board's Report (Contd.)

or shares were required to be transferred to the Investor Education and Protection Fund during the year under review.

6. TRANSFER TO RESERVES

During the year, the Company transferred a Total Comprehensive Income/(Loss) of ₹ (547.65) Mn. to the Retained Earnings. Post this transfer, Retained Earnings amounts to ₹ 2044.75 Mn. as on March 31, 2021. There is no amount proposed to be transferred to the General Reserves during the year under review.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate section on "Management Discussion and Analysis Report" is included in this Annual Report as required under Schedule V read with Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Management Discussion and Analysis Report includes discussion on Company's performance during the year, its approach to sustainability and risk management, internal control systems & their adequacy.

8. SHARE CAPITAL

During the year under review, the Company has allotted 47,625 (Forty Seven Thousand Six Hundred and Twenty Five) equity shares of ₹ 2/- (Rupees Two) each under TCNS ESOP Scheme 2014-17. Thereby, the paid-up equity nominal capital of the Company increased by ₹ 95,250/- (Rupees Ninety Five Thousand Two Hundred and Fifty Only).

9. MATERIAL CHANGES AND COMMITMENTS

The Company continues to work on measures to mitigate the adverse impact of COVID-19. Revenues from the online channels continue to grow and the channel is well positioned to partially mitigate the loss of revenues from offline channels. The Company has rationalized fixed costs like lease rentals, salaries and other discretionary expenses and would continue to do so. There are no other material changes and commitments affecting the financial position of the Company between the end of the Financial Year of the Company to which the financial statements relate and the date of the report. Further, there has been no change in the nature of business of the Company during the year.

10. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company consciously makes all efforts to conserve energy across all its operations. Further, the Company works on continuous technological absorption, enhancement and time to time adoption and implementation of the same. A detailed report on energy conservation and technology absorption in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed and marked as **Annexure 'A'** to this Report. The Foreign Exchange earned (actual inflows) and Foreign Exchange outgo (actual outflows) during the year are as follows:

(₹ in Mn.)		
Particulars	FY 2020-21	FY 2019-20
Foreign Exchange Inflow	37.34	62.99
Foreign Exchange Outflow	2.86	9.99

11. DIRECTORS

The Board of Directors consists of six (6) members, of which three (3) Directors are Independent Directors which includes two (2) Women Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Onkar Singh Pasricha (DIN:00032290), Executive Director of the Company, retiring by rotation at the 24th Annual General Meeting, being eligible, offers himself for re-appointment. Mr. Onkar Singh Pasricha is also the Chairman and Executive Director of the Company.

Mr. Anant Kumar Daga was appointed and designated as the Managing Director of the Company by the Board at its Meeting held on September 07, 2016 for a period of 5 years i.e. from September 07, 2016 to September 06, 2021. Further, the Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Company and subject to approval of the shareholders at the Annual General Meeting have approved the matter regarding the re-appointment of Mr. Anant Kumar Daga as the Managing Director of

Board's Report (Contd.)

the Company for a period of 5 (five) years from September 07, 2021 to September 06, 2026, upon the terms & conditions mentioned in the Explanatory Statement to the Notice of the Annual General Meeting.

A brief resume of Mr. Onkar Singh Pasricha and Mr. Anant Kumar Daga along with the other details as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2") are provided in the Notice for convening the 24th Annual General Meeting of the Company. Further, there were no changes in the Board of Directors during the Financial Year under review.

Independent Directors

The Board of the Company comprises of three (3) Independent Directors. All the Independent Directors were appointed by the Members of the Company and letters of appointment were issued to them as per Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company at <https://wforwoman.com/content/tnc-for-independent-directors/>. Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 read with Schedule IV and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Familiarization Programme

Every Director's letter of appointment explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The terms and conditions of the appointment are also placed on the website of the Company. Each Director is taken through a familiarization program in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including interaction with the Managing Director, Chief Financial Officer and the Senior Management of the Company covering marketing, finance and other important aspects of the Company. Necessary presentations, documents, reports, internal policies and updates are provided to them to familiarize with the Company's business policies, procedures and practice from time to time. The policy on Familiarization Program for Independent

Directors is placed on the website of the Company at <https://wforwoman.com/content/report/familiarisation-programme/>.

Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors have adopted a process for evaluating its performance and effectiveness as well as that of its Committees and the Directors individually. During the year under review, the Board carried out the evaluation of its own performance and that of its Committees and the Individual Directors. In a separate meeting of the Independent Directors held on March 31, 2021, performance of the Non-Independent Directors, the Board as a whole and the Chairman was also evaluated on the basis of pre-set criterion. The evaluation criteria included various aspects such as functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision-making, roles & responsibilities including monitoring, benchmarking, feedback relationship with the stakeholders and as provided by the Guidance Note on Board Evaluation issued by SEBI dated January 05, 2017.

12. KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Sections 2(51), 203, of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Anant Kumar Daga, Managing Director of the Company and Mr. Piyush Asija, Company Secretary and Compliance Officer of the Company, continued to be the Key Managerial Personnel of your Company. Mr. Venkatesh Tarakkad, Chief Financial Officer tendered his resignation w.e.f. November 19, 2020 and the Board in its meeting dated November 02, 2020 appointed Mr. Amit Chand as the Chief Financial Officer of the Company with effect from November 02, 2020 as per the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board's Report (Contd.)**13. SECRETARIAL STANDARDS**

The Board affirms that the Company has complied with mandatory applicable Secretarial Standards issued by "The Institute of Company Secretaries of India".

14. EMPLOYEES**Particulars of Employees**

The disclosures required as per Section 197(12) of the Act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed and marked as **Annexure 'C'** to this Report.

Employee Stock Option Scheme

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed and marked as **Annexure 'D'** to this Report.

Disclosure on Sexual Harassment of Women at Workplace

Pursuant to the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has an Internal Complaints Committee for providing a redressal mechanism and to prevent the sexual harassment of women employees at workplace. To build awareness in this area, the Company has been conducting induction/refresher programs through external consultants and its in-house training team in the organization on a continuous basis.

There were 2 (two) cases reported during the year under review, which was addressed within the prescribed time. As on March 31, 2021, there is 1 (one) case of alleged discrimination which is pending resolution before the National Commission of Women.

15. GOVERNANCE AND SECRETARIAL

The Board has an optimum mix of Executive, Non- Executive and Independent Directors and is headed by Mr. Onkar Singh Pasricha, an Executive Chairman. The Board of the Company is diverse in terms of qualification, competence, experience, and expertise which enable it to ensure long term value creation for all stakeholders. As on March 31, 2021, the Board comprises of

two Executive Directors, one Non- Executive Non-Independent Director, and three Non-Executive Independent Directors. The details related to meetings of the Board, Directorships and Committees, are disclosed in the Corporate Governance Report forming part of the Annual Report as **Annexure 'I'**.

16. POLICIES OF THE COMPANY**Nomination & Remuneration Policy**

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and applicable rules, the Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration. The policy is included as a part of this report and is annexed and marked as **Annexure 'E'** and is also available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Policy for Determining Material Subsidiaries

The policy for determining the material subsidiaries of the Company is available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>. There are no subsidiaries of the Company as on March 31, 2021.

Dividend Distribution Policy

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates top 1,000 Listed Companies (on the basis of their market capitalization as calculated on the 31st day of March of every year) to frame a Policy for Distribution of Dividend. Accordingly, the Company adopted the said policy in the Board Meeting dated May 28, 2019. This policy aims at laying down a broad framework for considering decisions by the Board of the Company with regard to distribution of dividend to shareholders and/or retention or plough back of its profits. The said policy is enclosed as **Annexure 'F'** of the report and is also available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy as part of Vigil Mechanism to provide appropriate avenues to the Directors, employees

Board's Report (Contd.)

and third parties to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Conduct of the Company. Employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Ombudsman (Chairperson of Audit Committee). No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Whistle Blower Policy is available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Risk Management

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and the applicable rules and regulations, the Risk Management Committee is duly constituted and oversee the risk identification and mitigation strategy. The Company has implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and also subject to its review from time to time. Risk mitigation process and measures have also been formulated and clearly spelled out in the said policy. The policy is available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Code of Conduct

The Board of Directors have approved and adopted a Code of Conduct for Directors and Senior Management of the Company. An annual

affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management of the Company to whom the Code applies. The Code of Conduct is also available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>. The affirmation by the Managing Director that the Code of Conduct has been complied by the Board of Directors and Senior Management Personnels forms part of the Corporate Governance Report.

Prevention of Insider Trading

The Company has formulated and adopted TCNS Insider Trading Policy including a Code of Fair Disclosure in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as may be amended from time to time. The policy lays down the guidelines, procedures to be followed from time to time and disclosures to be made while dealing with the securities of the Company along with consequences for violation. The policy is formulated to regulate, monitor and ensure reporting of deals by designated persons and maintain highest level of ethical standards while dealing in the Company's securities. The TCNS Insider Trading Policy including Code of Fair Disclosure is also placed on the website of the Company at <https://wforwoman.com/content/insider-trading-policy/>. The Company is also maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Web links of the Other Statutory Policies of the Company

Name of the Policy	Web link
Content Archival Policy	https://wforwoman.com/content/lodr-policies/
Code of Business Conduct & Ethics	https://wforwoman.com/content/lodr-policies/
Policy Determining Material Subsidiaries	https://wforwoman.com/content/lodr-policies/
Policy for Determination of Materiality and Disclosure of Information	https://wforwoman.com/content/lodr-policies/
Policy on Nomination Remuneration and Board Diversity	https://wforwoman.com/content/lodr-policies/
Policy on Dealing with Related Party Transactions	https://wforwoman.com/content/lodr-policies/
Risk Assessment and Management Policy	https://wforwoman.com/content/lodr-policies/
Preservation of Documents	https://wforwoman.com/content/lodr-policies/
Dividend Distribution Policy	https://wforwoman.com/content/lodr-policies/

Board's Report (Contd.)

17. GENERAL BODY MEETINGS

During the Financial Year under review, the 23rd Annual General Meeting of the Company was held on September 24, 2020. No Extraordinary General Meeting was conducted during the year under review.

18. PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the Financial Year under review.

19. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES

There were no Investments, Loans and Guarantees provided as covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder, during the Financial Year under review.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators impacting the financial position of the Company adversely, during the year.

21. ENVIRONMENT, HEALTH AND SAFETY

The environmental cleanliness, health and safety is a key focus area for the Company. Your Company aims to grow its business while minimizing any adverse impact of expansion on the environment. The Company continuously works with its vendors and suppliers to reduce any negative environmental impacts caused by the manufacturing processes, storage or logistics involved. In alignment with Company's safety standards, employees adhere to required norms and comply with relevant statutory provisions.

The Company provides its employees a healthy workplace with an aim to achieve zero injuries to all its employees and all stakeholders associated with the Company's operations. The Company has established and implemented a Work-From-Home Policy (WFH) which provides for the employees to work from the safety of their homes. The Company has formulated health and safety protocols for all its employees including front-end retail employees. Standard operating procedures at the Company's office, Warehouses and Retail Stores includes regular thermal scanning, compulsory wearing of masks, maintaining social

distancing norms, regular washing of hands with soap, sanitization of premises and other safety procedures as prescribed by the appropriate authorities from time to time.

22. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ("the Act") read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form MGT-9 is forming part of this report marked and annexed as **Annexure 'G'** and also placed on the website of the Company at <https://wforwoman.com/content/investor-relation/>.

23. BUSINESS RESPONSIBILITY REPORT

The Regulation 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates the inclusion of Business Responsibility Statement ("BRR") for top 1,000 listed companies based on market capitalization. Your Company has commented on the sustainability initiatives and partnerships in the Business Responsibility Report in line with the points in the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" framed by the Ministry of Corporate Affairs. The Business Responsibility Report forms part of this Annual Report and marked and annexed as **Annexure 'H'**.

24. CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate issued by Practicing Company Secretary in terms of Part E of Schedule V of the said Regulations of the Company forms a part of this Annual Report and marked and annexed as **Annexure 'I'**.

25. CORPORATE SOCIAL RESPONSIBILITY ("CSR") REPORT

The Board, pursuant to requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and on the recommendation of the CSR Committee had adopted a CSR Policy and the same is available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>. With a

Board's Report (Contd.)

vision to "actively contribute to the social and economic development of the society in which your Company operates", the Company has undertaken projects/programs in accordance with the CSR Policy directly and through implementing agencies. The detailed report on the CSR activities are annexed and marked as **Annexure 'B'** forming part of this Report.

26. DIRECTOR'S RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal Auditors, Statutory Auditors, Secretarial Auditors and External Consultant(s) and the reviews made by the 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 operationally effective during the FY 2020-21.

Accordingly, pursuant to section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their information and knowledge, confirm that:

- The applicable accounting standards have been followed with no material departure in the preparation of the accounts for the Financial Year ended March 31, 2021;
- The accounting policies were selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit/loss of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of

all applicable laws and those systems are adequate and operating effectively.

27. AUDITORS AND AUDIT REPORT

Statutory Auditors

As per the provisions of Section 139 of the Act, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Reg. No. 117366W/W-100018) were appointed as Statutory Auditors of the Company by the members at the 20th Annual General Meeting held on August 27, 2017 for a term of five (5) consecutive years. Pursuant to the Companies (Amendment) Act, 2017 and Notification dated May 07, 2018 issued by Ministry of Corporate Affairs, the requirement for ratification of appointment of Statutory Auditors has been dispensed with. In view of above, ratification from the members on the matter at Annual General Meeting is not being sought.

Audit Report

There are no qualifications or adverse observations/remarks made by the Statutory Auditors in their Report. Further there were no instances of frauds reported by Statutory Auditors under sub-section (12) of section 143 of the Act.

Secretarial Audit

During the year under review, the Board of Directors of the Company had appointed M/s Sanjay Grover and Associates, Practicing Company Secretaries firm with Registration No.: P2001DE052900, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013, the Rules framed thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the FY 2020-21. The Secretarial Audit Report for the Financial Year ended March 31, 2021 was considered by the Board in its meeting held on June 21, 2021 and the said Report is annexed to this Report as **Annexure 'J'**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks which need any explanation or comments of the Board. The Board in its meeting dated June 21, 2021 has re-appointed M/s Sanjay Grover and Associates, Practicing Company Secretaries firm with Registration No.: P2001DE052900 as the Secretarial Auditors of the Company for the FY 2021-22.

Board's Report (Contd.)

28. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. Further, audit procedures monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating procedures, accounting procedures and policies at all locations of the Company. Based on the audit reports, corrective actions in respective areas are taken to strengthen the controls. Significant audit recommendations and corrective actions thereon were presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies viz. Policy on Related Party Transactions, Whistle Blower Policy, for ensuring the orderly and efficient conduct of its business, safeguarding 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.

29. RELATED PARTY TRANSACTIONS

All related party transactions entered into during the period under review were placed before the Audit Committee and the Board for their approval, and the same are disclosed in Note 37 of the financial statements of your Company. Further, in terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all contracts/arrangements/transactions entered into by the Company with its related parties during the year under review were in ordinary course of business of the Company, on an arm's length basis and

in accordance with the policy on related party transactions formulated by the Company and reviewed on a periodic basis.

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or the relatives, which could have had a potential conflict with the interests of the Company. Accordingly, form AOC-2, containing the details on the related party transactions occurred during the year is annexed and marked as **Annexure 'K'**.

30. HUMAN RESOURCE

During the pandemic, the focus of the Company was to ensure the safety and well-being of its employees and partners. The Company laid emphasis to use this period of crisis in a positive manner by encouraging and enabling its employees to learn new skills and emerge stronger and ready for the new normal. This was achieved through various technical, operational, behavioral, safety, leadership and POSH trainings.

31. MAINTENANCE OF STATUTORY COST RECORDS REQUIRED UNDER SECTION 148(1) OF COMPANIES ACT, 2013

The requirement of maintaining cost records as specified under provisions of Section 148(1) of the Act is not applicable to the Company for the period under review.

32. ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the excellent support and co-ordination extended by the shareholders, customers, suppliers, bankers, and all other business associates. Your Directors gratefully acknowledges ongoing co-operation and support provided by Central Government, State Government, and all regulatory authorities. Last but not the least, we would like to thank and acknowledge the efforts of all our employees. We wish everyone good health.

For and on behalf of Board of Directors

Sd/-
ANANT KUMAR DAGA
Managing Director
DIN: 07604184

Place: New Delhi
Date: June 21, 2021

Sd/-
ONKAR SINGH PASRICHA
Chairman & Executive Director
DIN: 00032290

Board's Report (Contd.)

ANNEXURE 'A' TO THE BOARD'S REPORT

The information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

(A) CONSERVATION OF ENERGY

The Company consciously encourages conservation of energy among its employees and business partners through adoption of technology and improved processes. The Company keeps a track of latest technologies and innovations in the Apparel and Retail Industry and promotes its adoption within the Company and among its partners as well. Conservation of energy is considered to be a priority and therefore optimizing energy consumption by implementing energy-conservation programmes, training of employees and prompt upkeep is a continuous exercise for the Company.

Steps taken & impact on conservation of energy:

The Company conducted an internal evaluation of fixed power load at various stores and reduced the fixed power load in several stores, thereby optimizing energy consumption. Additionally, Company continuously encouraged its partners to invest in technology improvement and training of employees to ensure efficient use of resources and in particular, avoid wastage of water and energy. The installation of energy-efficient, smart LED lighting in manufacturing units and stores has meaningfully contributed towards reducing our overall energy consumption.

Steps taken by the Company for utilizing alternate sources of energy:

The Company encourages its manufacturing and warehouse partners to explore switching to sustainable energy sources to the extent possible.

Capital investment on energy conservation equipments:

Not Applicable.

(B) TECHNOLOGY ABSORPTION

Technology absorption across the supply chain and its processes are a key priority for the Company and the efforts were expedited during the pandemic. The Company promoted adoption of latest manufacturing technologies among its supply chain partners for improving the productivity of operations and quality of its products. Multiple technology-enabled improvements were carried out to improve the efficacy of internal controls and processes. The Company keeps track of latest developments in the field of technology and how these can be adopted across various functions. During the year under review, the Company further enhanced its Omni-Channel capabilities to provide seamless shopping experiences to its customers. Additionally, Company adopted a technology tool to improve planning and allocation processes which would enable the Company to optimize

inventory at its point of sale. The Company is also working on improving experience at its outlets by the use of hardware and software technology.

The efforts made towards technology absorption:

The Company keeps itself updated on latest technology in the industry and encourages its partners to invest in the same. Further, as a part of efforts in this regard, the Company provides support to its partners with necessary guidance, training, advances and financial support, if any required. The Company initiated the implementation of a world-class allocation and replenishment tool which would enable the Company to plan the inventory to be sent to its point-of-sale in an automated and data-driven manner. This will reduce the manual work involved in the process and is expected to reduce the inventory kept at the point-of-sale while improving product sell-through.

The benefits derived like product improvement, cost reduction, product development or import substitution:

With the adoption of new technology from time to time, the efficiency and capacity with respect to manufacturing has been increased resulting in better quality of products, quicker and more efficient processing at lower costs. Adoption of technology to manage the allocation and replenishment to stores will eventually help us reduce inventory levels and make the process more data driven.

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

The Company does not directly import technology, but encourages its partners to do so.

- (a) The details of technology imported: Not Applicable
- (b) The year of import: Not Applicable
- (c) Whether the technology been fully absorbed: Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- (e) The expenditure incurred on Research and Development: Not Applicable

For and on behalf of Board of Directors

Sd/-

ONKAR SINGH PASRICHA

Chairman and Executive Director

DIN: 00032290

Date: June 21, 2021

Place: New Delhi

Board's Report (Contd.)

ANNEXURE 'B' TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021.

1. Brief outline on CSR Policy of the Company:

The Company has been undertaking and implementing CSR activities both directly as well as with support of its primary implementing agency Indus Quality Foundation ("IQF"). These activities are undertaken with primary focus on providing values-based education and providing financial assistance to the poor and needy. Additionally, during the year under review, activities were undertaken for promoting safety

against COVID-19. The Company is committed to carry out CSR activities/programs in an integrated, planned and time bound manner. The core theme of CSR Policy is giving back to the society from which it draws its resources. The long-term focus areas are Education, Sustainability, Health & Nutrition, Disaster Management, Women Empowerment, Slum Area Development Rural Development Programmes and Agriculture.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sangeeta Talwar	Member (Non-Executive Independent Director)	2	2/2
2.	Mr. Onkar Singh Pasricha	Member (Executive Director)		2/2
3.	Ms. Neeru Abrol	Member (Non-Executive Independent Director)		2/2
4.	Mr. Bhaskar Pramanik	Member (Non- Executive Independent Director)		2/2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are :

- CSR Policy: <https://wforwoman.com/content/report/csr-policy/>.
- Composition of the CSR Committee: <https://wforwoman.com/content/report/composition-of-the-csr-committee/>.
- CSR Activities: <https://wforwoman.com/content/report/csr-activities/>.

4. Provide the details of Impact assessment of CSR project carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

The impact assessment is not required to be mandatorily carried out by the Company. However the Company, through its implementing agency, do carry out surveys to assess the impact of the projects undertaken and the same is reported to the CSR Committee and subsequently reviewed by the Board of Directors.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

Not Applicable.

6. Average net profit of the Company as per section 135(5): ₹ 1241.71 Mn.

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 24.83 Mn.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil

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

(d) Total CSR obligation for the Financial Year (7a+7b-7c): ₹ 24.83 Mn.

Board's Report (Contd.)

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Mn.)	Amount Unspent (in Mn.)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
43.41	Nil	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the Financial Year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in Mn.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency
				State	District			
1.	Dehradun Operations:-Bright Line School, Value Education Program for school students of class 4th to 9th. Delhi Operations: IQF Club's(11), IQF Inter School Events in multiple schools, Student Training for class 8th to 12th , IQF Teacher training workshops conducted in schools and B.Ed Colleges. Punjab Operations: Student development workshops and Inter School events conducted North East Operations: Interschool events, mind development programs for children, promoting sports.	Education	No except for Delhi Operations	Uttarakhand, Delhi, Punjab, Assam and Jammu & Kashmir	Dehradun, New Delhi, Bhatinda, Guwahati, Mehalcouri, Chamoli and Jammu	4.59	No	INDUS QUALITY FOUNDATION CSR00007618

Board's Report (Contd.)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in Mn.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency
				State	District			
	Uttarakand Rural Operations: Self-empowerment workshops for students and teachers, Student Exchange Programs, tree plantation, cleanliness drive, sports activities and science experiments, upgradation of libraries. Jammu Operations:-GGSIES A Unit of IQF:- Development of Infrastructure for School.							
2.	Delhi Operations: Medical Supplies for COVID Help.	Health/ COVID help	Yes	Delhi, NCR	New Delhi	0.75	No	INDUS QUALITY FOUNDATION CSR00007618
3.	GGSIES A Unit of IQF: Academic Education in a pre-primary School, Animal welfare, Agroforestry, Rural development projects, Development of Infrastructure for School.	Education, Rural development projects	No	Karnataka	Madikeri, Kodagu	6.98	No	INDUS QUALITY FOUNDATION
4.	Delhi Operations: Distribution of Masks at Office of Magistrate- (South). Distribution of Masks and Drapes at Uday Foundation, Sahyog Foundation and Office of District Magistrate (East).	Health/ COVID help	Yes	Delhi, NCR	New Delhi	28.05	Yes	Directly by TCNS CLOTHING CO. LIMITED NA
5.	Contributions to The Kaigidhar Society.	Health and Education	No	Himachal Pradesh	Sirmaur	3.04	Yes	Directly by TCNS CLOTHING CO. LIMITED NA
TOTAL						43.41		

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent during the Financial Year (8b+8c+8d+8e): 43.41 Mn.

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

Board's Report (Contd.)

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Mn.)	Amount spent in the reporting Financial Year (in Mn.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding Financial Years (in Mn.)
				Name of the Fund	Date of transfer	
1.	2019-20	Nil	1.81	Nil	-	Nil
2.	2018-19	Nil	14.58	Nil	-	Nil
3.	2017-18	Nil	2.18	Nil	-	Nil
	TOTAL	Nil	18.57	Nil	-	Nil

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in Mn.)	(7) Amount spent on the project in the reporting Financial Year (in Mn.)	(8) Cumulative amount spent at the end of reporting Financial Year (in Mn.)	(9) Status of the project- Completed /Ongoing
1.	-	-	-	-	Nil	Nil	Nil	-
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s): Not applicable
 (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

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

Sd/-
SANGEETA TALWAR
 Chairperson – Corporate Social Responsibility Committee
 DIN:00062478

Sd/-
ANANT KUMAR DAGA
 Managing Director
 DIN:07604184

Sd/-
ONKAR SINGH PASRICHA
 Chairman and Executive Director
 DIN:00032290

Date: June 21, 2021
 Place: New Delhi

Board's Report (Contd.)

ANNEXURE 'C' TO THE BOARD'S REPORT

Details of Remuneration of Directors, Key Managerial Personnel's ("KMP's") and Employees.

[Pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including amendments thereto].

S. No.	Employee Name	Designation	Age (Years as on March 31, 21)	Educational Qualifications	Experience (Years as on March 31, 21)	Date of Joining	Gross Remuneration Paid (17(1) +17(2) +PF Retirals) (In ₹)	Previous Employment, If any	Number of Shares and percentage held, If any	Nature of Employment	Whether Relative of Director or Manager
1.	Mr. Amit Chand (Appointed on November 02, 2020)	Chief Financial Officer	39	Chartered Accountant and MBA	17	November 02, 2020	49,09,145	Holiday Triangle Travel Private Limited, TCNS Clothing Co. Limited	4,87,832 (0.79%)	Permanent	No

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the FY 2020-21, the percentage increase in remuneration of each of the Executive Director, Chief Financial Officer and Company Secretary during the FY 2020-21 is as follows:

S. No.	Name of Executive Director/KMP and Designation	Remuneration of Director/KMP for FY 2020-21 (Amount In ₹)	% increase in Remuneration in FY 2020-21 (%)	Ratio of Remuneration of Director/KMP to Median Remuneration of employees
1.	Mr. Onkar Singh Pasricha, Chairman and Executive Director*	₹ 5,98,536/-	-80.05%	3
2.	Mr. Anant Kumar Daga, Managing Director*	₹ 44,07,069/-	-82.69%	22
3.	Mr. Venkatesh Tarakkad, Ex. Chief Financial Officer (Resigned on November 19, 2020)***	₹ 57,68,260/-	-28.78%	NA
4.	Mr. Piyush Asija, Company Secretary**	₹ 35,67,687/-	-45.29%	18
5.	Mr. Amit Chand, Chief Financial officer (with effect from November 02, 2020) ****	₹ 49,09,145/-	Not applicable	24

Notes:

The Non-Executive Directors are not paid any remuneration except the sitting fee and commission within the prescribed limits as disclosed in Annexure 'I'.

*The decrease in remuneration of Executive Directors is due to voluntary waiver of compensation amid impact of COVID-19.

**Includes perquisite value of ESOP exercised during the year. The percentage decrease includes impact of comparative value of ESOP exercised last year.

*** Resigned during the year on November 19, 2020. Comparison is based on pro-rata basis.

****Joined during the year with effect from November 02, 2020.

(ii) The number of permanent employees as on March 31, 2021 were 3,578 and the median remuneration was ₹ 2,02,610/- per annum.

(iii) The median remuneration of employees (excluding Executive Directors and KMPs) in FY 2020-21 increased by 12.38%.

(iv) The average percentage increase in the remuneration of Managerial Personnel was (- negative) 61.47%.

(v) The remuneration of Directors, KMPs and other Employees is in accordance with the Remuneration Policy of the Company which is uploaded on the website of the Company.

Board's Report (Contd.)

ANNEXURE 'D' TO THE BOARD'S REPORT
Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended [TCNS ESOP Scheme 2014-17]:

A	GENERAL DISCLOSURE	Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2020-21.					
		TCNS ESOP Scheme 2014-17					
B	SUMMARY	TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Employee Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Employee Stock Option Plan 2017	TCNS Employee Stock Option Plan 2018
1	Date of Shareholders approval	July 01, 2014 and March 16, 2015	November 19, 2015	November 19, 2015, amended on June 27, 2017	November 19, 2015	November 19, 2015	November 19, 2015
2	Total number of options approved under the scheme	69,00,000	39,75,000	6,00,000	2,00,000	1,07,500 (part of the pool approved under TCNS Senior Management Stock Option Plan 2015)	62,500 (part of the pool approved under TCNS Senior Management Stock Option Plan 2015)
3	Date of Grant	July 01, 2014 and March 16, 2015	November 19, 2015 April 01, 2016	June 27, 2017	November 19, 2015	June 27, 2017	May 28, 2018
4	Options Granted	1,17,95,000 (Including granted from lapsed Options)					
5	Vesting Schedule	Refer Notes on Vesting Conditions					
6	Pricing Formula	At a price as recommended by Board and approved by the Shareholders of the Company. For details Refer Note Number 39 of the Financial Statements.					
7	Maximum term of options granted	10 years	10 years	10 years	10 years	10 years	10 years
8	Source of shares	Primary	Primary	Primary	Primary	Primary	Primary

Board's Report (Contd.)

9	Variation in terms of options	Enhanced share limit of the plan from 1,18,00,000 to 1,38,00,000 on March 16, 2015 (Options of ₹ 1 each before Consolidation of Face value of Shares)	NA	Amendment to TCNS ESOP Plan 2015 on June 27, 2017 Change in vesting Conditions.	NA	NA	NA
10	Method used for accounting of ESOP's	The ESOP's are measured at fair value of the equity instruments at the grant date, Details are forming part of the Financial Statements.					
11	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time.					
12	Weighted average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	All relevant disclosures have been made in the notes to Financial Statements adequately. Please refer the Note Number 39 of the Financial Statements.					

Board's Report (Contd.)

Options Movement during the year		TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Employee Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Employee Stock Option Plan 2017	TCNS Employee Stock Option Plan 2018
C	Description						
1	Options Outstanding at the beginning of the year	33,000	13,00,000	4,03,250	1,82,369	1,07,500	62,500
2	Option Granted during the year	-	-	-	-	-	-
3	Options vested during the year	-	-	1,33,750	-	0	15,625
4	Options exercised during the year	33,000	-	14,625	-	-	-
5	Weighted average exercise price	76	100	300	100	300	372
6	Number of shares arising as a result of exercise of options during the year	33,000	-	14,625	-	-	-
7	Options cancelled & lapsed during the year	-	-	2,500	-	1,07,500	-
8	Options Outstanding at the end of the year	-	13,00,000	3,86,125	1,82,369	0	62,500
9	Options exercisable at the end of the year	-	13,00,000	2,52,375	1,82,369	0	31,250
10	Money realised by exercise of options (in ₹)	25,08,000	-	43,87,500	-	-	-
11	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA

D	Options granted to Senior Management Personnel	Name of the Employee with Designation	No. of Options granted during the year	Exercise Price
	NA	-	-	NA

Board's Report (Contd.)

E	Options granted to any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Name of the Employee with Designation	No. of Options granted during the year	Exercise Price
	Options granted to any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil	Nil
F	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Name of the Employee with Designation	No. of Options granted during the year	Exercise Price
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil
G	A description of the method and significant assumptions used during the year to estimate the fair value of options.	Name of the Employee with Designation	No. of Options granted during the year	Exercise Price
	A description of the method and significant assumptions used during the year to estimate the fair value of options.	Refer Note-I	Refer Note-I	Refer Note-I

Note-I: Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option.

Board's Report (Contd.)

Particulars	Fiscal 2015		Fiscal 2016		Fiscal 2017	Fiscal 2018	Fiscal 2019
	TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Senior Management Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Senior Management Stock Option Plan 2015	TCNS Employees Stock Option Plan 2017 & TCNS Employees Stock Option Plan 2015 amended in June 2017	TCNS Employee Stock Option Plan 2018
Grant Date	July 1, 2014	March 16, 2015	November 19, 2015	November 19, 2015	April 1, 2016	June 27, 2017	May 28, 2018
Weighted average share price at the date of grant.	261.28	261.28	261.28	261.28	261.28	261.28	288.68
Exercise Price	76.00	80.00	100.00	100.00	100.00	300.00	372
Volatility	49.26%-49.39%	49.26%-49.39%	49.26%-49.39%	49.39%	49.26%-49.39%	45.83%	45.17%
Life of the options granted in years	1.88-2.59	1.88-2.59	2-2.63	1.77-2	2-2.63	5	5
Expected dividends	-	-	-	-	-	-	-
Average risk free Interest rate	6.85%-6.87%	6.85%-6.87%	6.85%-6.87%	6.85%	6.85%-6.87%	6.68%	7.76%
The method used and the assumptions made to incorporate the effects of expected early exercise.	Black Scholes Method						
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.	Based on the historical volatility of historical companies over periods corresponding to the remaining life of respective options.						
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NA						

Board's Report (Contd.)

A	General Disclosure	Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2020-21.												
B	Summary	TCNS ESOP Scheme 2018-23												
1	Description	TCNS ESOP Scheme 2018-23 was approved by the shareholders on February 02, 2018, Ratified and amended on August 26, 2019.												
2	Date of Shareholders approval	64,67,817												
3	Total number of options approved under the scheme													
4	Date of Grant Options Granted	<table border="1"> <thead> <tr> <th>Date of grant</th> <th>February 02, 2018</th> <th>November 08, 2019</th> <th>August 18, 2020</th> <th>November 10, 2020</th> <th>March 02, 2021</th> </tr> </thead> <tbody> <tr> <td>Options Granted</td> <td>50,72,751</td> <td>83,800</td> <td>1,60,000</td> <td>1,35,000</td> <td>30,000</td> </tr> </tbody> </table>	Date of grant	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	Options Granted	50,72,751	83,800	1,60,000	1,35,000	30,000
Date of grant	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021									
Options Granted	50,72,751	83,800	1,60,000	1,35,000	30,000									
5	Vesting Schedule	Refer Note on Vesting Schedule.												
6	Pricing Formula	At a price as recommended by the Nomination and Remuneration Committee and approved by Shareholders. Refer Note Number 39 to the Financial Statements for details.												
7	Maximum term of options granted	10 years												
8	Source of shares	Primary												
9	Variation in terms of options	NA												
10	Method used for accounting of ESOP	The ESOP's are measured at fair value of the equity instruments at the grant date, Details are forming part of the Financial Statements.												
11	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI or any other relevant accounting standards as prescribed from time to time.	(8.85)												
	Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time.	All relevant disclosures have been made in Note Number 39 to the Financial Statements.												

Board's Report (Contd.)

12	Weighted average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	TCNS ESOP Scheme 2018-23				
		February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021
C	Options Movement during the year					
	Particulars (As per plans)	50,72,751	83,800	1,60,000	1,35,000	30,000
1	Options Outstanding at the beginning of the year	373.26	716	500	500	500
2	Weighted average exercise price	-	16,760	-	-	-
3	Options vested during the year	-	-	-	-	-
4	Weighted average exercise price	-	-	-	-	-
5	Options exercised during the year	-	-	-	-	-
6	Weighted average exercise price	-	-	-	-	-
7	No. of shares arising as a result of exercise of options during the year	3,02,344	-	-	-	-
8	Options cancelled & lapsed during the year	-	-	-	-	-
9	Weighted average exercise price	47,70,207	83,7800	1,60,000	1,35,000	30,000
10	Options Outstanding at the end of the year	373.26	716	500	500	500
	Options exercisable at the end of the year	9,70,354	16,760	--	-	-
	Weighted average exercise price	373.26	716	-	-	-
9	Money realised by exercise of options (in ₹)	Nil	Nil	Nil	Nil	Nil
10	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA

Board's Report (Contd.)

D	Options granted to Senior Management Personnel	Name of the Employee with Designation	No. of Options granted during the year	Exercise Price
		Mr. Saurabh Bansal (Head – Ecommerce)	1,60,000	500
		Mr. Amit Chand (Chief Financial Officer)	135,000	500
		Ms. Nidhi Vohra Head (Personal Care)	30,000	500
E	Options granted to any employee during the year amounting to 5% or more of options granted during the year.		Nil	Nil
F	Options granted to any employee equal to or exceeding 1% of the issued capital of the Company at the time of grant.		Nil	Nil
G	Description	TCNS ESOP Scheme 2018-23		
	A description of the method and significant assumptions used during the year to estimate the fair value of options.	Refer Note-I		

Note-I: Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option.

Board's Report (Contd.)

Particulars (Date Of Grant)	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021
Weighted average share price	₹ 288.68	₹ 727.95	347.45	389.65	495.90
Exercise Price	₹ 373.26	₹ 716.00	₹ 500.	₹ 500.00	₹ 500.00
Volatility	44.28%	35.23%	43.94%	44.13%	44.48%
Life of the options granted in years	2.75	5	2.97-7.01	2.74-6.01	3.0-6.01
Average risk free Interest rate	7.16%	6.31%	4.76%-5.82%	4.48%-5.62%	4.9- 6.02%
Expected dividends	Nil	Nil	Nil	Nil	Nil
The method used and the assumptions made to incorporate the effects of expected early exercise.	Nil	Nil	Nil	Nil	Nil
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N.A	N.A	N.A	N.A	N.A.

Board's Report (Contd.)

NOTE ON VESTING SCHEDULES

TCNS Employee Stock Option Scheme 14-17

TCNS Senior Management Stock Option Plan 2015

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
April 01, 2017	EBITDA of the Company for FY 2016-17 exceeds ₹ 1,500 Mn.#	18,75,000
April 01, 2018	EBITDA of the Company for FY 2017-18 exceeds ₹ 1,900 Mn.#	18,75,000
On completion of one year from the date of Grant or the date of achieving the vesting condition, whichever is later.	Launch of website as well as the mobile application for online sales.	50,000
	Monthly sales via online platforms on or before June 30, 2016 exceeds ₹ 60 Mn.	25,000
	Monthly sales via online platforms on or before September 30, 2016 exceeds ₹ 10 Mn. but not more than ₹ 90 Mn./exceeds ₹ 90 Mn.	25,000/50,000
	Monthly sales via online platforms on or before December 31, 2016 exceeds ₹ 50 Mn.	50,000

With a flexibility of 5% on lower side, subject to approval. In case of a Liquidity Event, the next tranche of Options due, if any for Vesting shall be deemed to have been vested on the date of Liquidity Event or one from the date of grant, whichever is later.

TCNS Senior Executive Stock Option Plan 2015

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
April 01, 2017	No of options to be vested = $(4.5\% \text{ * Incremental EBITDA}) / (\text{Price per share} - \text{Exercise Price})$.	2,00,000
	Incremental EBITDA = EBITDA for FY 17 minus EBITDA for FY16.	
April 01, 2018	Price per share = $(15X \text{ EBITDA for FY17} / \text{Number of shares as on March 31, 2017})$.	
	No of options to be vested = $(4.5\% \text{ * Incremental EBITDA}) / (\text{Price per share} - \text{Exercise Price})$.	
April 01, 2018	Incremental EBITDA = EBITDA for FY 18 minus EBITDA for FY17.	
	Price per share = $(15X \text{ EBITDA for FY18} / \text{Number of shares as on March 31, 2018})$.	

Board's Report (Contd.)

TCNS Employee Stock Option Plan 2017

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
July 01, 2018	Continuing in employment of the Company until completion of Vesting Period of 1 year from the Grant Date.	26,875
May 15, 2019	Continuing in employment of the Company until date of Vesting.	26,875
May 15, 2020	Continuing in employment of the Company until date of Vesting.	26,875
Date of listing of shares of the Company post IPO or the date of completion of 1 year of Vesting Period, whichever is later.	Continuing in employment of the Company until successful IPO of the Company.	26,875

TCNS Employee Stock Option Plan 2015 (Amended In 2017)

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
July 01, 2018	Continuing in employment of the Company until completion of Vesting Period of 1 year from the Grant Date.	1,50,000
July 01, 2019	Continuing in employment of the Company until completion of Vesting Period of 2 years from the Grant Date.	1,50,000
July 01, 2020	Continuing in employment of the Company until completion of Vesting Period of 3 years from the Grant Date.	1,50,000
July 01, 2021	Continuing in employment of the Company until completion of Vesting Period of 4 years from the Grant Date.	1,50,000

TCNS Employee Stock Option Plan 2018

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
May 28, 2019	Continuing in employment of the Company until date of Vesting.	15,625
May 28, 2020	Continuing in employment of the Company until date of Vesting.	15,625
May 28, 2021	Continuing in employment of the Company until date of Vesting.	15,625
May 28, 2022	Continuing in employment of the Company until date of Vesting.	15,625

Board's Report (Contd.)

TCNS ESOP Scheme 2018-23 (Granted on February 02, 2018)

Vesting conditions	Total Options (face value of ₹ 2 each)
(i) Upfront ESOP Pool: Vest automatically upon expiry of a period of 1 (one) year from the date of grant i.e. by February 01, 2019.	10,28,770
(ii) Threshold 1 ESOP Pool: Threshold 1 ESOP Pool shall vest upon the occurrence of Threshold 1 liquidity event or deemed Threshold 1 liquidity event or IPO full exit event. "Threshold 1 Liquidity Event" means: (a) a sale by the Investor of all or any part of the Shares; or (b) the Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor, at a price per Share which is more than the Threshold 1 Sale Price i.e. ₹ 947.36.	14,32,810
(iii) Threshold 2 ESOP Pool: Threshold 2 ESOP Pool shall vest upon the occurrence of Threshold 2 liquidity event or deemed Threshold 2 liquidity event or IPO full exit event. "Threshold 2 Liquidity Event" means: (a) a sale by the Investor of all or any part of the Shares; or (b) the Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor, at a price per Share which is more than the Threshold Sale Price i.e. ₹ 1,171.72.	26,11,171

TCNS ESOP Scheme 2018-23 (Granted on November 08, 2019)

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
November 09, 2020	1 st Vesting	16,760
November 09, 2021	2 nd Vesting	16,760
November 09, 2022	3 rd Vesting	16,760
November 09, 2023	4 th Vesting	16,760
November 09, 2024	5 th Vesting	16,760

TCNS ESOP Scheme 2018-23 (Granted on August 18, 2020)

For Time Based Options

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
August 19, 2023	1 st Vesting	15,000
August 19, 2024	2 nd Vesting	15,000
August 19, 2025	3 rd Vesting	15,000
August 19, 2026	4 th Vesting	15,000

For Event based Options

S No	Vesting conditions	Total Options (face value of ₹ 2 each)
1.	On occurrence of the "threshold 1 liquidity event" or deemed threshold 1 liquidity event in manner set out in Annexure B of ESOP Scheme -2018- 23.	50,000
2.	On occurrence of the "threshold 2 liquidity event" or deemed threshold 2 liquidity event in manner set out in Annexure B of ESOP Scheme -2018- 23.	50,000
	Total	1,00,000

Board's Report (Contd.)

TCNS ESOP Scheme 2018-23 (Options Granted on November 10, 2020)

For Time Based Options

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
November 11, 2022	1 st Vesting	18,750
November 11, 2023	2 nd Vesting	18,750
November 11, 2024	3 rd Vesting	18,750
November 11, 2025	4 th Vesting	18,750

For Event based Options

S No	Vesting conditions	Total Options (face value of ₹ 2 each)
1.	On occurrence of the "threshold 1 liquidity event" or deemed threshold 1 liquidity event in manner set out in Annexure B of ESOP Scheme -2018- 23.	30,000
2.	On occurrence of the "threshold 2 liquidity event" or deemed threshold 2 liquidity event in manner set out in Annexure B of ESOP Scheme -2018- 23.	30,000

TCNS ESOP Scheme 2018-23 (Granted on March 02, 2021)

Time Based

Date	Vesting conditions	Total Options (face value of ₹ 2 each)
March 03, 2023	1 st Vesting	7,500
March 03, 2025	2 nd Vesting	7,500

Event based

S No	Vesting conditions	Total Options (face value of ₹ 2 each)
1.	The Turnover (Net Sales) of the business vertical exceeds 50 Crores.	7,500
2.	The Turnover (Net Sales) of the business vertical exceeds 100 Crores.	7,500

Board's Report (Contd.)

Reg. 14 Disclosures in respect of grants made in three years prior to IPO under TCNS ESOP Scheme 2014-17 (All the prior ESOP Plans consolidated under TCNS ESOP Scheme 2014-17):

ESOP Plans	Date of Grant	Number of options granted	No. of options exercised	No. of options cancelled	No. of options lapsed (Options lapsed were added back to the pool)	No. of options outstanding as on March 31, 2021
TCNS Employee Stock Option Plan 2014	July 1, 2014 and March 16, 2015	69,00,000	69,00,000	-	-	-
TCNS Senior Management Stock Option Plan 2015	November 19, 2015	39,25,000	25,00,000	-	1,25,000	13,00,000
TCNS Employee Stock Option Plan 2015	November 19, 2015	6,00,000	1,71,375	-	42,500	3,86,125
TCNS Senior Executive Stock Option Plan 2015	November 19, 2015	2,00,000	17,631	-	-	1,82,369
TCNS Employee Stock Option Plan 2017	June 27, 2017	1,07,500	-	-	107500	-
TCNS Employee Stock Option Plan 2018	May 28, 2018	62,500	-	-	-	62,500
Total Options outstanding under TCNS ESOP Scheme 2014-17 as on March 31, 2021.						19,30,994

Reg. 14 Disclosures in respect of grants made in three years prior to IPO under TCNS ESOP Scheme 2018-23:

Date of Grant	Number of options granted	No. of options exercised till date	No. of options cancelled	No. of options lapsed (Options lapsed were added back to the pool)	No. of options outstanding as on March 31, 2021
February 02, 2018	50,72,751	-	-	3,02,544	47,70,207
November 08, 2019	83,800	-	-	-	83,800
August 18, 2020	1,60,000	-	-	-	1,60,000
November 10, 2020	1,35,000	-	-	-	1,35,000
March 2, 2021	30,000	-	-	-	30,000
Total Options outstanding under TCNS ESOP Scheme 2018-23 as on March 31, 2021.					51,79,007

Board's Report (Contd.)

ANNEXURE 'E' TO THE BOARD'S REPORT

POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY

[Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].

Effective Date: February 02, 2018 and amended on February 08, 2019.

1. PREAMBLE

The Board of Directors (the "Board") of TCNS Clothing Co. Limited ("Company") on the recommendation of Nomination and Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. OBJECTIVES

The main objectives of this Policy are:

- To lay down the criteria and the terms and conditions with regard to identifying the relevant person(s) who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in Senior Management positions.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration framework of Directors, KMPs and other Senior Management Personnel's keeping in view all relevant factors including industry trends and practices.

3. ATTRIBUTES, QUALIFICATIONS AND DIVERSITY FOR DIRECTORS AND KEY MANAGERIAL PERSONNEL

- The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.
- The Company recognises the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential

element in maintaining a competitive advantage. On such basis, the Board of the Company consists of such number of Directors as is necessary to effectively manage the Company, subject to a minimum of 3 (three) and maximum of 15 (fifteen) Directors with an appropriate combination of Executive, Non-Executive, Independent Director and Woman Director. The Company shall also appoint a Chairman and a Managing Director or Chief Executive Officer. The Company shall ensure that the role of the Chairman, and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

- While evaluating a person for appointment/re-appointment as Director or as KMP the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgment), professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector/industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board. The Director or as KMP will also be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.
- The Committee shall ensure that the proposed director satisfies the following additional criteria:
 - Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act 2013 and the Listing Regulations.
 - A Managing Director or Whole-time Director or Manager should in addition

Board's Report (Contd.)

to the above fulfill the conditions specified in Section 196 of the Act.

- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-Time Director/Manager who is below the age of twenty one years or has attained the age of seventy years. Further, Company shall not appoint or continue the employment of any person as Non-Executive Director who has attained the age of seventy five years.

Provided that such aforesaid threshold age may be extended beyond the age of seventy five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such extension.

- Does not hold directorship in more than 20 (twenty) companies (including private and public limited companies) or 10 (ten) public limited companies incorporated in India.
- A Whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a Whole-time KMP can be appointed as a Director in any Company, with the permission of the Board of Directors of the Company.
- While evaluating a person for appointment/re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:
 - Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013, the Listing Regulations and other applicable laws.
 - Shall not hold the position of Independent Director in more than seven (7) Indian listed companies and if serving as a Whole-Time Director/Managing Director in any Indian listed company then in not more than three (3) Indian Listed Companies as required and specified under regulation 25 of

SEBI (Listing Obligation and Disclosure Requirements 2009) Regulations.

- Should not hold any board/employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.
- (vii) The re-appointment/extension of term of any Board members shall be on the basis of their performance evaluation report.

Note: Senior Management means officers/personnel of the Company who are members of its core management team excluding the Board of Directors and normally this shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole-Time Directors/Manager (including Chief Executive Officer/Manager in case they are part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

4. TERM/TENURE

- Managing Director/Whole-Time Director/Manager.

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. Re-appointment shall be made before the expiry of term, based on an evaluation of the performance for a minimum period of three (3) years.

- Independent Director

An Independent Director shall hold office for a term up to five (5) consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

5. REMUNERATION POLICY

- Board Members

The overall limits of remuneration (including the sitting fees and profit linked commission of the Board members including executive Board members (i.e. Managing Director, Whole-Time Director, Executive Directors etc.) and Non-Executive Directors are governed by the provisions of the Companies Act, 2013 and rules made thereunder and

Board's Report (Contd.)

approval obtained from the shareholders of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. Any remuneration paid to Director for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of this clause if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(b) Remuneration to Key Managerial Personnel (other than Managing Director and Whole-Time Director), Senior Managerial Personnel. The remuneration of KMPs (other than Managing Director and Whole-Time Director), Senior Management shall be approved by the Board and any revision thereof shall be done as per the compensation and appraisal policy of the Company.

The remuneration payable to KMPs (other than Managing Director and Whole-Time Director), Senior Management Personnel shall consist of (a) fixed pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy; (b) variable pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e.

achievement against pre-determined KRA's), his/her respective business unit and the overall Company performance; (c) long term incentive/ESOPs, as may be decided by the Committee from time to time.

The Committee may periodically review the remuneration payable to the Directors, Senior Management personnel and Key Managerial Personnel and recommend any revision thereof on the basis of financial condition of the Company and performance of the Director, Senior Management Personnel and or Key Managerial Personnel.

(c) Loan and advances to Directors, Key Managerial Personnel, and Senior Management Personnel. The Committee shall review and approve the loans and advances to Directors in line with the requirements of provisions of Companies Act, 2013 and rules made thereunder. Loan and advances to Key Managerial Personnel, Senior Management should be as per the Company's compensation and appraisal policy.

6. PERFORMANCE EVALUATION OF DIRECTORS

The Nomination and Remuneration Committee shall specify the manner and criteria for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, or by Committee or by an Independent External Agency and review its implementation and compliance.

7. DISCLOSURES BY THE COMPANY

This Policy shall be disclosed in the Company's Annual Report. The policy is available on the Company's website and the link to the policy is <https://wforwoman.com/content/lodr-policies/>.

8. AMENDMENT TO THE POLICY

The Committee is authorised to amend the Policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs or Securities and Exchange Board of India with regards to any matter covered by this policy. Thereafter, this Policy shall be placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary.

Board's Report (Contd.)

ANNEXURE 'F' TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

PREAMBLE:

The Securities Exchange Board of India (SEBI) vide its notification dated July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), by inserting Regulation 43A, making it mandatory for the top 500 listed Companies based on the market capitalisation (calculated as on March 31 of every Financial Year) to formulate a Dividend Distribution Policy, which will be disclosed in their annual report and on their website.

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of TCNS CLOTHING CO. LIMITED ("the Company") in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. This policy has been adopted by the Board of Directors of the Company at its meeting held on May 28, 2019, being the effective date of this Policy. The Policy may be reviewed from time to time and it shall be open to the Board to vary or rescind the Policy.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The Board would declare dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals. The Board may consider not declaring dividend or may recommend a lower payout for a given Financial Year. The Board also considers past dividend history while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Shareholders of the Company may expect dividend only if the Company is having surplus funds to pay dividends after providing for all the expenses, depreciation and funding required for expansion plans, and after complying with the statutory requirements under the Applicable Laws.

The Shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- The Company has inadequacy of profits or incurs losses for the Financial Year;
- The Company undertakes/proposes to undertake a significant expansion project requiring higher allocation of capital;
- The Company undertakes/proposes to undertake any acquisitions or joint arrangements requiring a significant allocation of capital;
- The Company has significantly higher working capital requirement affecting free cash flow;
- The Company proposes to utilise surplus cash for buy-back of securities;
- The Company is prohibited to recommend/declare dividend by any regulatory body; and
- Any other relevant factors and material events in opinion of the Board.

FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- Financial/Internal Factors:
 - i. Profitable growth of the Company and specifically, profits earned during the Financial Year as compared with:
 - a. Previous years; and
 - b. Internal budgets;
 - ii. Cash flow position of the Company;
 - iii. Accumulated reserves;
 - iv. Earnings stability;
 - v. Future cash requirements for organic growth/expansion and/or for inorganic growth;
 - vi. Planned expansion activities including Brand acquisitions;
 - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities;

Board's Report (Contd.)

- viii. Deployment of funds in short term marketable investments;
- ix. Long term investments;
- x. Capital expenditure(s); and
- xi. The ratio of debt to equity (at net debt and gross debt level).

External Factors:

- i. Business cycles;
- ii. Economic environment;
- iii. Cost of external financing;
- iv. Applicable taxes including tax on dividend;
- v. Industry outlook for the future years;
- vi. Inflation rate and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

UTILISATION OF RETAINED EARNINGS:

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital;
- ii. Organic and/or inorganic growth including expansion/acquisition;
- iii. Investment in new business(es) and/or additional investment in existing business(es);
- iv. Declaration of dividend;
- v. Capitalisation of shares;

- vi. Buyback of shares;
- vii. General corporate purposes, including contingencies;
- viii. Correcting the capital structure; and
- ix. Any other permitted usage as per the Companies Act, 2013.

PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES:

The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

MODIFICATION OF THE POLICY:

This policy will be reviewed and amended as and when required by the Board.

The policy is available on the Company's website and the link to the policy is: <https://wforwoman.com/content/lodr-policies/>.

The policy will also be disclosed in the Company's annual report.

LIMITATION AND AMENDMENT

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.

Board's Report (Contd.)

ANNEXURE 'G' TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2021

[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

CIN	L99999DL1997PLC090978
Registration Date	03/12/1997
Name of the Company	TCNS Clothing Co. Limited
Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government
Address of the Registered office and contact details	119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030 South Delhi DL 110030 IN Phone: 011-42193176 E-mail: investors@tcnsclothing.com Website: www.wforwoman.com
Phone/contact number	011-42193176
E-mail	investors@tcnsclothing.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer	M/s. Kfin Technologies Private Limited (Erstwhile Karvy Fintech Private Limited) Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Phone: 040-67162222; Fax: 040-23001153 Email id: umesh.pandey@kfintech.com einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company.

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

*As per National Industrial Classification – Ministry of Statistics and Programme implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary, joint venture and associate company as on March 31, 2021.

Board's Report (Contd.)

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	Demat	Physical	
A. Promoters					
(1) Indian					
a) Individuals	1,98,76,757	-	1,98,76,757	-	(0.02)
b) Central Government/State Government(s)	-	-	-	-	-
c) Financial Institutions/Banks	-	-	-	-	-
d) Any Other	-	-	-	-	-
Sub-total (A)(1):-	1,98,76,757	-	1,98,76,757	-	(0.02)
(2) Foreign					
a) Individuals (Non Resident Individuals)/Foreign Individuals	-	-	-	-	-
b) Government	-	-	-	-	-
c) Institutions	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-
e) Any Other	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	1,98,76,757	-	1,98,76,757	-	(0.02)
B. Public Shareholding					
1. Institutions					
a) Mutual Funds	25,58,962	-	11,51,728	1.87	(2.29)
b) Financial Institutions Banks	2,284	-	-	0.00	(0.00)
c) Venture Capital Funds	-	-	-	-	-
d) Insurance Companies	-	-	-	-	-
e) FIIs/FPIs	75,17,841	-	1,20,06,759	19.52	7.29
f) Alternate Investment Funds	30,86,886	-	15,31,419	2.49	(2.53)
g) Provident funds/Pension funds	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-

Board's Report (Contd.)

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	Demat	Physical	
i) Central Government/State Government (s)	-	-	-	-	-
j) Others (Qualified Institutional Buyer) (ICICI Prudential Life Insurance Company Limited)	8,90,048	-	-	-	(1.45)
Sub-total (B)(1):-	1,40,56,021	-	1,46,89,906	23.88	1.02
2. Non-Institutions					
a) Individuals					
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	14,88,714	6	13,99,800	6	(0.14)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	27,54,479	-	22,57,420	3.67	(0.81)
b) NBFC registered with RBI	-	-	-	-	-
c) Employee Trust	-	-	-	-	-
d) Overseas Depositories	-	-	-	-	-
e) Any Other					
- Directors	36,05,124	-	36,05,124	5.86	(0.02)
- Trust	5	-	5	0.00	0.00
- Employees	12,18,733	-	13,51,540	2.20	0.22
- Non-resident Indians	2,14,870	-	54,880	0.09	0.26
- Non-resident Indians Non- Reparable	64,690	-	22,779	0.04	0.07
- Clearing members	21,784	-	1,35,345	0.22	0.18
- Body Corporates	1,53,572	-	1,08,818	0.18	(0.07)
- Overseas Body Corporates (Wagner Limited)	1,80,20,119	-	1,80,20,119	29.29	(0.02)
Sub-total (B)(2):-	2,75,42,090	6	2,69,55,830	43.81	(0.99)
Total Public Shareholding (B)=(B) (1)+(B)(2)	4,15,98,111	6	4,16,45,742	67.69	0.02
C. Shares held by Custodian for GDR's & ADR's					
	-	-	-	-	-
Grand Total (A+B+C)	6,14,74,868	6	6,15,22,499	100	-

Board's Report (Contd.)

(ii) Shareholding of Promoter and Promoter Group:

S. 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	Arvinder Singh Pasricha	94,70,671	15.41	-	94,70,671	15.39	-	(0.02)
2	Onkar Singh Pasricha	67,52,681	10.98	-	67,52,681	10.98	-	(0.00)
3	Parmeet Pasricha*	32,03,405	5.21	-	32,03,405	5.21	-	(0.00)
4	Saranpreet Pasricha*	4,50,000	0.73	-	4,50,000	0.73	-	-
		1,98,76,757	32.33	-	1,98,76,757	32.31	-	(0.02)

*Parmeet Pasricha and Saranpreet Pasricha are not the Promoters of the Company but part of the Promoters' Group.

**The percentage change in holding is due to increase in paid up capital of the Company due to exercise of Employee Stock Options by the Employees.

(iii) Change in Promoter Shareholding:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Arvinder Singh Pasricha				
	At the beginning of the year	94,70,671	15.41	94,70,671	15.41
	At the end of the year			94,70,671	15.39
2	Onkar Singh Pasricha				
	At the beginning of the year	67,52,681	10.98	67,52,681	10.98
	At the end of the year			67,52,681	10.98
3	Saranpreet Pasricha				
	At the beginning of the year	4,50,000	0.73	4,50,000	0.73
	At the end of the year			4,50,000	0.73
4	Parmeet Pasricha				
	At the beginning of the year	32,03,405	5.21	32,03,405	5.21
	At the end of the year			32,03,405	5.21

Board's Report (Contd.)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR's and ADR's) as on March 31, 2021:

S. No.	Shareholder's Name	Change in Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Wagner Limited				
	Wednesday, April 1, 2020	1,80,20,119	29.31	1,80,20,119	29.29
	Wednesday, March 31, 2021	-	-	1,80,20,119	29.29
2	Nalanda India Equity Fund Limited				
	Wednesday, April 01, 2020	-	-	-	-
	Friday February 26, 2021	43,20,661	7.02	43,20,661	7.02
	Wednesday, March 31, 2021	-	-	43,20,661	7.02
3	Axis Mutual Fund				
	Wednesday, April 01, 2020	16,77,094	2.73	16,09,774	2.73
	Friday, May 29, 2020	(7,454)	(0.01)	16,69,640	2.72
	Friday, June 5, 2020	(7,929)	(0.02)	16,61,711	2.70
	Friday, June 12, 2020	(1,935)	(0.00)	16,59,776	2.70
	Friday, June 19, 2020	(6,950)	(0.01)	16,52,826	2.69
	Friday, June 26, 2020	(16,179)	(0.03)	16,36,647	2.66
	Friday, July 3, 2020	(28,050)	(0.05)	16,08,597	2.62
	Friday, July 10, 2020	(13,535)	(0.02)	15,95,062	2.59
	Friday, August 21, 2020	(7,34,341)	(1.19)	8,60,721	1.40
	Friday, August 28, 2020	(2,937)	(0.00)	8,57,784	1.40
	Friday, September 18, 2020	(2,006)	(0.00)	8,55,778	1.39
	Friday, November 27, 2020	(37,772)	(0.06)	8,18,006	1.33
	Friday, December 4, 2020	(5,836)	(0.01)	8,12,170	1.32
	Friday, December 11, 2020	(21,781)	(0.04)	7,90,389	1.28
	Friday, December 11, 2020	81,883	0.13	8,72,272	1.42
	Friday, May 29, 2020	(81,883)	(0.13)	7,90,389	1.28
	Wednesday, March 31, 2021	-	-	7,90,389	1.28
4	Vijay Kumar Misra				
	Wednesday, April 1, 2020	16,27,523	2.65	16,27,523	2.65
	Wednesday, March 31, 2021	-	-	16,27,523	2.65
5	Auburn Limited				
	Wednesday, April 01, 2020	9,86,390	1.60	9,86,390	1.60
	Wednesday, March 31, 2021	-	-	9,86,390	1.60
6	Steinberg India Emerging Opportunities Fund Limited				
	Wednesday, April 01, 2020	9,18,519	1.49	9,18,519	1.49
	Friday, June 5, 2020	1,37,298	0.22	10,55,817	1.71
	Friday, July 10, 2020	5,94,183	0.97	16,50,000	2.68
	Friday, August 7, 2020	1,52,960	0.25	18,02,960	2.93
	Friday, March 5, 2021	(1,02,960)	(0.17)	17,00,000	2.76
	Wednesday, March 31, 2021	-	-	17,00,000	2.76

Board's Report (Contd.)

S. No.	Shareholder's Name	Change in Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Vijay Kumar Thadani				
	Wednesday, April 01, 2020	7,50,000	1.22	7,50,000	1.22
	Wednesday, March 31, 2021	-	-	7,50,000	1.22
8	Fidelity Investment Trust Fidelity Pacific Basin Fund				
	Wednesday, April 01, 2020	5,94,671	0.97	5,94,671	0.97
	Wednesday, March 31, 2021	-	-	5,94,671	0.97
9	Saif India VI FII Holdings Limited				
	Wednesday, April 1, 2020	5,30,318	0.86	5,30,318	0.86
	Friday, April 10, 2020	2,54,425	0.42	7,84,743	1.28
	Friday, May 15, 2020	3,33,214	0.54	11,17,957	1.82
	Friday, June 5, 2020	5,24,197	0.85	16,42,154	2.67
	Friday, July 3, 2020	1,06,000	0.17	17,48,154	2.84
	Friday, July 10, 2020	3,98,763	0.65	21,46,917	3.49
	Friday, July 17, 2020	11,000	0.02	21,57,917	3.51
	Friday, September 11, 2020	55,189	0.09	22,13,106	3.60
	Friday, September 18, 2020	37,000	0.06	22,50,106	3.66
	Wednesday, September 30, 2020	1,004	0.00	22,51,110	3.66
	Friday, October 9, 2020	10,000	0.02	22,61,110	3.68
	Friday, October 16, 2020	83,000	0.14	23,44,110	3.81
	Friday, October 23, 2020	67,000	0.11	24,11,110	3.92
	Friday, November 6, 2020	41,334	0.07	24,52,444	3.99
	Friday, November 13, 2020	51,215	0.08	25,03,659	4.07
	Friday, November 27, 2020	4,10,000	0.66	29,13,659	4.74
	Friday, December 4, 2020	1,17,912	0.19	30,31,571	4.93
	Friday, January 29, 2021	65,000	0.10	30,96,571	5.03
	Wednesday, March 31, 2021	-	-	30,96,571	5.03
	10	Amit Chand			
Wednesday, April 1, 2020		5,19,432	0.84	5,19,432	0.84
Friday, April 17, 2020		(850)	(0.00)	5,18,582	0.84
Friday, August 28, 2020		(750)	(0.00)	5,17,832	0.84
Friday, February 19, 2021		(20,000)	(0.03)	4,97,832	0.81
Friday, March 19, 2021		(10,000)	(0.02)	4,87,832	0.79
Wednesday, March 31, 2021		-	-	4,87,832	0.79

Note: The change in percentage is considered up to two decimal places and the same is subject to rounding off to the nearest number.

Board's Report (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Onkar Singh Pasricha				
	At the beginning of the year	67,52,681	10.98	67,52,681	10.98
	At the end of the year			67,52,681	10.98
2	Anant Kumar Daga				
	At the beginning of the year	36,05,124	5.86	36,05,124	5.86
	At the end of the year			36,05,124	5.86
3	Venkatesh Tarakkad*				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
4	Amit Chand**				
	Wednesday, April 1, 2020	5,19,432	0.84	5,19,432	0.84
	Friday, April 17, 2020	(850)	(0.00)	5,18,582	0.84
	Friday, August 28, 2020	(750)	(0.00)	5,17,832	0.84
	Friday, February 19, 2021	(20,000)	(0.03)	4,97,832	0.81
	Friday, March 19, 2021	(10,000)	(0.02)	4,87,832	0.79
	At the end of the year	-	-	4,87,832	0.79
5	Piyush Asija				
	At the beginning of the year	200	-	200	-
	Allotted on Feb 05, 2021	3,125	-	3,125	0.1
	February 23, 2021	(1,000)	-	2,325	-
	February 24, 2021	(1,000)	-	1,325	-
	March 18, 2021	(500)	-	825	-
	At the end of the year	-	-	825	-

- *Resigned as the Chief Financial Officer of the Company on November 02, 2020 w.e.f. November 19, 2020.
- **Appointed as the Chief Financial Officer of the Company w.e.f. November 02, 2020.

V. INDEBTEDNESS

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

(₹ in Mn.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

Board's Report (Contd.)

(₹ in Mn.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the Financial Year				
• Addition	53.58	-	-	53.58
• Reduction	-	-	-	-
Net Change	53.58	-	-	53.58
Indebtedness at the end of the Financial Year				
i) Principal Amount	53.58	-	-	53.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	53.58	-	-	53.58

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No	Particulars of Remuneration (per annum)	Name of MD/WTD/Manager		
		Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 40,96,440/-	₹ 5,19,336/-	₹ 46,15,776/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 28,800/-	₹ 28,800/-	₹ 57,600/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify...			
5	Others, please specify			
	Bonus	-	-	-
	Contribution to PF	₹ 2,81,829/-	₹ 50,400/-	₹ 3,32,229/-
Total		₹ 44,07,069/-	₹ 5,98,536/-	₹ 50,05,605/-
Ceiling as per the Act		Within the Ceiling limit	Within the Ceiling limit	Within the Ceiling limit

Board's Report (Contd.)

B. Remuneration to other Directors

(₹ in lakhs)

Particulars	Mr. Bhaskar Pramanik	Mr. Naresh Patwari	Ms. Neeru Abrol	Ms. Sangeeta Talwar
Commission	Nil	Nil	Nil	Nil
Sitting Fees	12.75	Nil	16.75	13.00

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-Time

(Amount in ₹)

S. No	Particulars of Remuneration (per annum)	Key Managerial Personnel		
		Mr. Piyush Asija (Company Secretary)	Mr. Venkatesh Tarakkad (Chief Financial Officer) (Employment Ceased on November 19, 2020)	Mr. Amit Chand (Chief financial Officer) (Joined w.e.f. November 02, 2020)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 30,73,329/-	₹ 54,70,722/-	₹ 46,84,304/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 3,48,906/-	Nil	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	
2	Stock Option			
3	Sweat Equity	Nil	Nil	
4	Commission	Nil	Nil	
	- as % of profit	Nil	Nil	
	Others specify...	Nil	Nil	
5	Others, please specify (Retirement benefits)	₹ 1,45,452/-	₹ 2,97,538/-	₹ 2,24,841
	Total	₹ 35,67,687/-	₹ 57,68,260/-	₹ 49,09,145/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There are no material penalties and punishments during the Financial Year 2020-21.

For and on behalf of Board of Directors

Sd/-
ANANT KUMAR DAGA
Managing Director DIN: 07604184

Sd/-
ONKAR SINGH PASRICHA
Chairman & Executive Director DIN: 00032290

Place: New Delhi
Date: June 21, 2021

Board's Report (Contd.)

ANNEXURE 'H' TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the "Business Responsibility Report" (BRR) of the Company for the FY 2020-21 forming part of this Annual Report is as follows:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number of the Company	L99999DL1997PLC090978	
2.	Name of the Company	TCNS CLOTHING CO. LIMITED	
3.	Registered Address	119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030	
4.	Website	www.wforwoman.com	
5.	E-mail id	investors@tcnsclothing.com	
6.	Financial Year Reported	2020-21	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Description
		141	Manufacture of Wearing Apparel
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Women's Ethnic Top-wear, Drapes and Bottom-wear	
9.	Total number of locations where business activity is undertaken by the Company	Points of Sale: • Number of National Locations : 534 (Exclusive Business Outlets) • Number of International Locations: 17 (Exclusive Business Outlets)	
10.	Markets served by the Company	India, Nepal, Sri Lanka, Mauritius, Bangladesh (Excludes online sale territories)	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹):	12,30,44,998
2.	Total Turnover (Revenue from operations) (₹ In Mn.):	6,355.36
3.	Total profit/(loss) after taxes (₹ in Million):	(563.83)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company has reported a loss of ₹ 563.83 Mn. for FY 20-21. An amount of ₹ 43.41 Mn. was spent towards CSR initiatives during the Financial Year 2020-21.
5.	List of activities in which expenditure in 4 above has been incurred:	<ul style="list-style-type: none"> • Education • Sustainability • Women Empowerment • Agriculture • Rural Development Programme • Health & Nutrition • Slum Area Development

Board's Report (Contd.)

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices.

SECTION D: BR INFORMATION

1.	(a) Details of Director/Directors responsible for BR	DIN Number : 07604184 Name : Anant Kumar Daga Designation : Managing Director		
	(b) Details of the BR head	S. No	Particulars	Details
		1.	DIN Number (if applicable)	07604184
		2.	Name	Anant Kumar Daga
		3.	Designation	Managing Director
		4.	Telephone No.	011-42193193
		5.	E-mail id	anant.daga@tcnsclothing.com
2.	Principle-wise (as per NVGs) BR Policy/Policies: The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:			
	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	TCNS CODE OF CONDUCT & TCNS WHISTLEBLOWER POLICY	
	P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	N.A.	
	P3	Businesses should promote the wellbeing of all employees.	TCNS HUMAN RESOURCE POLICIES	
	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	TCNS CORPORATE SOCIAL RESPONSIBILITY POLICY	
	P5	Businesses should respect and promote human rights.	TCNS CODE OF CONDUCT & TCNS CORPORATE SOCIAL RESPONSIBILITY POLICY	
	P6	Business should respect, protect, and make efforts to restore the environment.	N.A.	
	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	TCNS CODE OF CONDUCT POLICY & TCNS WHISTLEBLOWER POLICY	
	P8	Businesses should support inclusive growth and equitable development.	TCNS CORPORATE SOCIAL RESPONSIBILITY POLICY	
	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	TCNS CODE OF CONDUCT	

Board's Report (Contd.)

Details of compliance (Reply in Y/N)

S No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for principles?	Y	N	Y	Y	Y	N	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	Y	N	Y	Y	Y
3.	Does the policy conform to any national/international standards?	NA								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	NA								
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	N	Y	Y	Y	N	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Policies mandated to be displayed on website of the Company as per the Companies Act and SEBI (LODR) Regulations are displayed at the https://wforwoman.com/content/lo-dr-policies/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	Y	Y	Y	N	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	N	Y	Y	Y	N	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	N	Y	Y	Y	N	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	Y	Y	N	Y	Y	Y

If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick upto 2 options).

S No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	It is planned to be done within next 6 months									
4.	It is planned to be done within the next 1 year									
5.	Any other reason (please specify)#		√				√			

Although the business of the Company has minimal impact on the environment and the Company focuses on sustainable business processes and practices creating a positive equitable impact on the society. The Company engages in responsible business behaviour by identifying sustainable growth drivers. The Company is in the process of conducting an ESG Assessment in the current year and formulating a well - defined policy on the same.

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Business Responsibility Performance is assessed annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report is included as a part of the Annual Report which is published on the website of the Company i.e. www.wforwoman.com .

Board's Report (Contd.)

SECTION E: PRINCIPLE - WISE PERFORMANCE

Principle 1 : Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery, and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company has formulated a "Code of Conduct" to conduct business in an ethical manner as well as to create a work environment that is conducive to all stakeholders. Further, there is a separate code of conduct for the Key Managerial Personnel, Senior Managerial Personnel and Directors of the Company for which affirmation is sought on an annual basis. The Company has adopted a Whistle Blower Policy through which its Directors and employees can report their concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct. It also provides adequate safeguards against victimisation of persons who use such mechanism. The Company encourages its business partners including suppliers, contractors and franchisees to adhere to the standards and the relevant aspects are included in the responsibilities of the vendors in the commercial agreements executed with them.
2.	How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has an Investor Grievance cum Stakeholder Relationship Committee (SRC) which monitors and reviews the shareholders complaints/grievances and their resolution. During the year ended March 31, 2021, Six (6) complaints were received which were satisfactorily resolved. Further, Customer complaints, if any are addressed in the normal course of business by the Operations and Marketing Department of the Company.

Principle 2 : Product Responsibility

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The main business of the Company is manufacturing and retailing of women's ethnic wear. We encourage our partners to adopt/ensure the latest technology to manage environment concerns. We have launched collections using Liva-Eco which focuses on sustainability and providing employment to rural women respectively.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc. per unit of product (optional) : a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable. However, the Company has been continuously encouraging its partners to focus on technology improvement and training to ensure efficient use of resources, especially of common resources such as water and energy. The installation of energy-efficient, smart LED lighting in manufacturing units and stores has also contributed towards reducing our overall energy consumption. The Company has conducted an exercise for extra fixed load and reduced the fixed power load in some stores.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)?	The Company has an internal policy in place which promotes sustainable sourcing and promotes vendors which follow sustainable practices.

Board's Report (Contd.)

4.	<p>Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>The Company works with its vendors on empowering women at grass-root levels. Additionally, Company associated in the Solar Charkha Mission launched by the Government of India for providing skill development and training to women in the backward and interior regions of the Country. The Company procures goods from Small Scale Industries and small producers including from communities surrounding its place of work and encourages generating employment opportunities for socially and economically backward sections of the society. The Company further supports education and skill development among women and children living in rural areas as a part of its Corporate Social Responsibility Programmes through its implementing agency.</p> <p>The Company provides necessary training, easy financing, and product development support services to its vendors many of which are small scale industries/producers.</p>
5.	<p>Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</p>	<p>The Company recycles its packing cartons on an ongoing basis which forms a large chunk of its waste.</p> <p>The Company has engaged Deshwal Waste Management, an authorised entity by Haryana Pollution Control Board for collection, transportation, dismantling, and disposal of e-waste in compliance with E-Waste Management & Handling Rules, 2016 in an environment friendly manner.</p> <p>The Company conducts regular donation of its scrap fabrics to NGO's who recycle them to create something new. This not only helps in reducing the negative impact on the environment, it also helps the people associated with such NGOs to generate livelihood.</p>

Principle 3 : Wellbeing of Employees

1.	Please indicate the Total number of employees:	3,578
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis:	395
3.	Please indicate the Number of permanent women employees:	1,276
4.	Please indicate the Number of permanent employees with disabilities:	9
5.	Do you have an employee association that is recognised by management:	No
6.	What percentage of your permanent employees is members of this recognised employee association:	Nil
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year:	One case of alleged discrimination was reported in last Financial Year and the same is pending resolution at the end of the Financial Year.

Board's Report (Contd.)

8.	<p>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?</p> <p>a) Permanent Employees: b) Permanent Women Employees: c) Casual/Temporary/Contractual Employees: d) Employees with Disabilities:</p>	<p>Percentage of Employees given training:</p> <p>Permanent Employees: 96.73% Permanent Women Employees: 97.18% Casual/Temporary/Contractual Employees: 37.47% Employees with Disabilities: 55.56%</p>
<p>Principle 4 Responsiveness to Stakeholders</p>		
1.	Has the Company mapped its internal and external stakeholders?	The Company has mapped its internal and external stakeholders, viz. shareholders, investors, central and state govt./regulatory authorities, customers, employees, vendors, suppliers, consultants, banks etc.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?	Yes, The Company has identified disadvantaged, vulnerable & marginalised stakeholders.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and Marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	<p>The Company has taken special initiatives and extended support to its Vendors in setting up manufacturing facilities in rural/backward areas leading to generation of employment in remote locations for unprivileged/underprivileged people.</p> <p>The Company has emphasised on employing women in such facilities to promote gender equality.</p> <p>The Company has been continuously provided technical and financial assistance to the small vendors and manufacturers and has extended special financial assistance during the pandemic.</p> <p>For details, refer the Corporate Social Responsibility Report as part of the Board's Report.</p>

Principle 5 : Human Rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs Others?	The Policy covers the employees of the Company. The Company encourages its vendors/suppliers and other partners to follow similar principals towards their employees.
2.	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	The Company has not received any complaints relating to human rights during the year.

Principle 6 : Environmental Responsibility

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?	The policy covers the operations of the Company. The Company encourages its vendors/suppliers and other partners to follow similar principals towards environmental responsibility. The Company encourages all partners to adopt technology and other initiatives to ensure good energy management.
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?	The Company's policy covers issues pertaining to reduction of waste, disposal of e-waste and other direct and indirect impact on global environment issues.
3.	Does the Company identify and assess potential environmental risks? Y/N	Not applicable directly. However, the Company assesses impact on environment while designing its internal processes to ensure a sustainable product lifecycle.

Board's Report (Contd.)

4.	Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Not applicable
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.?	The initiatives taken by the Company towards energy conservation during the year under review are given in the Board Report.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	The Company undertakes manufacturing through job workers. However, company encourages its partners to follow good emission and waste management processes. The Company has engaged an external agency to carry out an E- Waste Audit and Management to ensure compliance with the applicable norms.
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7 : Public Policy Advocacy

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company has membership with Retailers Association of India (RAI) & Confederation of Indian Industries (CII).
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	The Company has been participating in forums through Retailers Association of India (RAI) on issues and policy matters pertaining to sustainable business practices focused on its industry.

Principle 8 : Inclusive Growth and Equitable Development

1.	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes
2.	The Company's Corporate Social Responsibility (CSR) initiative attempts to integrate social, environmental and economic concerns in its programs to improve the welfare of society and stakeholders. Are the programmes/projects undertaken through in house team/ own foundation/external NGO/government structures/any other organisation?	The Company's CSR initiatives are mainly implemented through partnership with Non-Governmental Organisations (NGOs) and Implementing Agencies. Various training & development initiatives are implemented through internal training teams and external experts.

Board's Report (Contd.)

3.	Have you done any impact assessment of your initiative?	The Company has been undertaking and implementing CSR activities directly as well as through an implementing agency. The core focus of CSR Policy is giving back to the society from which it draws its resources. The focus areas are Education, Sustainability, Health & Nutrition, Disaster Management, Women Empowerment, Slum Area Development Rural Development Programmes. The impact assessment is not required to be mandatorily carried out by the Company. However the Company through the implementing agency do carry out surveys to assess the impact assessment of the projects undertaken the same is reported to the CSR Committee and reviewed by the Board of the Company.
4.	What is your Company's direct contribution to community development projects- Amount in ₹/Mn. and the details of the projects undertaken?	An amount of ₹ 43.41 Mn. was spent towards CSR initiatives during the FY 2020-21. The details thereof are given in the Annual CSR Report forming part of the Board Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes, the CSR initiative undertaken by the Company focuses on community participation, empowerment and community development.

Principle 9 : Engagement with Customers

1.	What percentage of customer complaints/consumer cases is pending as on the end of Financial Year?	As at the end of Financial Year, there is no ongoing consumer case.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	The requisite information as mandated by applicable local laws (Specifically as per Legal Metrology Laws) is mentioned on the product label of the Company.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so.	There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anticompetitive behavior.
4.	Did your company carry out any consumer survey/consumer satisfaction trends?	Yes, the Company regularly conducts consumer surveys.

Board's Report (Contd.)

ANNEXURE 'I' TO THE BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report for the FY 2020-21. The Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the wider sense. The Company gives its best to achieve business goals, while fulfilling the role of a responsible corporate representative, committed to best practices.

To comply with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance of TCNS Clothing Co. Limited ("the Company"/"TCNS") is as follows:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

TCNS is committed to maintain the highest standards of transparency, accountability and equality in its working so that the underlying goal of increasing overall shareholder value can be attained in a sustained way. We will continuously endeavor to implement best practices to enhance stakeholder's value. Your Company is committed to good Corporate Governance, based on an effective Independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards at all levels ranging from action plan to performance measurement and customer satisfaction. We consider stakeholders as partners in our success and are committed to maximizing stakeholder's value, be it shareholders, employees, customers, vendors, governments or the community at large. We believe that following global practices, transparent disclosures and empowerment of stakeholders are as necessary as delivering solid financial results, for creating and sustaining value for shareholders and meeting expectations of customers and society.

BOARD OF DIRECTORS

The Company is managed and controlled through a professional Board of Directors ("Board") comprising of an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board of the Company is in conformity with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The present composition of the Board comprises of six (6) Directors out of which three (3) are Independent Directors, which constitutes 50% of the total strength of the Board. A brief profile of all the Directors is available on the website of the Company at <https://wforwoman.com/content/corporate-governanceboard-and-its-committees/>

None of the Directors on the Board are serving as Independent Directors in more than seven (7) listed companies. None of the Directors on the Board is a Member in more than ten (10) committees and Chairperson of more than five (5) committees, across all the companies in which they are Directors.

NUMBER OF MEETINGS OF THE BOARD

During the FY 2020-21, the Board met six (6) times i.e. on April 16, 2020, June 20, 2020, August 18, 2020, November 02, 2020, November 10, 2020 and February 05, 2021. The intervening gap between any two (2) meetings was within the period prescribed by the Companies Act, 2013 & SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The information as mentioned under Part A of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 has been placed before the Board for its consideration during the year. Board meetings are also convened to address the specific additional requirements of the Company.

The composition of Board of Directors, their attendance at the Board Meetings and at last Annual General Meeting of the Company, and also the number of Directorship/Chairmanships held by them in other Public Limited Companies, during the Financial Year 2020-21 are given as follows:

Board's Report (Contd.)

Name of Director	Designation & Category	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Committee Membership	Committee Chairpersonships	Shareholding in the Company (in no.s)	Name of the other listed companies where Directorship (category)
Mr. Onkar Singh Pasricha	Chairman-Executive Director (Promoter)	6	Yes	1	NIL	NIL	67,52,681	NIL
Mr. Anant Kumar Daga	Managing Director	6	Yes	NIL	1	NIL	36,05,124	NIL
Mr. Naresh Patwari	Non-Executive Independent Director	5	No	2	2	NIL	NIL	Shilpa Medicare Limited (Non-Executive Non-Independent Director)
Mr. Bhaskar Pramanik	Non-Executive Independent Director	6	Yes	NIL	1	NIL	NIL	NIL
Ms. Neeru Abrol	Non-Executive Independent Director	6	Yes	4	7	3	NIL	Apollo Pipes Limited (Non-Executive Independent Director), APL Apollo Tubes Limited (Non-Executive Independent Director), Apollo Tricoat Tubes Limited (Non-Executive, Independent Director)
Ms. Sangeeta Talwar	Non-Executive Independent Director	6	Yes	6	8	2	NIL	Castrol India Limited (Non-Executive Independent Director), HCL Info systems Limited (Non-Executive Independent Director), Mahindra Holidays and Resorts India Limited (Non-Executive-Independent Director)

- Note:
1. Directorships excludes private companies, foreign companies and Sec 8 companies.
 2. Board Committee membership for this purpose includes Audit Committee and Stakeholders' Relationship Committee of public limited and listed Companies.
 3. Membership count of Committees includes chairpersonship count.

Board's Report (Contd.)

Inter-se Relationship

None of the Directors of the Company are related inter-se.

Non-Executive Directors do not hold any shares and convertible instruments.

Familiarisation Program for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The terms and conditions of the appointment are also placed on the website of the Company. Each newly appointed Director is taken through a familiarisation program in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including interactions with the Managing Director, CFO & the Senior Management of the Company covering all important aspects of the Company. The Familiarisation programmes undertaken are disclosed on the website of the Company at <https://wforwoman.com/content/reporfamiliarisation-progarmme/>

Chart on Competence

Name of Director	Qualification and Competencies
Mr. Onkar Singh Pasricha	He holds a bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi. He has been on the Board since December 03, 1997 and was last re-appointed (retirement by rotation) on August 26, 2019. He has more than 42 years of experience in the apparel industry.
Mr. Anant Kumar Daga	He holds a bachelor's degree in commerce from the University of Calcutta and a Post-Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined the Company as the Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 07, 2016. Prior to joining the Company, he has worked with Reebok, India as Director (sales) and with ICICI Bank.
Mr. Naresh Patwari	He holds bachelor's degree in Technology in Mechanical Engineering from Indian Institute of Technology, Kharagpur and a master's degree in Business Administration from the Tuck School of Business at Dartmouth College, United States. He has been on the Board since August 18, 2016. He is currently employed with TA Associates Advisory Private Limited as a Director. He was previously employed with Schlumberger, McKinsey & Company and ICICI Venture.
Mr. Bhaskar Pramanik	He holds a bachelor's degree in Technology from Indian Institute of Technology, Kanpur. He has served as the Chairman of Sun Microsystems India, Managing Director of Oracle India and as the Chairman of Microsoft India.
Ms. Neeru Abrol	She is an Associate Member of the Institute of Chartered Accountants of India. She has worked with National Fertilisers Limited (NFL) as its Chairperson and Managing Director. Prior to NFL, she has worked with the Steel Authority of India Limited, holding various management positions.
Ms. Sangeeta Talwar	She holds a Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata. She is currently a partner at Fly vision Consulting LLP. She has worked with Nestle India as an Executive Vice President (Marketing), Mattel Inc., India as its Managing Director, Tata Tea as an Executive Director (Marketing) and NDDB Dairy Services as its Managing Director.

Board's Report (Contd.)

The Board has identified that the core competencies, required relevant industry experience and prior experience of being an Independent Director are present. The Board is of the opinion that to discharge the functions effectively all the requisite competency and skills are available with the members of the Board. All the Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. The maximum tenure of the Independent Directors is in compliance with the Act. Further, the Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, or its subsidiaries, which may affect the independence or judgment of the Directors. The Company has taken Directors and Officers insurance ("D and O insurance") for all their Directors including the Independent Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management. Further, none of the Independent Directors resigned during the Financial Year.

Meeting of Independent Directors

For the year under review, a separate meeting of the Independent Directors was held on March 31, 2021, without the attendance of Non Independent Directors and members of the management.

Code of Conduct

The Company has a well-defined policy, which lays down procedures to be followed by the employees for ethical professional conduct. The Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the FY 2020-21. This Code has been displayed on the Company's website at <https://wforwoman.com/content/report/lodr-policies/>

Board Evaluation

The Board has adopted a process for evaluating its performance and effectiveness as well as that of its Committees and carried out an annual evaluation of its own performance, Board Committees and the Directors individually pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI

(Listing Obligations and Disclosures Requirements) Regulations, 2015. The Board and the Nomination & Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. The evaluation criteria included various aspects such as functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback with the stakeholders and other aspects as provided by the Guidance Note on Board Evaluation issued by SEBI on January 05, 2017. In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Board as a whole and the Chairman were also evaluated on the basis of pre-set criterion.

Obligations with respect to employees including Senior Management, Key Managerial Persons and Directors

All members of the Board of Directors, Senior Management Personnel and Key Managerial Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management Personnel for the FY 2020-21. A certificate to this effect given by the Managing Director of the Company is given at the end of this report.

Insider Trading Policy of the Company and Model Code of Conduct

To comply with the provisions of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and the same is uploaded on the website of the Company at <https://wforwoman.com/content/insider-trading-policy/>. The Company also has a structured digital database as per the requirements of the regulations.

Board Committees

With a view to have more focused attention on business and for better governance and accountability, the Board has the following mandatory committees:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Board's Report (Contd.)

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairperson of the Committee. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes and proceedings of the Meetings of all Committees are placed before the Board for review. The Minutes of the Committee Meetings are sent to all members of the Committee individually and tabled at the Board Meetings.

DETAILS OF COMMITTEES

AUDIT COMMITTEE

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee comprises of four Directors viz. Ms. Neeru Abrol, Ms. Sangeeta Talwar, Mr. Bhaskar Pramanik and Mr. Naresh Patwari. Ms. Neeru Abrol is the Chairperson of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise. Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Committee. The Company Secretary of the Company is the Secretary to the Committee.

The brief terms of reference of the Audit Committee are as follows:

- Reviewing internal control weaknesses.
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the listed entity; approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors; reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval.

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.
- Approval or any subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board with particular reference to:

- Matters required to be included in Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013;
- Changes, if any, in accounting policies, practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Modified opinion(s) in the draft audit report.

Board's Report (Contd.)

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Review management discussion and analysis of financial condition and results of operations.

- Review statement of significant related party transactions submitted by management.
- Review management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review internal audit reports relating to internal control weaknesses.
- Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act 2013/SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the applicable rules, regulations thereto."

During the FY 2020-21, the Audit Committee met four (4) times i.e. on June 20, 2020, August 18, 2020, November 10, 2020 and February 05, 2021.

The attendance of the members of the Committee for the FY 2020-21 is as under:

Committee Members	Category	Number of Meetings of Audit Committee Attended/Held
Ms. Neeru Abrol	Independent Director	4/4
Ms. Sangeeta Talwar	Independent Director	4/4
Mr. Bhaskar Pramanik	Independent Director	4/4
Mr. Naresh Patwari	Non-Executive- Non-Independent Director	3/4

The Board of Directors of the Company has accepted all the recommendations made by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The constitution and terms of reference of Nomination & Remuneration Committee of the Board of Directors is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. The said Committee is consisting of four Directors viz., Mr. Bhaskar Pramanik, Ms. Neeru Abrol, Mr. Onkar Singh Pasricha and Mr. Naresh Patwari. Mr. Bhaskar Pramanik is the Chairperson of the Committee.

The brief terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to, the remuneration of the Directors, to Key Managerial Personnel and other Senior Managerial Personnel.

- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Review the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Key Managerial Personnel and Senior Management.
- Performing such other activities as may be delegated by the Board or specified/provided under the Companies Act 2013 or by the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 or by any other applicable law or regulatory authority.

Board's Report (Contd.)

During the FY 2020-21, the Committee met five (5) times i.e. on June 20, 2020, August 18, 2020, November 02, 2020, November 10, 2020 and February 05, 2021.

The attendance of the members of the Committee for the FY 2020-21 is as under:

Committee Members	Category	Number of Meetings Nomination and Remuneration Committee Attended/Held
Mr. Bhaskar Pramanik	Independent Director	5/5
Ms. Neeru Abrol	Independent Director	5/5
Mr. Onkar Singh Pasricha	Executive Director	5/5
Mr. Naresh Patwari	Non- Executive - Non Independent Director	4/5

The criteria for performance evaluation of Independent Directors covers, preparation, participation, conduct and effectiveness of their functioning. The same is available on the Website of the Company at <https://wforwoman.com/content/tnc-for-independent-directors/>.

The Company's approved Nomination & Remuneration Policy available on the Website of the Company at <https://wforwoman.com/content/lodr-policies/>.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted a Stakeholders' Relationship Committee (Investors' Grievance Committee). Pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The brief terms of reference of Stakeholder Relationship Committee are:

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

of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

- Oversee and review all matters connected with the transfer of the Company's securities.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

The Stakeholders Relationship Committee comprises of three Directors; Ms. Sangeeta Talwar, Mr. Anant Kumar Daga and Ms. Neeru Abrol. Ms. Sangeeta Talwar (Non-Executive Independent Director) is the elected Chairperson of the Committee.

Mr. Piyush Asija, Company Secretary and Compliance Officer, acts as the Secretary of the Committee.

The Committee met four times during the FY 2020-21 i.e. on June 20, 2020, August 18, 2020, November 10, 2020 and February 05, 2021.

Board's Report (Contd.)

The attendance of the members of the Committee for the FY 2020-21 is as under:

Committee Members	Category	No. of Stakeholder Committee Meetings Attended/Held
Ms. Sangeeta Talwar	Independent Director	4/4
Mr. Anant Kumar Daga	Managing Director	4/4
Ms. Neeru Abrol	Independent Director	4/4

INVESTOR GRIEVANCES/COMPLAINTS

The details of the Investor Grievances Complaints received and resolved during the Financial Year ended March 31, 2021 are as follows:

Opening Balance	0
Received	6
Resolved	6
Closing Balance	0

All the complaints received during the year were resolved.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of four Directors viz. Ms. Sangeeta Talwar, Ms. Neeru Abrol, Mr. Bhaskar Pramanik and Mr. Onkar Singh Pasricha.

Mr. Piyush Asija, Company Secretary and Compliance Officer act as the Secretary to the Committee.

During the year under review, the Committee met on June 20, 2020 and February 05, 2021. The CSR Policy of the Company is available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

RISK MANAGEMENT COMMITTEE

Pursuant to section 134(3) (n) of the Companies Act, 2013 the Company has developed and implemented a risk management policy which identifies major risks

which may threaten the existence of the Company. The same has also been adopted by your Board and also subject to its review from time to time. The Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. Further pursuant to provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee.

As on March 31, 2021, The Risk Management Committee comprised of three Members, Mr. Anant Kumar Daga (Chairperson), Mr. Onkar Singh Pasricha and Mr. Amit Chand.

Pursuant to the provisions of SEBI (LODR) (Second Amendment) Regulation 2021, the Risk Management Committee had been reconstituted by the Board in its meeting held on June 21, 2021 [by appointing Ms. Neeru Abrol, Ms. Sangeeta Talwar and Mr. Bhaskar Pramanik as members (all are Non-Executive Independent Directors)].

The Committee met once during the year on March 26, 2021.

As on date of signing of this report the Risk Management Committee comprises of six Members, Mr. Onkar Singh Pasricha (Chairperson), Ms. Neeru Abrol, Mr. Anant Kumar Daga, Ms. Sangeeta Talwar, Mr. Bhaskar Pramanik and Mr. Amit Chand.

The attendance of the members of the Committee for the FY 2020-21 is as under:

Committee Members	Category	Number of Risk Management Committee Meetings Attended/Held
Mr. Anant Kumar Daga	Chairperson	1/1
Mr. Onkar Singh Pasricha	Member	1/1
Mr. Amit Chand	Member	1/1

Board's Report (Contd.)

The brief terms of reference of the Risk Management Committee are as follows:

- To formulate a detailed risk management policy which shall include: A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by

considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors; and
- The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The Risk Management Policy has been displayed on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

REMUNERATION PAID TO DIRECTORS IN THE FY 2020-21

a) Executive Directors:

The Company paid to the following remuneration to the Executive Director(s) during the FY 2020-21 as follows:-

(Amount in ₹)

S. No	Particulars of Remuneration (per annum)	Name of MD/WTD/Manager		
		Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 40,96,440/-	₹ 5,19,336/-	₹ 46,15,776/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 28,800/-	₹ 28,800/-	₹ 57,600/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option (details if issued at a discount as well as the period over which accrued and over which exercisable)	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify...			

Board's Report (Contd.)

(Amount in ₹)

S. No	Particulars of Remuneration (per annum)	Name of MD/WTD/Manager		
		Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha	Total
5	Others, please specify			
	(i) Bonus	NIL	NIL	NIL
	(ii) Contribution to PF	₹ 2,81,829/-	₹ 50,400/-	₹ 3,32,229/-
	Total	₹ 44,07,069/-	₹ 5,98,536/-	₹ 50,05,605/-
	Ceiling as per the Act	Within the Ceiling limit	Within the Ceiling limit	Within the Ceiling limit

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year except for the sitting fees paid to them.

The Board in its meeting held on December 14, 2017, approved sitting fees to Directors and subsequently, the shareholders of the Company at the Extraordinary General Meeting held on January 05, 2018, had approved the terms and conditions of appointment.

The Commission, if any paid to Non-Executive Directors including Independent Directors has been approved by the Nomination and Remuneration Committee of the Company in a meeting held on May 28, 2019, for the period of 5 (five) years commencing from the FY 2019-20 up to an amount not exceeding 1% per annum of the net profits of the Company (computed in the manner referred to in Section 198 of the Companies Act, 2013) of the relevant Financial Year and has been approved by the Shareholders within the prescribed limits as stipulated under

Companies Act, 2013 in the 22nd Annual General Meeting of the Company held on August 26, 2019.

No commission was paid for the FY 2020-21.

None of the Non-executive Directors holds any shares of the Company and are not entitled to any Employee Stock Options.

The Details of compensation, service contracts, notice period, severance fee, etc. are mentioned in the terms and conditions of appointment displayed on the website of the Company at <https://wforwoman.com/content/tnc-for-independent-directors/>.

None of our Directors are related to each other.

b) Non-Executive Directors:

Criteria of making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors: There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year except the sitting fees paid to them.

The details of remuneration (Commission and sitting fees) paid to Non-Executive Directors for the FY 2020-21- is provided below:

(Amount in ₹)

Particulars	Mr. Bhaskar Pramanik	Mr. Naresh Patwari	Ms. Neeru Abrol	Ms. Sangeeta Talwar
Commission	Nil	Nil	Nil	Nil
Sitting Fees	12.75	Nil	16.75	13.00

Other details with respect to remuneration

- Fixed Component: Nil
- Performance linked incentives: Nil
- Performance criteria: As per Terms and conditions
- Service contracts: As per terms and conditions
- Notice period: As per terms and conditions
- Severance fees: Nil

Board's Report (Contd.)

GENERAL BODY MEETINGS

The detail of the last three Annual General Meetings and passing of Special Resolutions, are given as follows:-

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Special Resolutions Passed
23 rd Annual General Meeting	Thursday, September 24, 2020 at 2:00 P.M. (IST)	Held through Video Conferencing mode (deemed venue was W-House, 119, Neelagagan towers, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030	<ol style="list-style-type: none"> Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the Company. Approval for Remuneration of Mr. Onkar Singh Pasricha (DIN: 00032290), Chairman and Executive Director of the Company. To approve the alteration of the Object clause of the Memorandum of Association of the Company.
22 nd Annual General Meeting	Monday, August 26, 2019 at 9:00 A.M.	Delhi Karnataka Sangha, Rao Tularam Marg, Sector 12, Rama Krishna Puram, New Delhi, Delhi 110022.	<ol style="list-style-type: none"> Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the Company. Ratification of Pre-IPO TCNS ESOP Scheme 2014-17. Ratification of Pre-IPO TCNS ESOP Scheme 2018-23. Ratification of resolutions passed by the Company for grant of options more than 1% of the issued capital to specified employees under TCNS ESOP Scheme 2018-23. Amendment in TCNS ESOP Scheme 2018-23.
21 st Annual General Meeting	Thursday, July 5, 2018 at 5:00 P.M.	119 and 127, W House, Neelgagan Towers-II New Mangla Puri, Chattarpur, Mehrauli, New Delhi-110030.	Nil

Extraordinary General Meeting: Apart from the 23rd Annual General Meeting, no other General Meeting was held during the FY 2020-21.

Postal Ballot

The Company has not passed any resolution through postal ballot during the FY 2020-21.

None of the special businesses proposed to be transacted in the ensuing Annual General Meeting is required through postal ballot.

Related Party Disclosures

There is no subsidiary or parent/holding company of the Company.

There were no materially significant related party transaction that may have any potential conflict with interest of the Company at large.

The Company has a policy on material related party transactions and the same is available on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Risk Management Policy

The Company has a Risk Management policy and an internal control framework, which is used to manage risks. The policy is displayed on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Code of Conduct

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management of the Company to whom the code applies. The Code of Conduct has also been posted at the website of the Company at <https://wforwoman.com/content/lodr-policies/>. The affirmation by the Managing Director that the Code of Conduct has been complied with by the Board of Directors and Senior Management is given as a part of this report.

Board's Report (Contd.)

Prevention of Insider Trading

The Company has formulated and adopted TCNS Insider Trading Policy (including Code of Fair Disclosures) in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy lays down the guidelines, procedures to be followed, and disclosures to be made while dealing with the shares of the Company along with consequences for violation. The policy is formulated to regulate, monitor and ensure reporting of deals by designated persons and maintain the highest level of ethical standards while dealing in the Company's securities. The Company is maintaining a structured digital database as per the requirements of the applicable regulations. The Company's Code of Fair Disclosure is also placed on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

Vigil mechanism and Whistle blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The said policy is updated by the Company during the Financial Year. The updated policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at <https://wforwoman.com/content/lodr-policies/>.

MEANS OF COMMUNICATION

- The quarterly/half yearly/annual results are published in the leading English and Hindi Newspapers (normally Business Standard) and also displayed on the website of the Company at <https://wforwoman.com> where official news releases, financial results, financial highlights, quarterly shareholding pattern and presentations made to institutional investors and analysts are also displayed.
- The Company had quarterly/annual Earnings Calls for the investors of the Company after the declaration of quarterly/annual results. Transcripts/presentations of the quarterly/annual earnings calls/investors meet are displayed on the Company's aforementioned website in the "Investors Relation" section.
- The Management Discussion and Analysis and Financial Highlights are part of the Annual Report.
- All material information about the Company is promptly uploaded on the website of the Stock Exchanges and also sent through e-mail to

the stock exchanges where the shares of the Company are listed.

GENERAL SHAREHOLDERS INFORMATION

- 24th Annual General Meeting through Video Conferencing (VC)/Other Audio Visual Mode (OAVM).
Date: Friday, September 17, 2021.
Time: 02:30 P.M.
Venue: AGM through Video Conferencing/Other Audio Visual Mode. The Registered Office of the Company will be the deemed venue of the Annual General Meeting.

b. Financial Year: April 01, 2020 to March 31, 2021

c. Financial Calendar for 2021-22 (Tentative)

Financial reporting for the first quarter ending June 30, 2021	2 nd week of August 2021
Financial reporting for the second quarter ending September 30, 2021	2 nd week of November 2021
Financial reporting for the third quarter ending December 31, 2021	2 nd week of February 2022
Financial reporting for the year ending March 31, 2022	4 th week of May 2022
Annual General Meeting for the year ended March 31, 2022	In the month of August/September 2022

d. Dividend payment date: No Dividend is recommended to be paid for the FY 2020-21

e. Listing of Shares

The Equity shares of the Company are currently listed at the following Stock exchanges w.e.f. July 30, 2018:

Bombay Stock Exchange Limited

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

Scrip code: 541700

National Stock Exchange of India Limited

"Exchange Plaza", Bandra-Kurla Complex Bandra (E), Mumbai-400 051

Scrip Code: TCNSBRANDS

ISIN No. INE778U01029

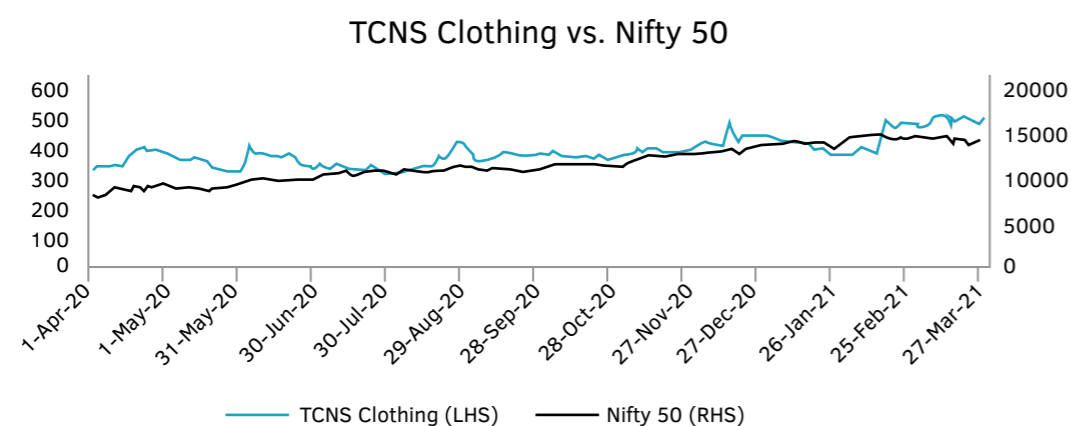
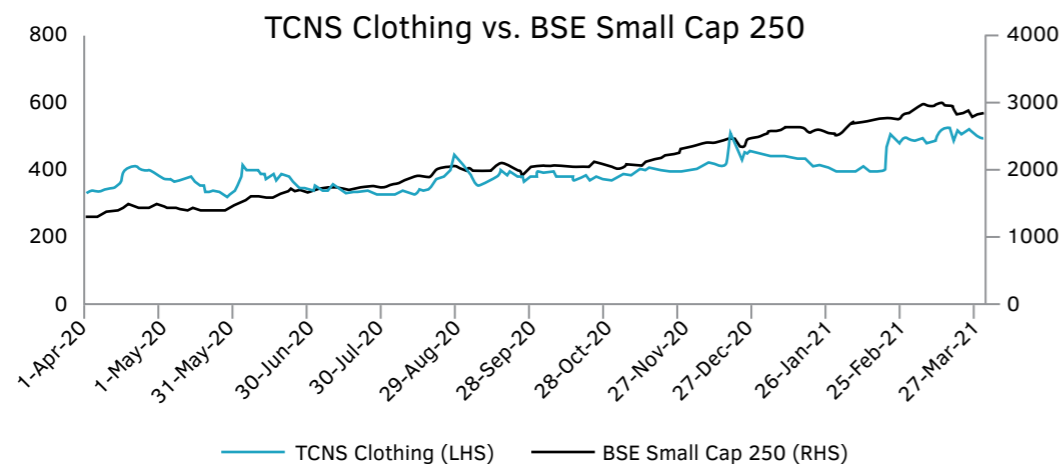
It is hereby confirmed that the Annual Listing fees for the period April 01, 2021 to March 31, 2022 has been paid to both the Stock Exchanges.

Board's Report (Contd.)

f. Stock Market Data:

Stock Exchange Month	BSE Limited		National Stock Exchange of India Limited	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April 2020	425.0	302.0	435.0	321.0
May 2020	412.0	315.7	394.3	315.1
June 2020	438.7	333.3	440.0	328.0
July 2020	370.0	322.0	371.9	323.2
August 2020	469.0	327.0	463.9	326.0
September 2020	441.9	351.2	442.0	350.0
October 2020	408.8	361.2	406.0	365.2
November 2020	417.0	362.0	418.6	367.4
December 2020	554.6	353.7	555.0	395.1
January 2021	460.0	396.5	460.0	396.4
February 2021	518.7	394.8	517.8	392.0
March 2021	564.6	477.2	561.2	475.0

g. Performance in comparison to the Broad based indices:



All the Equity shares of the Company are in the dematerialised form except six (6) shares as on March 31, 2021. The shares of the Company are traded on the Stock Exchanges in dematerialised form only.

Board's Report (Contd.)

h. Information regarding Dividend Payment

The Company has not paid any dividend in last eight (8) Financial Years and accordingly there is no amount liable to be transferred to Investor Education and Protection Fund ("IEPF").

i. Registrar and Transfer Agent

The work related to share transfer registry in terms of both physical and electronic mode is being dealt with by M/s Kfin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) as per address given below:

Kfin Technologies Private Limited
Selenium Tower B,
Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad-500032
Tel: +91-40-67162222

Toll Free No: + 1800-309-4001, Fax: +91-40-67161500

E-Mail: einward.ris@kfintech.com

Website: www.kfintech.com

j. Statutory Auditors

Deloitte Haskins and Sells LLP (Firm Reg. No. 117366W/W-100018), Tower B, 7th Floor, Building 10, DLF Cyber City, DLF Phase 2, Gurugram, Haryana 122002.

k. Share Transfer System

SEBI vide its press release dated March 27, 2019, amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from April 01, 2019. The Company obtains a half-yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges.

l. Distribution of shareholding of shares of the Company as on March 31, 2021

Category (Amount)	No. of shareholders	% of Total	No. of Shares	Paid-up capital (in ₹)	% of Total
1-5,000	15,241	99.00	9,26,166	18,52,332	1.51
5,001- 10,000	47	0.31	1,70,255	3,40,510	0.28
10,001- 2,0000	26	0.16	1,92,099	3,84,198	0.31
20,001- 30,000	7	0.05	87,804	1,75,608	0.14
30,001- 40,000	4	0.03	70,114	1,40,228	0.11
40,001- 50,000	6	0.04	1,41,998	2,83,996	0.23
50,001- 1,00,000	14	0.09	5,34,931	10,69,862	0.87
1,00,001 & Above	49	0.32	5,93,99,132	11,87,98,264	96.55
Total	15,394	100	6,15,22,499	12,30,44,998	100

m. Dematerialisation of shares

As on March 31, 2021, the issued Equity Capital of the Company comprises of 6,15,22,499 Equity Shares, out of which six (6) shares comprising 0.00% of the issued equity capital is in physical form. Out of six (6) shares held in physical form, the Company has not received any re-materialisation request during the year under review. The rest of equity shares are held in dematerialised form.

SEBI vide its press release dated March 27, 2019, amended Regulation 40 of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from April 01, 2019. The Company has specifically communicated to the shareholder holding the shares in physical form about the above regulation and a constructive notice is also placed on the website of the Company at <https://wforwoman.com/content/investor-relation/>.

Board's Report (Contd.)

n. Outstanding GDR's/ADR's/Warrants or any other Convertible Instruments, Conversion dates and likely impact on equity

The Company has not issued any GDR's/ADR's/Warrants or any other Convertible Instruments during the year.

o. Commodity Price Risk or foreign exchange risk and hedging activities

The details for the same have been provided in the Notes to Financial Statements of the Company for the FY 2020-21.

p. Plant/Warehouse locations

S No	Address
1.	Khasra No. 97/16/1, 17/18/19/22-23, Village Dhankot, Gurugram, Haryana -122505
2.	Khasra No. 522 Min., Extended abadi of Jonapur Village, Tehsil Mehrauli, New Delhi
3.	234, Udyog Vihar, Phase 1, Gurugram - 122016
4.	Khasra No. 45//16 Min, 46//11 Min, 12, 19, 20 Min, Village Chhawan, Tehsil Pataudi District Gurugram, Haryana

q. Address for Correspondence

Registered Office: 119, New Manglapuri, W-House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030

Telephone No: 011-42193193/011-42193176

Corporate Office: 119 and 127, New Manglapuri, W-House, Mandi Road, Sultanpur, Mehrauli, New Delhi- 110030.

Telephone No: 011-42193193/011-42193176

r. Name, Address and Contact Numbers of the Compliance Officer and Company Secretary

Mr. Piyush Asija, Company Secretary and Compliance Officer.

119, New Manglapuri, W-House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030.

Contact No: 011-42193193/011-42193176

Email: investors@tcnsclothing.com

Company's website address: www.wforwoman.com

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository.

s. Credit Rating

During the FY 2020-21, the Company has obtained a credit rating from Crisil on May 12, 2020 which was later revised on July 14, 2020 as follows:

Total Bank Loan Facilities Rated	₹ 75 Crore
Long Term Rating	CRISIL A+/Negative (A+ rating retained is similar to previous year) Outlook reduced from "Stable" to "Negative" due to disruption caused by Covid-19 pandemic.
Short Term Rating	CRISIL A1+ (A1+ rating retained is similar to previous year)

t. Other Disclosures

a) During the FY 2020-21, there was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.

b) There were no non-compliance by the Company and no penalties, strictures and compounding were imposed on the Company by the stock exchanges or any other statutory authority on any matter related to capital markets during the last three years.

c) Whistle Blower Policy and Vigil Mechanism
The Company has formulated a Whistle Blower Policy and Vigil Mechanism, with an aim to deter and detect misconduct and to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place, are raised at an early stage in a responsible and confidential manner. It is also affirmed that no member or employee has been denied access to the Audit Committee and the Whistle Blower Officer. The Audit Committee reviews the mechanism and all Whistle Blower complaints and investigations at all its meetings. The Whistle Blower Policy has also been posted at the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

d) Compliance with mandatory and non-mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

Board's Report (Contd.)

a. Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

b. Non-mandatory Requirements

The Company has adopted following discretionary requirements of Regulation 27(1) of the Listing Regulations:

i. Reporting of Internal Auditors: The Internal Auditors reports to the Audit Committee.

e) Policy on related party transactions.

To comply with the provisions of Section 188 of the Act, and Rules made thereunder read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company took necessary prior approval of the Audit Committee and the Board before entering into related party transactions. All contracts /arrangements/transactions entered into by the Company with related parties, as defined under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the FY 2020-21 were in the ordinary course of business and on arm's length basis. Your Company has framed a Policy on Related Party Transactions in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the amended provisions of the Act. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The policy is uploaded on the website of the Company at <https://wforwoman.com/content/lodr-policies/>.

The Related Party Transaction Policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions as approved by the Board. A Statement of

all related party transactions is presented before the Audit Committee on a quarterly basis for review and prior/omnibus approval is also obtained for the entire year, specifying the nature, value and terms and conditions of the transactions.

None of the transactions with the related parties fall under the scope of Section 188(1) of the Companies Act, 2013.

The details of Related Party transactions pursuant to Section 134(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are forming part of Notes to Account and also given in **Annexure 'K'**.

f) Policy for Determination of Material Subsidiary and Governance of Subsidiaries can be accessed at <https://wforwoman.com/content/lodr-policies/>. There is no subsidiary company.

g) During the FY 2020-21, the Company had no exposure to foreign exchange risk.

h) The Company has not raised funds through preferential allotment or qualified institutions. During the year, allotments have been made to employees under the TCNS Employee Stock Option Scheme.

i) Total fees for all services paid by the listed entity, to the statutory auditor during the year: The Company has paid to Deloitte Haskins and Sells LLP, the Statutory Auditors, the following amounts:

Statutory Audit Fee: ₹ 6.00 Mn.

Other Fees including reimbursement of expenses: ₹ 3.16 Mn.

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

To comply with provisions of Section 134 of the Act and Rules made there under, your Company has duly constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee constitutes of the following members:

Board's Report (Contd.)

S. No.	Name of the Committee Member	Position
1.	Ms. Aarti Ahuja	Chairperson
2.	Mr. Amit Chand	Member
3.	Ms. Sarmistha Patel	Member
4.	Mr. Anuj Sharma	Member (External NGO- Legal)

- Number of complaints filed during the Financial Year: 2
- Number of complaints disposed of during the Financial Year: 2
- Number of complaints pending as on end of the Financial Year: 0

Note: There is one case of alleged discrimination which is pending resolution as on March 31, 2021 before the National Commission of Women.

k) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: Not Applicable. As per Clause 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.

i) Secretarial Audit

During the year, the Board of Directors of the Company had appointed Sanjay Grover & Associates, Practicing Company Secretaries (Firm Registration No.: P2001DE052900) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed there under and to provide Secretarial Compliance Report pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2020-21. The report is forming part of the Annual Report as Annexure 'J'.

For and on behalf of Board of Directors

Sd/-
ANANT KUMAR DAGA
Managing Director
DIN: 07604184

Place: New Delhi
Date: June 21, 2021

CERTIFICATE UNDER PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ON QUALIFICATION OF DIRECTORS

A 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 has been issued pursuant to Schedule V, Part C, Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Sanjay Grover & Associates, Company Secretaries (Firm Registration No.: P2001DE052900) is forming part of this report as **Annexure 'I'**.

CERTIFICATE ON CORPORATE GOVERNANCE

As required by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Certificate on Corporate Governance from Sanjay Grover & Associates, Practicing Company Secretaries, Firm Registration No.: P2001DE052900 is forming part of this Report as **Annexure 'II'**.

MANAGING DIRECTOR (MD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Managing Director and CFO certification as stipulated in the Regulation 17(8) of Listing Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2021. The Board reviewed and took note of the same. The said certificate is forming part of this Report as **Annexure 'III'**.

DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

All the members of the Board, KMP (Key Managerial Personnel) and Senior Management have affirmed compliance to the Code of Conduct for the FY 2020-21.

Sd/-
ONKAR SINGH PASRICHA
Chairman & Executive Director
DIN: 00032290

Board's Report (Contd.)

ANNEXURE I

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 of

TCNS CLOTHING CO. LIMITED

119, New Manglapuri, W House Mandi Road,
Sultanpur, Mehrauli, New Delhi - 110030

- TCNS Clothing Co. Limited (CIN: L99999DL1997PLC090978) is having its registered office at 119, New Manglapuri, W House Mandi Road, Sultanpur, Mehrauli New Delhi-110030 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 ("the Act") which were provided on e-mail due to prevailing lockdown (Covid-19) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2021 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 statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr. Onkar Singh Pasricha	00032290	December 03, 1997
2.	Ms. Sangeeta Talwar	00062478	December 14, 2017
3.	Mr. Bhaskar Pramanik	00316650	December 14, 2017
4.	Ms. Neeru Abrol	01279485	December 14, 2017
5.	Mr. Naresh Patwari	03319397	August 18, 2016
6.	Mr. Anant Kumar Daga	07604184	September 07, 2016

- Ensuring the eligibility of 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.
- This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
MOHINDER PAUL KHARBANDA
Partner
CP No.:22192
FCS No. 2365
UDIN: F002365C000420387

Date: June 04, 2021
Place: New Delhi

Board's Report (Contd.)

ANNEXURE II

Corporate Governance Certificate

To
The Members
TCNS Clothing Co. Limited

We have examined the compliance of conditions of Corporate Governance by TCNS Clothing Co. Limited ("the Company"), for the Financial Year ended March 31, 2021, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. 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 under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
MOHINDER PAUL KHARBANDA
Partner
CP No.:22192
FCS No. 2365
UDIN: F002365C000420387

Date: June 04, 2021
Place: New Delhi

Board's Report (Contd.)

ANNEXURE III

MD and CFO Certification

To
The Board of Directors of TCNS Clothing Co. Limited

- A. We have reviewed the financial statements for the fourth quarter and Financial Year ended on March 31, 2021 and to best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading ;and
 - ii) These statements together present a true and fair view of company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief no transactions entered into by company, during the fourth quarter and Financial Year ended March 31, 2021, are fraudulent, illegal or violative of Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee, steps have taken to rectify these deficiencies.
- D. We have indicated to Auditors and Audit Committee:
- i) There has not been any significant change in internal control over financial reporting during the quarter;
 - ii) there has not been any significant change in accounting policies during the quarter ;requiring disclosure in the notes to financial statements; and
 - iii) We are not aware of any instances during the quarter of significant fraud with involvement therein of the management or any employee having a significant role on Company's internal control system over financial reporting.

Sd/-
AMIT CHAND
Chief Financial Officer

Sd/-
ANANT KUMAR DAGA
Managing Director
DIN: 07604184

Date: June 21, 2021
Place: New Delhi

Board's Report (Contd.)

ANNEXURE 'J' TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,
The Members

TCNS CLOTHING CO. LIMITED

(CIN: L99999DL1997PLC090978)

119, New Manglapuri, W House Mandi Road,
Sultanpur, Mehrauli, New Delhi- 110030

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

We report that-

- a) 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.
- b) 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 test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report 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.
- g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to COVID-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

Board's Report (Contd.)

- (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 (Share Based Employee Benefits) Regulations, 2014;
- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015.

* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with. Further, the Company was also generally regular on filings with the stock exchanges and registrar of companies. During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

- (vi) The Company is engaged in the business of designing, manufacturing, branding and retailing of apparel and apparel accessories through chain of retail stores. As informed by the Management, there is no sector specific law applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman director. There were no changes in the composition of the Board of Directors that took place during the audit period.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further Report that during the period under review the Company allotted 47,625 equity shares to identified and eligible employees pursuant to the exercise of the options under TCNS ESOP Scheme 2014-17.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
MOHINDER PAUL KHARBANDA
Partner
CP No.:22192
FCS No. 2365
UDIN: F002365C000490281

Date: June 21, 2021
Place: New Delhi

Board's Report (Contd.)

ANNEXURE 'K' TO THE 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 arm's length transactions under third proviso thereto:

Sr. No.	Particulars		
(a)	Name(s) of the related party and nature of relationship	TCNS Limited Group Company with Common Director.	Mr. Saranpreet Pasricha Relative (Son) of Chairman and Executive Director.
(b)	Nature of contracts/arrangements/transactions	Job Work and Capex purchase at written down value.	Head (International Business)
(c)	Duration of the contracts/arrangements/transactions	On-going	As per the terms of appointment
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	At arms - length and in ordinary course of business. An omnibus approval of 750 Mn. by way of a shareholders approval obtained though it is not a material related transaction.	As per the terms of appointment maximum permissible compensation of ₹ 1 Mn. per month shall be paid.
(e)	Justification for entering into such contracts or arrangements or transactions	NA	Mr. Saranpreet Pasricha has requisite experience, skills and qualifications for the role. Remuneration is in line with industry.
(f)	Date(s) of approval by the Audit Committee/Board, if any:	June 20, 2020	June 20, 2020
(g)	Amount i. paid as advances, if any: ii. transaction during the year	NIL ₹ 61.8 Mn.	NIL ₹ 2.79 Mn.
(h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188	Not Applicable	Not Applicable

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(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 of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188	

Board's Report (Contd.)

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS.

(a)	Name(s) of the related party and nature of relationship:	Not Applicable
(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)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

All related party transactions are in the ordinary course of business and on arm's length basis and are approved by Audit Committee of the Company. During the year, the Company has entered into related party transaction with group company TCNS Limited (Group Company) and Mr. Saranpreet Pasricha (relative of the Chairman).

Sd/-
ANANT KUMAR DAGA
Managing Director
DIN: 07604184

Sd/-
ONKAR SINGH PASRICHA
Chairman & Executive Director
DIN: 00032290

Place: New Delhi
Date: June 21, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TCNS CLOTHING CO. LIMITED (FORMERLY KNOWN AS TCNS CLOTHING CO. PRIVATE LIMITED)

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **TCNS CLOTHING CO. LIMITED (Formerly known as TCNS CLOTHING CO. PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 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 March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the 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 Responsibility for the Audit of the 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 ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

EMPHASIS OF MATTER

We draw attention to Note 42 of the financial statements, which describes the possible effects of uncertainties relating to COVID-19 pandemic on the Company's operations and financial results for the year ended March 31, 2021.

Our report on the financial statements is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 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 matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Determination of provision for obsolescence and slow moving inventories (refer note 2.17 and 10 to the Financial Statements)</p> <p>Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses as considered necessary.</p> <p>As at March 31, 2021, the Company held inventories of INR 2,780.53 million net of provision of INR 917.71 million.</p>	<p>Principal audit procedures:</p> <p>We have:</p> <ul style="list-style-type: none"> Obtained understanding and evaluated the design, implementation and tested the operating effectiveness of management's controls over the valuation of inventories including the identification of slow moving/obsolete inventories and determining the net realisable value of such inventories;

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
<p>The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory around the period end.</p> <p>As a result, the management applies estimates in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations, depending upon the category of goods.</p> <p>We identified such estimation process for old inventories as key audit matter due to material account balance.</p>	<ul style="list-style-type: none"> On sample basis, verified that the inventories of finished goods are valued at lower of the cost or net realisable value. Assessed the appropriateness of the method of determining the cost of the inventory and the net realisable value; Obtained the working for the provision on slow moving/obsolete inventories and verified the estimate taken for provisioning on the basis of historical trend and re-performed the calculation for the provision computed by the management; Evaluated the reasonability of the basis including historical trend of the management's estimations on the valuation of the slow moving/obsolete inventories and valuation thereof; and Tested the adequacy and appropriateness of the disclosures made in the financial statements in respect of such provision created by the Company.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexures to Board's Report, but does not include the financial statements and our auditor's 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position,

financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

Independent Auditor's Report (Contd.)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 its financial position in its financial statements (Refer Note 32A to the financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 32.3 to the financial statements).
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Note 32.4 to the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SATPAL SINGH ARORA
Partner

(Membership No. 098564)
UDIN No. 21098564AAAABR2003

Place: New Delhi
Date: June 21, 2021

Independent Auditor's Report (Contd.)

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under "Report on other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **TCNS CLOTHING CO. LIMITED (Formerly known as TCNS CLOTHING CO. PRIVATE LIMITED)** ("the Company") as of March 31, 2021 in conjunction with our audit of the 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. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued

by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls 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

Independent Auditor's Report (Contd.)

are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 controls 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 March 31, 2021, based on the internal financial controls 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SATPAL SINGH ARORA
Partner

(Membership No. 098564)

UDIN No. 21098564AAAABR2003

Place: New Delhi

Date: June 21, 2021

Independent Auditor's Report (Contd.)

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

- (i) In respect of its Property, Plant and Equipment (fixed assets):
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular plan of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals other than goods in transit for which subsequent receipts have been verified and no material discrepancies were noticed on physical verification. In case of inventories lying with the third parties, confirmations have been received by the Management for stock held at the year-end and no material discrepancies were noticed in respect of such confirmations.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in
- c) Details of dues of Income-tax and Sales tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount (in Rs. million)*
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010 - 2011 2011 - 2012	2.70
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2012 - 13	1.17
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	2013 - 14	5.72
Sales Tax/ Value Added Tax laws	Entry Tax	Assessing Officer	2015 - 2016 2017 - 2018	1.74

the Register maintained under Section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Also refer to the note 32.5 to the financial statements regarding management assessment on certain matters relating to provident fund.
- b) There are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

Independent Auditor's Report (Contd.)

Sales Tax/ Value Added Tax laws	Sales Tax	Objection hearing authority, Value Added Tax	2006 - 2007 2009 - 2010 2014 - 2015 2015 - 2016 2016 - 2017	9.35
Sales Tax/ Value Added Tax laws	Sales Tax	The Assistant Commissioner, Trade and Tax Department	2007 - 2008 2008 - 2009	1.26
Sales Tax/ Value Added Tax laws	Sales Tax	Appellate Tribunal of Value Added Tax, Trade and Tax Department	2010 - 2011 2013 - 2014	0.16

*Net of Rs Nil paid under protest.

We have been informed that there are no dues of Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2021 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan or borrowings from government or financial institutions and government nor has issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer or term loans during the year and hence reporting under clause (ix) of the CARO 2016 is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
- (xv) 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 them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SATPAL SINGH ARORA

Partner

(Membership No. 098564)

UDIN No. 21098564AAAABR2003

Place: New Delhi

Date: June 21, 2021

BALANCE SHEET

As at March 31, 2021

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4(a)	307.42	397.29
(b) Capital work-in-progress	4(b)	5.12	21.17
(c) Right-of-use assets	4(c)	2,686.39	3,083.64
(d) Other intangible assets	5	20.95	36.33
(e) Financial assets			
Other financial assets	6	444.49	479.58
(f) Deferred tax assets (net)	7	549.81	349.70
(g) Income tax assets (net)	8	102.98	455.20
(h) Other non-current assets	9	30.04	28.93
Total non-current assets		4,147.20	4,851.84
2. Current assets			
(a) Inventories	10	2,780.53	3,301.90
(b) Financial assets			
(i) Investments	11	1,723.67	1,180.75
(ii) Trade receivables	12	1,648.40	1,756.20
(iii) Cash and cash equivalents	13	146.48	529.44
(iv) Bank balances other than (iii) above	14	2.82	2.80
(v) Other financial assets	6	3.62	37.12
(c) Other current assets	9	288.71	315.77
Total current assets		6,594.23	7,123.98
Total assets		10,741.43	11,975.82
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	15	123.05	122.95
(b) Other equity	16	5,996.79	6,477.05
Total equity		6,119.84	6,600.00
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4(c)	2,631.66	2,994.52
(ii) Other financial liabilities	18	50.14	66.75
(b) Provisions	19	124.18	122.41
(c) Other non-current liabilities	20	7.98	4.62
Total non-current liabilities		2,813.96	3,188.30
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	53.58	-
(ii) Lease liabilities	4(c)	619.23	625.02
(iii) Trade payables			
(a) total outstanding dues of micro and small enterprises	21	208.75	289.78
(b) total outstanding dues of other than micro enterprises and small enterprises	21	703.00	933.16
(iv) Other financial liabilities	18	71.88	76.91
(b) Provisions	19	3.80	3.04
(c) Income tax liabilities (net)	22	42.74	57.47
(d) Other current liabilities	20	104.65	202.14
Total current liabilities		1,807.63	2,187.52
Total liabilities		4,621.59	5,375.82
Total equity and liabilities		10,741.43	11,975.82

See accompanying notes forming part of these financial statements 1-43

In terms of our report attached

For and on behalf of the Board of Directors of TCNS Clothing Co. Ltd.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration Number: 117366W/W-100018)

Satpal Singh Arora

Partner

(Membership No. 098564)

Onkar Singh Pasricha

Chairman

DIN : 00032290

Amit Chand

Chief Financial Officer

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : June 21, 2021

Place : New Delhi

Date : June 21, 2021

STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2021

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Revenue from operations	23	6,355.36	11,486.67
2. Other income	24	489.89	211.39
3. Total income (1+2)		6,845.25	11,698.06
4. Expenses			
(a) Cost of materials consumed	25	2,204.57	4,506.82
(b) Purchases of stock-in-trade		80.18	93.15
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	438.95	(576.68)
(d) Employee benefits expense	27	1,213.90	1,575.90
(e) Finance costs	28	364.53	381.89
(f) Depreciation and amortisation expense	29	919.14	1,031.51
(g) Other expenses	30	2,393.36	4,024.84
Total expenses		7,614.63	11,037.43
5. Profit/(loss) before tax (3-4)		(769.38)	660.63
6. Tax expense:			
- Current tax	31	-	180.79
- Adjustment for tax related to earlier years	31	-	(243.66)
- Deferred tax expense/(credit)	7	(205.55)	29.38
Total tax expense		(205.55)	(33.49)
7. Profit/(loss) for the year (5-6)		(563.83)	694.12
8. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Re-measurement of the defined benefit liability		21.62	(13.33)
(b) Tax related to above item	31	(5.44)	3.35
Total other comprehensive income / (expense) for the year (net of tax)		16.18	(9.98)
9. Total comprehensive income/(loss) for the year (7+8)		(547.65)	684.14
Earnings per equity share (Face value of ₹ 2 each):			
Basic (in ₹)	34	(8.85)	10.85
Diluted (in ₹)	34	(8.85)	10.84

See accompanying notes forming part of these financial statements 1-43

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Piyush Asija

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : June 21, 2021

Place : New Delhi

Date : June 21, 2021

CASH FLOW STATEMENT

For the year ended March 31, 2021

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(769.38)	660.63
Adjustments for		
Depreciation and amortisation expense	919.14	1,031.51
Re-measurement of defined benefit liability	21.62	(13.33)
Interest and dividend income on financial assets	(14.96)	(105.55)
Gain on sale of financial assets	(16.05)	(10.43)
Finance costs	364.53	381.89
Loss on plant and equipment sold / scrapped / written off	27.48	28.30
Allowance for expected credit loss	73.88	44.38
Lease liability written back	(49.01)	(52.58)
Gain on fair valuation of financial assets	(28.55)	(0.35)
Share based payments to employees	60.59	86.92
Operating profit before working capital changes	589.29	2,051.39
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	521.37	(561.07)
Trade receivables	33.93	6.67
Other financial assets	35.10	29.40
Other assets	29.53	(32.70)
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	(10.58)	3.64
Other liabilities	(94.12)	(39.94)
Provisions	2.53	45.59
Trade payables	(311.19)	72.97
Cash flow from operations	795.86	1,575.96
Less: Income tax paid (including tax deducted at source)	337.49	(266.32)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,133.35	1,309.64
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment (including capital work-in-progress and capital advances)	(101.40)	(324.43)
Capital expenditure on intangible assets	(8.35)	(3.95)
Proceeds from sale of property, plant and equipment	3.83	13.63
Purchase of current investments	(1,716.05)	(4,613.45)
Proceeds from sale of current investments	1,201.69	4,810.57
Proceeds from maturity of bank deposits	-	12.44
Interest and dividend received	64.48	79.91
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(555.80)	(25.27)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from current borrowings (net)	53.58	-
Repayment of non-current borrowings	-	(2.18)
Proceeds from shares issued on exercise of employee stock options	6.90	45.52
Payment on account of lease liabilities (including interest on lease liability)	(995.77)	(1,006.68)
Interest paid	(25.22)	(7.22)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(960.51)	(970.56)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(382.96)	313.81
Cash and cash equivalents at the beginning of the year	529.44	215.63
Cash and cash equivalents as at the year-end*	146.48	529.44
* Cash and cash equivalents at the end of the year comprises		
- Cash on hand	3.49	2.15
- Balances with banks		
In current accounts	5.01	27.29
In deposit accounts	137.98	500.00
	146.48	529.44

See accompanying notes forming part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors of TCNS Clothing Co. Ltd.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration Number: 117366W/W-100018)

Satpal Singh Arora

Partner

(Membership No. 098564)

Onkar Singh Pasricha

Chairman

DIN : 00032290

Amit Chand

Chief Financial Officer

Place : New Delhi

Date : June 21, 2021

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : June 21, 2021

STATEMENT FOR CHANGES IN THE EQUITY

For the year ended March 31, 2021

(All amounts in ₹ million except otherwise specified)

a. Equity share capital (refer note 15)

Particulars	Amount
Balance as at April 1, 2019	122.65
Changes in equity share capital during the period	0.30
Balance as at March 31, 2020	122.95
Changes in equity share capital during the period	0.10
Balance as at March 31, 2021	123.05

b. Other equity (refer note 16)

Particulars	Reserves and surplus				Total
	General Reserve	Securities premium	Share option outstanding account	Retained Earnings	
Balance as at April 1, 2019	29.60	3,234.33	488.58	2,310.45	6,062.96
Recognition of share based payments	-	-	86.92	-	86.92
Additions during the year	-	45.22	-	-	45.22
Transfer in respect to share option exercised during the year	-	17.84	(17.84)	-	-
Transition impact of Ind AS116 (net of tax) (Refer note 4(c)(i))	-	-	-	(402.19)	(402.19)
Profit for the year	-	-	-	694.12	694.12
Re-measurement of defined benefit plan (net of tax)	-	-	-	(9.98)	(9.98)
Balance as at March 31, 2020	29.60	3,297.39	557.66	2,592.40	6,477.05
Recognition of share based payments	-	-	60.59	-	60.59
Additions during the year	-	6.80	-	-	6.80
Transfer in respect to share option exercised during the year	-	8.18	(8.18)	-	-
Loss for the year	-	-	-	(563.83)	(563.83)
Re-measurement of defined benefit plan (net of tax)	-	-	-	16.18	16.18
Balance as at March 31, 2021	29.60	3,312.37	610.07	2,044.74	5,996.79

See accompanying notes forming part of these financial statements

1-43

In terms of our report attached

For and on behalf of the Board of Directors of TCNS Clothing Co. Ltd.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration Number: 117366W/W-100018)

Satpal Singh Arora

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Place : New Delhi

Date : June 21, 2021

Place : New Delhi

Date : June 21, 2021

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

1. GENERAL INFORMATION

TCNS Clothing Co. Private Limited ("the Company") was incorporated in India and having its registered office at, 119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030.

The Company is primarily engaged in the business of women apparels and accessories under the brand name "W", "Aurelia", "Wishful" and "Elleven".

A fresh certificate of incorporation consequent to the change in name to TCNS Clothing Co. Limited was issued by the Registrar of Companies Delhi on January 19, 2018 under section 18 of the Companies Act, 2013 to give effect to the change in name of the Company. During the year ended March 31, 2019, the Company had completed the initial offering through an offer for sale of equity shares by certain selling shareholders. The equity shares of the Company were listed on National Stock Exchange ("NSE") and BSE Limited ("BSE") with effect from July 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2. Impact of the Initial application of new and amended Ind ASs that are effective for the current year

During the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 1, 2020.

2.2.1 Amendments to Ind AS-1 and Ind AS-8 - Definition of "material"

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of "obscuring" material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence". The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other standards that contain the definition of "material" or refer to the term "material" to ensure consistency.

The adoption of the amendments has not had any material impact on disclosures or on the amounts reported in these standalone financial statements.

2.2.2 Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

(a) The change in lease payments results in revised consideration for the lease that is substantially the

Notes forming part of the Financial Statements

For the year ended March 31, 2021 (Contd.)

same as, or less than, the consideration for the lease immediately preceding the change;

- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures (Refer note 24)

2.3. Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.4. Functional and presentation currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.5. Operating Cycle

All assets and liabilities have been classified as current or non-current 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 the 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 non-current classification of assets and liabilities.

2.6. Offsetting financial instruments

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

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

insolvency or bankruptcy of the Company or the counterparty.

2.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.7.1 Sale of goods

The Company derives revenue from Sale of Goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognise revenues when a performance obligation is satisfied.

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing various factors such as whether the Company has exposure to the risk of unsold inventory, if it has price latitude and exposure to credit risk associated with the sale of goods.

The Company has concluded that certain arrangements with its business partner, where the Company has an unconditional obligation relating to unsold inventory, are on principal to agent basis and for other cases the Company has concluded that its arrangements with business partners are on principal to principal.

The transfer of control of promised goods as above, generally coincides with the delivery of goods to customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.
- For business partner acting as agent, revenue is recognised once goods are sold by business partner to end-customers.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and services tax (GST).

Under the Company's standard contract terms, customers have a right of return goods as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return; consequently, the Company recognises a right-to-returned-goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

2.7.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

asset to that asset's net carrying amount on initial recognition.

2.7.3 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2.8. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises Right-Of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

2.9. Foreign currency transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss and reported within foreign exchange gains / (losses).

2.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11. Employee benefits

Company's Employee benefit obligations include Short-term obligations, compensated absences and Post-employment obligations which includes gratuity plan and contributions to provident fund.

2.11.1. 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 recognised 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.

2.11.2. Other long term employee benefits obligation

Compensated absences in form of earned leave and sick 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 expected future payments to be made in respect of services provided by employees up to the end of the 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.11.3. Post-employment obligations

Defined benefit plans

The Company has defined benefit plan namely gratuity. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

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 in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company has defined contribution plans for post-employment benefits namely the provident fund. The Company's contribution thereto is charged to the statement of profit and loss every year. The Company has no further payment obligations once the contributions have been paid.

2.12. Share-based payment to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39 and 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.13. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.13.1. Current tax

The current tax 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 applicable for the respective period.

2.13.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in these financial statements and their tax bases. 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.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

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.

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

2.13.3. 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 current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14. Property, plant and equipment and Capital work-in-progress

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

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 are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.14.1. Depreciation method, estimated useful lives and residual value

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

Depreciation has been provided in accordance with useful lives assessed lower than the life prescribed in Schedule II to the Companies Act, 2013, taking into account the nature of the asset, the estimated usage of the asset, the management's estimates of the useful lives of the various categories of assets are as follows:

Plant and equipment	4 years
Furniture and fixtures	5 years
Office equipment	3 years
Computers	3 years
Vehicles	5 years

Leasehold improvements are amortised on a straight line basis over lease term or 5 years whichever is less.

The assets residual values and useful lives are reviewed and adjusted, if applicable, at the end of each reporting period.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

2.14.2. Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss within other gains / (losses).

2.15. Intangible assets

2.15.1. Intangible assets acquired separately

Intangible assets comprising of computer software acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. They are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on software are expensed in the statement of profit and loss as and when incurred.

2.15.2. Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.15.3. Amortisation method and periods

Intangible assets i.e. software are amortised on a straight line basis over its estimated useful life i.e. 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.16. 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17. Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.18. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

2.19. Financial instruments

Initial Recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Subsequent measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (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 recognised immediately in profit or loss.

2.20. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

2.20.1. Classification of financial assets

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Investments in debt mutual funds are measured at fair value through profit or loss as per the business model and contractual cash flow test.

2.20.2. Impairment of financial assets

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

For other financial assets carried at amortised cost the Company assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.20.3. Derecognition of financial assets

The Company derecognises financial assets in accordance with the principles of Ind AS 109 which usually coincides receipt of payment or write off of the financial asset.

2.21. Financial liabilities and equity instruments

2.21.1. Classification of debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.21.2. Compound Financial Instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in other equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.21.3. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

2.21.4. Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and Commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.21.5. Foreign exchange gains and 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 and loss account.

2.21.6. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.22. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.23. Cash and cash equivalents and Cash Flow Statement

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.24. Segment information

The Company is primarily engaged in the business of women apparel and accessories in India. As the Company's business activity primarily falls within a single business and geographical segment there are no disclosures required to be provided in terms of Ind AS 108 on "Segment Reporting".

3. RECENT ACCOUNTING DEVELOPMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheet:

- (a) Lease liabilities should be separately disclosed under the head "financial liabilities", duly distinguished as current or non-current.
- (b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- (c) Specified format for disclosure of shareholding of promoters.
- (d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (f) Specific disclosure under "additional regulatory requirement" such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, Key Managerial Personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- (a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of financial statements.
- (b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

3A USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed below.

3A.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

3A.2 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations

3A.3 Inventories

The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory around the period end. The management applies judgement in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

3A.4 Employee benefits

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 36.

3A.5 Share-based payments to employees

The fair value of share-based payments to employees determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

value of stock options at the grant date are determined by an independent valuer using assumptions and method determined by the Company.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

3A.6 Taxes

Current tax

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

In arriving at taxable profit and tax bases of assets and liabilities, the Company recognised taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

Deferred tax

Deferred tax is provided on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

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

3A.7 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The Company has considered the internal and external sources of information and economic forecast, upto the date of approval of these financial statements, in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements including capital and financial resources, profitability, liquidity position and supply chain. The Company has used the principles of prudence in applying the judgements, estimates and assumptions and based on current estimates, the Company expects to recover the carrying value of its current and non current assets (Also refer note 42).

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

4(a) PROPERTY, PLANT AND EQUIPMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of :		
Plant and equipment	4.55	1.98
Vehicles	3.59	7.04
Office equipment	22.09	33.33
Computers	9.87	17.50
Furniture and fixtures	92.17	104.43
Leasehold improvements	175.15	233.01
	307.42	397.29

Particulars	Plant and equip- ment	Vehi- cles	Office equip- ment	Com- puters	Furni- ture and fixtures	Lease- hold im- prove- ments	Total
Deemed cost							
Balance as at April 1, 2019	3.56	28.31	112.24	43.05	247.97	467.76	902.89
Additions	2.00	-	19.95	4.79	20.21	75.67	122.61
Disposals / adjustments	(0.30)	-	(18.49)	(8.27)	(42.42)	(94.78)	(164.26)
Balance as at March 31, 2020	5.26	28.31	113.70	39.56	225.76	448.65	861.24
Additions	3.86	-	7.63	5.56	38.25	34.55	89.85
Disposals / adjustments	(0.17)	(4.95)	(14.05)	(5.84)	(73.80)	(66.54)	(165.35)
Balance as at March 31, 2021	8.94	23.36	107.28	39.29	190.21	416.66	785.74
Accumulated depreciation							
Balance as at April 1, 2019	3.08	17.31	69.25	17.13	95.56	164.58	366.91
Depreciation expense	0.20	3.96	28.56	13.13	64.41	127.20	237.46
Disposals / adjustments	-	-	(17.45)	(8.19)	(38.65)	(76.13)	(140.42)
Balance as at March 31, 2020	3.28	21.27	80.37	22.07	121.33	215.64	463.95
Depreciation expense	1.28	3.20	18.08	12.89	45.85	77.11	158.41
Disposals / adjustments	(0.17)	(4.70)	(13.26)	(5.55)	(69.14)	(51.23)	(144.05)
Balance as at March 31, 2021	4.39	19.77	85.18	29.41	98.04	241.52	478.32
Net carrying value							
As at March 31, 2021	4.55	3.59	22.09	9.87	92.17	175.15	307.42
As at March 31, 2020	1.98	7.04	33.33	17.50	104.43	233.01	397.29

Note:

Property, Plant and equipment have been pledged as security against borrowings (Refer note 17)

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

4(b) CAPITAL WORK IN PROGRESS

Particulars	Plant and equip- ment	Vehi- cles	Office equip- ment	Com- puters	Furni- ture and fixtures	Lease- hold im- prove- ments	Total
Balance as at April 1, 2019	-	-	0.15	0.05	0.32	2.31	2.83
Additions	-	-	1.82	0.17	3.10	16.09	21.17
Transfer to Property, plant and equipment	-	-	(0.15)	(0.05)	(0.32)	(2.31)	(2.83)
Balance as at March 31, 2020	-	-	1.82	0.17	3.10	16.09	21.17
Additions	-	-	0.35	0.03	0.65	4.09	5.12
Transfer to Property, plant and equipment	-	-	(1.82)	(0.17)	(3.10)	(16.09)	(21.17)
Balance as at March 31, 2021	-	-	0.35	0.03	0.65	4.09	5.12

Note:

Property, Plant and equipment have been pledged as security against borrowings (Refer note 17)

4(c) RIGHT-OF-USE ASSET AND LEASE LIABILITIES

Particulars	Building
Carrying value	
Balance as at April 1, 2019	-
Recognised on adoption of Ind AS 116	3,341.53
Additions	713.31
Disposals	(270.63)
Balance as at March 31, 2020	3,784.21
Additions	518.30
Disposals	(277.08)
Balance as at March 31, 2021	4,025.43
Accumulated depreciation	
Balance as at April 1, 2019	-
Depreciation expense	770.15
Disposals	(69.58)
Balance as at March 31, 2020	700.57
Depreciation expense	737.02
Disposals	(98.54)
Balance as at March 31, 2021	1,339.04
Net carrying value	
As at March 31, 2021	2,686.39
As at March 31, 2020	3,083.64

Note :

- i) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease.

On transition, the adoption of the new standard resulted in recognition of "Right of Use" asset (ROU) of ₹ 3,341.53 and a lease liability of ₹ 3,959.70 and decrease in Retained Earnings (Other Equity) of ₹ 402.19 (net of Deferred Tax Asset of ₹ 216.01) as at April 1, 2019.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
 - Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
 - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- ii) ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 3-9 years. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

iii) The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020 :

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	619.23	625.02
Non Current lease liability	2,631.66	2,994.52
Total	3,250.89	3,619.55

iv) The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	3,619.55	-
Recognised on adoption of Ind AS 116	-	3,959.70
Addition for new leases	497.90	545.44
Deletions for terminated leases	(210.10)	(253.58)
Interest expense on lease liabilities (Refer note 28)	339.31	374.67
Payment of lease liabilities	(995.77)	(1,006.68)
Balance as at the year end	3,250.89	3,619.55

v) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	1,169.60	1,198.35
One to five years	3,162.05	3,855.46
More than five years	718.33	927.05
Total	5,049.97	5,980.86

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

vi) Rental expenses recorded towards short term and variable lease payments amounts to ₹ 255.16 (Refer note 24 and 30) [March 31, 2020 : ₹ 225.85 (Refer note 30)]

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

5. INTANGIBLE ASSETS

Particulars	Computer Software
Carrying value	
Balance as at April 1, 2019	65.80
Additions	3.95
Disposals / adjustments	(0.26)
Balance as at March 31, 2020	69.49
Additions	8.35
Disposals / adjustments	(0.33)
Balance as at March 31, 2021	77.52
Accumulated amortisation	
Balance as at April 1, 2019	9.52
Amortisation expense	23.90
Disposals / adjustments	(0.26)
Balance as at March 31, 2020	33.16
Amortisation expense	23.71
Disposals / adjustments	(0.31)
Balance as at March 31, 2021	56.56
Net carrying value	
As at March 31, 2021	20.95
As at March 31, 2020	36.33

6. OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits	444.49	479.58
Total	444.49	479.58
Current		
Accrued interest on bank deposits	3.62	37.12
Total	3.62	37.12

Note:

Other financial assets have been pledged as security against borrowings (Refer note 17).

7. DEFERRED TAX ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (a)	579.23	358.80
Deferred tax liabilities (b)	29.42	9.10
Deferred tax assets (net) (a-b)	549.81	349.70

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

Deferred tax assets / (liabilities) in relation to

Particulars	As at April 1, 2020	Rec-ognised in Statement of profit and loss	Rec-ognised in other com-prehen-sive in-come	As at March 31, 2021
a. Deferred tax assets in relation to:				
Provision for employee benefits	31.57	6.08	(5.44)	32.21
Property, plant and equipment and intangible assets	123.98	19.52	-	143.51
Fair value of security deposits given	2.81	2.57	-	5.38
Difference between ROU assets and lease liabilities	177.11	7.94	-	185.05
Loss as per income tax computations available for offsetting against future taxable income (Refer note 41.3)	-	168.66	-	168.66
Others	23.33	21.10	-	44.43
Total	358.80	225.87	(5.44)	579.23
b. Deferred tax liabilities in relation to:				
Others	9.10	20.32	-	29.42
Total	9.10	20.32	-	29.42
Net Deferred tax assets	349.70	205.55	(5.44)	549.81

Particulars	As at April 1, 2019	Rec-ognised in Statement of profit and loss	Rec-ognised in other com-prehen-sive in-come	As at March 31, 2020
a. Deferred tax assets in relation to:				
Provision for employee benefits	27.91	0.31	3.35	31.57
Property, plant and equipment and intangible assets	123.57	0.41	-	123.98
Fair value of security deposits given	4.36	(1.55)	-	2.81
Difference between ROU assets and lease liabilities	-	-	-	216.01
- as on April 01, 2019 (Refer note 4(c)(i))				
- during the year	-	(38.90)	-	(38.90)
Others	8.32	15.01	-	23.33
Total	164.16	(24.72)	3.35	358.80
b. Deferred tax liabilities in relation to:				
Others	4.44	4.66	-	9.10
Total	4.44	4.66	-	9.10
Net Deferred tax assets	159.72	(29.38)	3.35	349.70

8. INCOME TAX ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current income tax assets (net of provision for tax of ₹ 1070.76; March 31, 2020: ₹ 587.18) (Refer Note 41.2)	102.98	455.20
Total	102.98	455.20

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

9. OTHER ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
(a) Capital advances	4.10	0.52
(b) Prepayments	25.94	28.41
Total	30.04	28.93
Current		
(a) Advances to suppliers	2.40	23.13
(b) Balance with government authorities (Goods and services tax input receivable)	233.31	193.43
(c) Prepayments	28.17	37.16
(d) Advances to employees	4.44	6.17
(e) Other advances	1.87	1.47
(f) Right to return good assets (Refer note (ii))	18.52	54.41
Total	288.71	315.77

Note:

- Other assets have been pledged as security against borrowings (Refer note 17).
- The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return under the Company's returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

10. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	190.74	273.16
Work-in-progress	213.81	651.12
Finished goods (including in-transit)	2,314.54	2,342.29
Stock-in-trade	61.44	35.33
Total	2,780.53	3,301.90

Notes:

- The cost of inventories recognised as an expense during the year ended March 31, 2021 is ₹ 2,723.70 (for the year ended March 31, 2020: ₹ 4,023.29).
- The cost of inventories recognised as an expense includes ₹ 187.96 (for the year ended March 31, 2020: ₹ 360.94) in respect of write-downs of inventory to net realisable value.
- Inventories amounting to ₹ 787.41 (As at March 31, 2020: ₹ 1,190.82) are lying with third parties as at the year-end.
- Finished goods includes goods-in-transit amounting to ₹ 70.32 (as at March 31, 2020: ₹ 97.49).
- The mode of valuation of inventory has been stated in note 2.17.
- Inventories have been pledged as security against borrowings (Refer note 17).

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

11. INVESTMENTS

Current

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted Investments (measured at fair value through profit or loss)		
Investments in Mutual Funds	1,723.67	1,180.75
Total	1,723.67	1,180.75
Aggregate amount of unquoted investments	1,723.67	1,180.75

Note:

Investment have been pledged as security against borrowings (Refer note 17).

12. TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good	1,648.40	1,756.20
Unsecured, considered doubtful	139.06	68.18
	1,787.46	1,824.38
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	139.06	68.18
Total	1,648.40	1,756.20

Notes:

- The average credit period on sale of products is 30 to 60 days. No interest is charged on trade receivables on delayed payments.
- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables. The analysis takes into account historical credit loss experience and adjusted for forward looking information.
- Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance as at the beginning of the year	68.18	23.80
Less: amount written off during the year	(3.00)	-
Add: expected credit loss allowance on trade receivables	73.88	44.38
Balance as at the end of the year	139.06	68.18

- Age of receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 180 days	1,787.46	1,772.92
More than 180 days	-	51.46
	1,787.46	1,824.38

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

- Ageing wise % of expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 180 days	0% to 1%	0% to 1%
More than 180 days (net of allowance for doubtful trade receivable)	100%	100%

- There are 2 customers (March 31, 2020: 2 customer) who, represent more than 5% of the total balance of trade receivables
- Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.
- Trade receivables have been pledged as security against borrowings (Refer note 17).

13. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents includes cash on hand and in banks. cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	3.49	2.15
Balance with Banks		
- In current accounts	5.01	27.29
- In demand deposit accounts	137.98	500.00
Total	146.48	529.44

Note:

Cash and cash equivalents have been pledged as security against borrowings (Refer note 17).

14. OTHER BANK BALANCES

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In earmarked deposit accounts against borrowings and guarantees	2.82	2.80
Total	2.82	2.80

Note:

Other bank balances have been pledged as security against borrowings (Refer note 17).

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

15. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorised share capital:				
Equity share capital				
Equity Shares of ₹ 2 each (March 31, 2020: ₹ 2 each) with voting rights	180,000,000	360.00	180,000,000	360.00
Preference share capital				
Preference shares of ₹ 1 each (March 31, 2020: ₹ 1 each)	20,000,000	20.00	20,000,000	20.00
	200,000,000	380.00	200,000,000	380.00
Issued share capital:				
Equity Shares of ₹ 2 each (March 31, 2020: ₹ 2 each) with voting rights	61,522,499	123.05	61,474,874	122.95
	61,522,499	123.05	61,474,874	122.95
Subscribed and Paid-up share capital				
Equity Shares of ₹ 2 each (March 31, 2020: ₹ 2 each) with voting rights	61,522,499	123.05	61,474,874	122.95
Total	61,522,499	123.05	61,474,874	122.95

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number	Amount	Number	Amount
Equity shares with voting rights				
At the beginning of the year	61,474,874	122.95	61,323,124	122.65
Shares issued during the year	47,625	0.10	151,750	0.30
At the end of the year	61,522,499	123.05	61,474,874	122.95

b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Wagner Limited	18,020,119	29.29%	18,020,119	29.31%
Arvinder Singh Pasricha	9,470,671	15.39%	9,470,671	15.41%
Onkar Singh Pasricha	6,752,681	10.98%	6,752,681	10.98%
Nalanda Equity Fund Limited	4,320,661	7.02%	-	-
Anant Daga	3,605,124	5.86%	3,605,124	5.86%
Parmeet Pasricha	3,203,405	5.21%	3,203,405	5.21%
Saif India VI FII Holdings Limited	3,096,571	5.03%	-	-

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

c. Shares reserved for issuance towards outstanding employee stock options granted/available for grant (Refer note 39)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Shares of ₹ 2 each (March 31, 2020: ₹ 2 each) (No. in Mn.)	7.10	7.20

d. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each as at March 31, 2021 (March 31, 2020: ₹ 2 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive 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. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

16. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
General reserve	29.60	29.60
Securities Premium	3,312.37	3,297.39
Share options outstanding account	610.07	557.66
Retained earnings	2,044.75	2,592.40
Total	5,996.79	6,477.05

i) General reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	29.60	29.60
Addition during the year	-	-
Balance as at end of the year	29.60	29.60

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

ii) Securities Premium

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	3,297.39	3,234.33
Issue of shares	6.80	45.22
Transfer from share option outstanding account	8.18	17.84
Balance as at end of the year	3,312.37	3,297.39

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

iii) Share Option outstanding account

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	557.66	488.58
Recognition of share based payments	60.59	86.92
Transfer to securities premium reserve	(8.18)	(17.84)
Balance as at end of the year	610.07	557.66

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. The share options outstanding account is used to recognise the value of equity settled share based payments provided as part of ESOP scheme (Refer note 39).

iv) Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	2,592.40	2,310.45
Transition impact of Ind AS 116 (net of tax) (Refer note 4(c)(i))	-	(402.19)
Profit/(Loss) for the year	(563.83)	694.12
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	16.18	(9.98)
Balance as at end of the year	2,044.75	2,592.40

Retained earnings reflect surplus / deficit after taxes in the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

17. BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
Current borrowings		
Cash credit from bank (Refer note below)	53.58	-
Total	53.58	-

Note:

Cash Credit is secured by hypothecation of entire current assets, non-current assets, movable and immovable assets (Refer note 35).

18. OTHER FINANCIAL LIABILITIES (CARRIED AT AMORTISED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Security deposits received	50.14	66.75
Total	50.14	66.75
Current		
(a) Creditors for capital goods	12.33	23.39
(b) Security deposits received	58.72	51.87
(c) Interest accrued on trade payables (Refer note 21)	0.83	1.65
Total	71.88	76.91

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

19. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for employee benefits:		
(a) Provision for compensated absences	12.74	15.01
(b) Provision for gratuity (Refer note 36)	111.44	107.40
Total	124.18	122.41
Current		
Provision for employee benefits:		
(a) Provision for compensated absences	0.99	1.10
(b) Provision for gratuity (Refer note 36)	2.81	1.94
Total	3.80	3.04

20. OTHER LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Deferred income	7.98	4.62
	7.98	4.62
Current		
(a) Deferred income	5.48	4.88
(b) Advances from customers	14.90	0.87
(b) Statutory dues	39.68	62.83
(c) Refund liability for expected sales return (Refer note below)	44.59	133.56
Total	104.65	202.14

Note :

Other current liabilities include refund liability relating to customers' right to return products as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

21. TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Trade Payables (including acceptances)*		
(a) Total outstanding dues of micro and small enterprises	208.75	289.78
(b) Total outstanding dues other than micro and small enterprises	703.00	933.16
Total	911.75	1,222.94

* Acceptances include arrangements where operational supplier of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days aggregating to ₹ 77.32 (March 31, 2020 : ₹ 125.47).

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

Notes:

- i) The average credit period on purchases of goods and services are within 30 to 75 days.
ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(i) The principal amount remaining unpaid to supplier as at the end of the year	208.75	289.78
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	0.83	1.65
(iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act	3.54	5.41
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	0.83	1.65
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	0.83	1.65

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

22. INCOME TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax liability (net of advance tax and tax deducted at source of ₹ 322.75; March 31, 2020: ₹ 775.04)	42.74	57.47
Total	42.74	57.47

23. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Sale of products (refer note below)	6,354.82	11,485.37
(b) Other operating revenue		
- Duty drawback and export scheme license	0.54	1.30
Total	6,355.36	11,486.67

Note :

Reconciliation of revenue recognised with contract price :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from sale of products (gross) at contract price	6,856.43	12,594.16
Adjustments for:-		
Discount, incentives and refund liabilities as per contract / schemes	(501.61)	(1,108.79)
Net revenue for sale of products	6,354.82	11,485.37

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

24. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest income earned on financial assets that are measured at amortised cost		
- Demand deposits with banks	14.96	0.88
- Security deposits	52.20	39.00
(b) Income earned on financial assets that are measured at fair value through profit or loss		
- Interest income on Debentures	-	8.68
- Dividend income on Liquid Mutual Funds	-	60.16
(c) Others		
- Interest on income tax refund (Refer note 41.2)	-	35.98
- Net gain arising on financial assets designated as at fair value through profit or loss	28.55	0.35
- Net gain on sale of financial assets	16.05	10.43
- Net gain on write back of lease liability	49.01	52.58
- Variable lease rent income (Refer note below)	325.08	-
- Miscellaneous income	4.04	3.33
Total	489.89	211.39

Note :

The Company has benefited from waiver of lease payments on buildings. The waiver of lease payments of ₹ 563.37 has been adjustment against rent expense of ₹ 238.29 (to the extent available) and the net balance amounting to ₹ 325.08 has been disclosed as variable lease rent income (Refer note 2.2.2)

25. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials at the beginning of the year	273.16	288.77
Add: Purchases*	2,122.15	4,491.21
	2,395.31	4,779.98
Less: Raw materials at the end of the year	190.74	273.16
Total	2,204.57	4,506.82
*Including job-work charges	1,121.82	1,989.01
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	80.18	93.15
Total	80.18	93.15

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Closing stock		
- Work-in-progress	213.81	651.12
- Finished goods	2,314.54	2,342.29
- Stock-in-trade	61.44	35.33
	2,589.79	3,028.74
(b) Opening stock		
- Work-in-progress	651.12	669.43
- Finished goods	2,342.29	1,782.63
- Stock-in-trade	35.33	-
	3,028.74	2,452.06
Total	438.95	(576.68)

27. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries and wages	1,029.07	1,341.08
(b) Share based payments to employees (refer note 39)	60.59	86.92
(c) Contribution to provident fund	64.94	74.91
(d) Gratuity expense (refer note 36)	32.23	30.41
(e) Staff welfare expenses	27.07	42.58
Total	1,213.90	1,575.90

28. FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest expenses for financial liabilities (classified at amortised cost)		
- Borrowings	21.19	0.74
- Trade payables	2.73	3.63
- Security deposits	0.97	1.25
(b) Other borrowing costs	0.33	1.60
(c) Interest on lease liabilities (Refer note 4(c)(iv))	339.31	374.67
Total	364.53	381.89

29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Depreciation of property, plant and equipment (Refer note 4(a))	158.41	237.46
(b) Depreciation of right-of-use asset (Refer note 4(c))	737.02	770.15
(c) Amortisation of intangible assets (Refer note 4(d))	23.71	23.90
Total	919.14	1,031.51

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

30. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Power and fuel	49.86	80.63
(b) Rent	16.87	225.85
(c) Repair and maintenance	261.39	239.80
(d) Insurance expenses	7.41	5.41
(e) Rates and taxes	1.29	11.21
(f) Communication expenses	7.19	9.96
(g) Travelling and conveyance	7.24	34.85
(h) Printing and stationery	3.17	4.94
(i) Freight charges	77.00	94.20
(j) Advertisement and sales promotion	134.78	411.89
(k) Donations and contributions	-	0.20
(l) Legal and professional	56.30	73.22
(m) Payments to auditors (Refer note "ii" below)	9.26	12.03
(n) Expenditure on corporate social responsibility (Refer note "i" below)	43.41	25.87
(o) Loss on plant and equipment sold / scrapped / written off (Refer note "iii" below)	27.48	28.30
(p) Selling and distribution expenses	1,595.61	2,690.63
(q) Allowance for expected credit loss	73.88	44.38
(r) Miscellaneous expenses	21.22	31.47
Total	2,393.36	4,024.84

Notes:

(i) **Expenditure on corporate social responsibility**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent by the Company during the year	24.83	27.68
(b) Amount spent on construction/ acquisition of assets	-	-
(c) Amount spent during the year for purposes other than construction/ acquisition of assets	43.41	25.87
(d) Amount paid to related party	-	-

(ii) **Payment to auditors comprise (net of tax input credit, where applicable)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
To statutory auditors :		
(a) For audit (including Limited review)	6.00	7.50
(b) For taxation matters	2.98	2.62
(c) For other services (including certification)	0.10	1.70
(d) Reimbursement of expenses	0.18	0.21
Total	9.26	12.03

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

(iii) Loss on plant and equipment sold / scrapped / written off

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Loss on sale of property, plant and equipment	17.48	10.21
(b) Property, plant and equipment written off	10.00	18.09
Total	27.48	28.30

31. TAX EXPENSE

(i) Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Current tax	-	180.79
(b) Adjustment for tax related to earlier years (Refer note 41.2)	-	(243.66)
(c) Deferred tax (Refer note 41.3)	(205.55)	29.38
Total	(205.55)	(33.49)

(ii) Income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) before tax	(769.38)	660.63
(a) Income tax expense calculated at 25.168% (For the year ended March 31, 2020: 25.168%)	(193.64)	166.27
(b) <u>Effect of expenses that are not deductible in determining taxable profit</u>		
- Corporate social responsibility expenses (Including donations)	10.93	6.51
- Effect of deferred tax balances due to change in income tax rate from 34.944% to 25.168% (Refer note 41.1)	-	106.36
- Others	0.69	4.93
	11.62	117.80
(c) <u>Effect of expenses that are deductible in determining taxable profit</u>		
- Deduction u/s 80JJAA in respect of employment of new employees	(23.53)	(34.96)
- Others	-	(38.93)
	(23.53)	(73.89)
(d) Income tax refund for the assessment year 2017-18 (refer note 41.2)	-	(243.66)
Income tax recognised in profit or loss (a+b+c+d)	(205.55)	(33.49)

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to profit or loss		
- Remeasurement of the defined benefit plans	(5.44)	3.35
Total	(5.44)	3.35

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Contingent Liabilities (for pending litigations)		
Claims against the Company not acknowledged as debts (Refer note 32.1 below)		
- Demand raised by sales tax authorities*	7.75	3.58
- Demand raised by excise authorities	-	3.23
- Demand raised by income tax authorities	9.59	3.87
- Contribution to provident fund under the Employee Provident Fund and Miscellaneous Provisions Act, 1952 (Refer note 32.5 below)	-	-
*net of provisions	4.76	6.31
B. Commitments		
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note 32.2 below)	6.34	3.80

Notes:

- 32.1** No provision is considered necessary since the Company expects favourable decisions.
- 32.2** Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.
- 32.3** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 32.4** There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- 32.5** Based on the legal opinion obtained by the management, there are various interpretation issues in the Supreme Court Judgement in relation to non exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, can not be ascertained.

33. SEGMENT REPORTING

The Company is primarily engaged in the business of women apparels and accessories in India. Accordingly, the Company views its business activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard (Ind AS) 108 - "Operating Segments".

Geographic wise details of Revenue from operations:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within India	6,317.47	11,422.38
Outside India	37.35	62.99

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

Geographic wise details of non-current assets*:

Particulars	As at March 31, 2021	As at March 31, 2020
Within India	3,049.92	3,567.36
Outside India	-	-

* Non-current assets excludes other financial assets, deferred tax assets and tax assets.

There is no single customer who contributes 10% or more to the Company's revenue for the years ended March 31, 2021 and March 31, 2020.

34. EARNINGS PER SHARE ("EPS")

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per share		
Profit/(loss) for the year (A)	(563.83)	694.12
Weighted average number of equity shares of ₹ 2 each (No. in Mn.)	61.47	61.32
Add: Effect of share based payment - Stock options Vested (No. in Mn.)	2.22	2.65
Weighted average number of equity shares of ₹ 2 each - for Basic EPS (No. in Mn.) (B)	63.70	63.97
Basic earnings per share (C=A/B)	(8.85)	10.85
Diluted earnings per share		
Profit/(loss) for the year (A)	(563.83)	694.12
Weighted average number of equity shares of ₹ 2 each for Basic EPS (No. in Mn.)	63.70	63.97
Add: Weighted average number of potential equity shares (No. in Mn.)	1.28*	0.06
Weighted average number of equity shares of ₹ 2 each - for Diluted EPS (No. in Mn.) (B)	64.98	64.03
Diluted earnings per share (C=A/B)*	(8.85)	10.84

*Stock options issued pursuant to employee stock option plan are considered to be potential equity shares. The effect of these potential equity shares is anti dilutive and therefore, excluded from weighted average numbers of equity shares considered for the purposes of computation of diluted earnings per share. Accordingly, dilutive earnings per share is same as basic earnings per share.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	Opening balance As at April 1, 2020	Net cash flows	Non-cash changes	As at March 31, 2021
Current borrowings	-	53.58	-	53.58
Total liabilities from financing activities	-	53.58	-	53.58

There were no borrowings in previous year, hence comparative disclosure is not applicable.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

36. EMPLOYEE BENEFIT PLANS

i) Defined Contribution Plan

The Company's contribution to Provident Fund for the year ended March 31, 2021 ₹ 64.94 (for the year ended March 31, 2020: ₹ 74.91) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

ii) Defined Benefit Plan.

Gratuity

a) The Company offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Salary Escalation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation	
	As at March 31, 2021	As at March 31, 2020
a) Discount rate(s)	6.85% p.a.	6.85% p.a.
b) Expected rate(s) of salary increase	8.00%	8.00%
c) Mortality table used	IALM(2012-14)	IALM(2012-14)
d) Attrition rate		
Below 30 years	3.00%	3.00%
Ages 31-44 years	2.00%	2.00%
Ages 44 and above	1.00%	1.00%

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligations.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

d) The following tables sets out the status of the defined benefit scheme in respect of gratuity and amount recognised in the financial statements

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
I. Amounts recognised in profit or loss in respect of gratuity are as follows:		
a) Current service cost	24.75	25.12
b) Past service cost and (gains)/losses from settlements	-	-
c) Net interest expense	7.48	5.29
Components of defined benefit costs recognised in profit or loss	32.23	30.41
Remeasurement on the net defined benefit liability		
a) Actuarial (gains)/loss arising form changes in financial assumptions	-	15.61
b) Actuarial (gains)/loss arising form changes in demographic assumptions	(2.90)	0.05
c) Actuarial (gains)/loss arising form experience adjustments	(18.72)	(2.33)
Components of defined benefit costs recognised in other comprehensive income	(21.62)	13.33
Total	10.61	43.74

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in "Other comprehensive income".

Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million except otherwise specified)

II. Net Asset/(Liability) recognised in the Balance Sheet

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
a) Present value of defined benefit obligation	114.26	109.34
b) Fair value of plan assets	-	-
c) Surplus/(Deficit)	114.26	109.34
d) Current portion of the above	2.81	1.94
e) Non current portion of the above	111.44	107.40

III. Change in the obligation during the year

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	109.34	68.59
Expenses recognised in Profit and Loss Account		
- Current service cost	24.75	25.12
- Past service cost	-	-
- Interest expense (income)	7.48	5.29
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	-	15.61
ii. Demographic Assumptions	(2.90)	0.05
iii. Experience Adjustments	(18.72)	(2.33)
Benefit payments	(5.69)	(2.99)
Present value of defined benefit obligations at the end of the year	114.26	109.34

e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant

Principal assumption	Changes in assumption	Valuation of Defined benefit obligation	
		Increase in Obligation	Decrease in obligation
i) Discount rate			
As at March 31, 2021	1%	96.79	136.09
As at March 31, 2020	1%	91.23	132.31
ii) Salary growth rate			
As at March 31, 2021	1%	135.61	96.82
As at March 31, 2020	1%	131.82	91.24
iii) Rate of employee turnover			
As at March 31, 2021	50%	110.52	118.63
As at March 31, 2020	50%	106.27	112.80

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

Principal assumption	Changes in assumption	Valuation of Defined benefit obligation	
		Increase in Obligation	Decrease in obligation
iv) Mortality Rate			
As at March 31, 2021	10%	114.20	114.30
As at March 31, 2020	10%	109.28	109.39

Notes:

- 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.
- The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

37. RELATED PARTY TRANSACTIONS AND BALANCES

a. Names of related parties and related party relationships

I. Key management personnel and their relatives

- Mr. Onkar Singh Pasricha, Director
- Mr. Anant Kumar Daga, Managing Director
- Mr. Venkatesh Tarakkad, Chief Financial Officer (Till November 19, 2020)
- Mr. Amit Chand, Chief Financial Officer (W.e.f. November 02, 2020)
- Mr. Piyush Asija, Company Secretary
- Mr. Saranpreet Singh Pasricha (Son of Mr. Onkar Singh Pasricha)
- Mr. Arvinder Singh Pasricha (Brother of Mr. Onkar Singh Pasricha)

Non-Executive Director

- Mr. Naresh Patwari

Independent Directors

- Mr. Bhaskar Pramanik
- Ms. Neeru Abrol
- Ms. Sangeeta Talwar

II. Companies under the significant influence of key management personnel

- TCNS Limited
- Talentnomics India

III. Company having significant influence over the Company

- Wagner Limited

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

b. Related party transactions

Particulars	As at March 31, 2021	As at March 31, 2020
Transactions during the year		
Job work charges		
- TCNS Limited	61.89	306.58
Interest expenses		
- TCNS Limited	1.22	1.19
Staff welfare expenses		
- Talentnomics India	-	0.12

c. Related party outstanding balances

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
- TCNS Limited	-	73.83
- Key management personnel*	10.01	10.56

d. Compensation of Key Management Personnel

The related party transactions with above key management personnel comprising directors, chief financial officer and relative of key management personnel are as follows :-

Particulars	As at March 31, 2021	As at March 31, 2020
Short-term benefits	16.31	44.81
Post-employment benefits (net)**	(0.26)	2.13
Share-based payments (net)***	18.10	49.52
Sitting fees paid to Non-Executive and Independent Directors	4.25	3.08
Total	38.40	99.54

* includes expense towards gratuity and compensated absences taken on actuarial basis.

** net of reversal of gratuity expense pertaining to erstwhile Chief Financial Officer

*** This amount does not include the perquisite value of stock options exercised during the year.

38. FINANCIAL INSTRUMENTS

38.1 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of total equity (Refer Note 15 and 16) and net debt (Refer note 17 and 18).

The Company's risk management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

Gearing Ratio

Particulars	As at March 31, 2021	As at March 31, 2020
Debt [refer note (i)]	53.58	-
Less: cash and bank balances	149.29	532.24
Net Debt (I)	(95.72)	(532.24)
Total equity (II)	6,119.84	6,600.00
Net debt to equity ratio (I/II) [refer note (ii)]	0%	0%

Note:

- (i) Debt is defined as long-term and short-term borrowing including current maturities of long-term borrowings.
(ii) Net debt to equity ratio is restricted to zero percentage wherever cash and bank balances are more than debt.

38.2 Categories of financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)		
-Investments in Mutual Funds	1,723.67	1,180.75
Measured at amortised cost		
(a) Trade receivables	1,648.40	1,756.20
(b) Cash and cash equivalents	146.48	529.44
(c) Other bank balances	2.82	2.80
(d) Other financial assets	448.11	516.70
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	53.58	-
(b) Lease liability	3,250.89	3,619.55
(c) Trade payables	911.75	1,222.94
(d) Other financial liabilities (excluding current maturities of long-term borrowings)	122.02	143.66

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

38.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's risk management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

38.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material market risk affecting the financial position of the Company.

38.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Company.

38.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligations or cash flows of a business. There are no material interest risk affecting the financial position of the Company.

38.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible raw material price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Company.

38.3.1.4 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

(₹ in Mn.)

Particulars	Liabilities (₹)		Assets (₹)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	-	-	4.52	4.85

Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against US\$. Sensitivity of profit or loss arises mainly from USD denominated receivables.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ strengthens by 10%	₹ weakening by 10%	₹ strengthens by 10%	₹ weakening by 10%
Profit or (loss)	(0.45)	0.45	(0.49)	0.49

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

38.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high considering the number of customers having more than 5% of outstanding trade receivables as mentioned in Note 12. Credit risk has always been monitored and managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in unit linked insurance plan. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

38.3.3 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets and liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate(%)	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Carrying Amount
As at March 31, 2021							
Non-Interest bearing							
Trade payables	-	625.92	285.83	-	-	911.75	911.75
Other financial liabilities	-	-	21.34	-	-	21.34	21.34
Fixed Interest rate instruments							
Security deposits received	9.68%	-	58.72	63.60	-	122.32	122.32
Total		625.92	365.89	63.60	-	1,055.41	1,055.41

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

Particulars	Weighted average effective interest rate(%)	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Carrying Amount
As at March 31, 2020							
Non-Interest bearing							
Trade payables	-	647.88	575.06	-	-	1,222.94	1,222.94
Other financial liabilities	-	-	15.54	-	-	15.54	15.54
Fixed Interest rate instruments							
Security deposits received	9.68%	-	51.87	76.25	-	128.12	128.12
Total		647.88	642.47	76.25	-	1,366.60	1,366.60

Further table below set out the detail of additional undrawn facility that the Company has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Undrawn cash credit limit	502.00	476.00

38.3.4 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets. Fair value of the Company's financial assets and financial liabilities that are measured at fair value on recurring basis:

Financial assets / Financial liabilities	Fair values		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Investments in Mutual Funds	1,723.67	1,180.75	Level 2	Net Asset Value (NAV) declared by Asset Management Company

38.3.5 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements except as per note 38.3.4 approximate their fair values.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39. SHARE-BASED PAYMENT OF THE COMPANY

39.1 Employee share option plan

39.1.1 TCNS ESOP Scheme 2014 - 2017

39.1.1.1 TCNS Employee Stock Option Plan 2014 ("the 2014 Plan"):

The Company had instituted the 2014 Plan, which was approved by the Board of Directors on July 1, 2014 which was further amended vide special resolution passed in extra ordinary general meeting held on March 16, 2015. The 2014 Plan provides for grant of stock options aggregating not more than 6,900,000 number of issued equity shares of the Company to eligible employees of the Company. The 2014 Plan is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date. As per the 2014 plan, the exercise price in respect of the options shall be such prices as decided by the Nomination and Remuneration Committee. However, the Exercise price shall not be lower than nominal par value of the shares appearing in the Company's books of account. Refer note 40 for change in assumptions on modification from cash settled to equity settled.

Employee stock options details are as follows:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted average exercise price (₹ per share)	Number of options (in Mn.)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.03	76.00	0.03	76.00
Option granted during the year:	-	-	-	-
Options exercised during the year:	0.03	76.00	-	76.00
Options lapsed during the year:	-	-	-	-
Options outstanding at the end of the year:	-	76.00	0.03	76.00
- Vested	-	76.00	0.03	76.00
- Balance to be vested	-	-	-	-
Weighted average exercise price per option		76		76
Weighted average remaining contractual life for options outstanding		5.33 years		6.33 years
Range of Exercise Price		76.00		76.00
Grant date share price		261.28		261.28
Weighted average fair value of options		195.68		195.68
Exercise price		76.00		76.00
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		49.26%- 49.39%		49.26%- 49.39%
Option life (Expected)		1.88-2.59		1.88-2.59
Dividend yield		-		-
Risk-free interest rate		6.85%-6.87%		6.85%-6.87%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39.1.1.2 TCNS Senior Management Stock Option Plan 2015:

The Company had instituted the TCNS Senior Management Stock Option Plan 2015, which was approved by the Board of Directors on November 19, 2015. The TCNS Senior Management Stock Option Plan 2015 provides for grant of stock options aggregating not more than 3,975,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Senior Management Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date. As per the TCNS Senior Management Stock Option Plan 2015, the exercise price in respect of the options shall be such price as decided by the Nomination and Remuneration Committee. However, the exercise price shall not be lower than nominal par value of the shares as appearing in the Company's books of account. Refer note 40 for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted av- erage exer- cise price (₹ per share)	Number of options (in Mn.)	Weighted av- erage exercise price (₹ per share)
Option outstanding at the beginning of the year	1.30	100	1.30	100
Option granted during the year	-	-	-	-
Options exercised during the year	-	100	-	100
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	1.30	100	1.30	100
- Vested	1.30	100	1.30	100
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		6.32 years		7.32 years
Grant date share price (Weighted average)		261.28		261.30
Weighted average fair value of options granted during the year		176.42		176.42
The fair value of stock options was determined using the Black Scholes option pricing model with following as- sumptions:				
Expected volatility*		49.26%		49.26%
Option life (Expected)		2.63 years		2.63 years
Dividend yield		-		-
Risk-free interest rate		6.87%		6.87%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39.1.1.3 TCNS Senior Executive Stock Option Plan 2015:

The Company had instituted the TCNS Senior Executive Stock Option Plan 2015, which was approved by the Board of Directors on November 19, 2015. The TCNS Senior Executive Stock Option Plan 2015 provides for grant of stock options aggregating not more than 200,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Senior Executive Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date. As per the TCNS Senior Executive Stock Option Plan 2015, the exercise price in respect of the options shall be such price as decided by the Nomination and Remuneration Committee. However, the exercise price shall not be lower than nominal par value of the shares as appearing in the Company's books of account. Refer note 40 for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted average exercise price (₹ per share)	Number of options (in Mn.)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.18	100	0.18	100
Option granted during the year	-	-	-	-
Options exercised during the year	-	100	-	100
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.18	100	0.18	100
- Vested	0.18	100	0.18	100
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		6.47 years		7.47 years
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		176.42		176.42

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		49.39%		49.39%
Option life (Expected)		1.77		1.77
Dividend yield		-		-
Risk-free interest rate		6.85%		6.85%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39.1.1.4 TCNS Employee Stock Option Plan 2015:

The Company had instituted the TCNS Employee Stock Option Plan 2015, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2015 provides for grant of stock options aggregating not more than 600,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2015, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise price shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted average exercise price (₹ per share)	Number of options (in Mn.)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.40	300	0.57	300
Option granted during the year	-	-	-	-
Options exercised during the year	0.02	300	0.15	300
Options lapsed during the year	0.00	300	0.02	300
Options outstanding at the end of the year:	0.38	300	0.39	300
- Vested	0.25	300	0.13	300
- Balance to be vested	0.13	300	0.26	300
Weighted average remaining contractual life for options outstanding		8.75 years		9.75 years
Grant date share price		261.28		261.30
Weighted average fair value of options granted during the year		117.56		117.56

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		45.83%		45.83%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		6.68%		6.68%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39.1.1.5 TCNS Employee Stock Option Plan 2017:

The Company had instituted the TCNS Employee Stock Option Plan 2017, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2017 provides for grant of stock options aggregating not more than 107,500 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2017 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2017, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted average exercise price (₹ per share)	Number of options (in Mn.)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.11	300.00	0.11	300.00
Option granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	0.11	300.00	-	-
Options outstanding at the end of the year:	-	-	0.11	300.00
- Vested	-	-	0.08	300.00
- Balance to be vested	-	-	0.03	300.00
Weighted average remaining contractual life for options outstanding		7.94 years		8.94 years
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		117.74		117.74

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		45.83%		45.83%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		6.68%		6.68%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39.1.1.6 TCNS Employee Stock Option Plan 2018:

The Company had instituted the TCNS Employee Stock Option Plan 2018, which was approved by the Board of Directors on May 28, 2018. The TCNS Employee Stock Option Plan 2018 provides for grant of stock options aggregating not more than 62,500 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2018 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2018, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted average exercise price (₹ per share)	Number of options (in Mn.)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.06	372.00	0.06	372.00
Option granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.06	372.00	0.06	372.00
- Vested	0.03	372.00	0.02	372.00
- Balance to be vested	0.03	372.00	0.05	372.00
Weighted average remaining contractual life for options outstanding		2.16 years		3.16 years
Grant date share price		288.68		288.68
Weighted average fair value of options granted during the year		122.89		122.89

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		45.17%		45.17%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		7.76%		7.76%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

39.1.1.7 TCNS Employee Stock Option Plan 2018-2023:

The Company had instituted the TCNS ESOP Scheme 2018 - 2023, which was approved by the Board of Directors on February 02, 2018. The TCNS ESOP Scheme 2018 - 2023 provides for grant of stock options aggregating not more than 6,467,817 number of equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Scheme 2018-2023 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the scheme, the employees receive shares of the Company upon completion of specific vesting conditions based on specific events. Vesting period ranges from one to five years and options can be exercised within 10 years from grant date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard.

The following share-based payment arrangements were in existence during the current and prior years:

Option series	Number (Net)	Grant date	Remaining life (in years)	Exercise Price	Fair value at Grant date
Granted on February 2, 2018	47,70,207	February 2, 2018	6.84 years	373.26	76.26
Granted on November 8, 2019	83,800	November 8, 2019	3.61 years	716.00	308.77
Granted on August 18, 2020	1,60,000	August 18, 2020	3.92 years	500.00	96.18
Granted on Novemer 10, 2020	1,35,000	October 11, 2020	3.72 years	500.00	117.44
Granted on August 18, 2020	30,000	March 2, 2021	4.51 years	500.00	216.71

Movements in share options during the year

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options (in Mn.)	Weighted average exercise price (₹ per share)	Number of options (in Mn.)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	5.16	373.26-716	5.07	373.26
Option granted during the year	0.33	500.00	0.08	716.00
Options exercised during the year	-	-	-	-
Options lapsed during the year	0.30	-	-	-
Options outstanding at the end of the year:	5.18	373.26-716	5.16	373.26-716
- Vested	0.99	373.26-716	1.03	373.26-716
- Balance to be vested	4.19	373.26-716	4.13	373.26-716

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*	43.94% - 44.48%	35.23%
Option life (Expected)	2.74 - 7.01 years	5 years
Dividend yield	-	-
Risk-free interest rate	4.48% - 6.02%	6.31%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

39.1.2 The Company has changed the face value of its equity shares from ₹ 1 per equity share to ₹ 2 per equity shares on January 5, 2018. For the purpose of above disclosure, the number of equity shares and options have been considered based on face value of ₹ 2 per equity share.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

40. MODIFICATION TO EMPLOYEE SHARE OPTION PLAN

As per original terms of Company's ESOP Plans (TCNS Employee Stock Option Plan 2014, TCNS Senior Management Stock Option Plan 2015, TCNS Senior Executive Stock Option Plan 2015 and TCNS Employee Stock Option plan 2015), it required (i) compulsorily buy out the ESOPs that have vested in the ESOP Holders/ any shares allotted to the ESOP Holders upon the exercise of the vested ESOPs and (ii) provide cash payment to the ESOP holders. Subsequently, based on release deed entered on 12 August, 2016, the terms of the ESOP plans were modified and based on modified terms the share options have been converted from cash payment option/compulsorily buy out to equity settled options. The incremental fair value impact due to modification is ₹ 318.76 (out of which ₹ 199.63 is recognised immediately for the vested options and ₹ 119.13 is recognised over the balance vesting period for the options to be vested in future).

TCNS Employee Stock Option Plan 2014:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.26%-49.39%	49.39%
Option life	1.88-2.59 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.85%-6.87%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

TCNS Senior Management Stock Option Plan 2015:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.26%	49.39%
Option life	2.63 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.87%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

TCNS Senior Executive Stock Option Plan 2015:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.39%	49.39%
Option life	1.77 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.85%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

41. TAX EXPENSE

41.1 The Company in previous year elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company had recognised the tax provision in previous year and remeasured the deferred tax assets (including deferred tax assets created on transition to IND AS 116 as at April 01, 2019) basis the rates prescribed in that section (i.e. 25.17% inclusive of surcharge and cess). The full impact of this change including deferred tax impact was recognised in tax expense for the year ended March 31, 2020.

**Notes forming part of the Financial Statements
For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million except otherwise specified)

41.2 The Company had claimed credit in relation to deduction of fair value impact of share based payments to employees in the Income Tax return filed for the Assessment year 2017-18 (Financial year ended March 31, 2017). However, the tax credit was not recorded in the financial statements for the year ended March 31, 2017 prepared under previous GAAP. During the year ended March 31, 2020, the Company had received Income Tax Assessment order for Assessment year 2017-18, where in the tax credit of ₹ 243.66 Mn. along with interest of ₹ 35.98 Mn. has been allowed. Based on the assessment order, the Company had recognised the above tax refund and interest (included under Other Income) during the year ended March 31, 2020. The Company has received the refund amount during the current year.

41.3 The Company has recognised deferred tax assets (net) amounting to ₹ 205.55 (March 31, 2021 : ₹ Nil) (including in respect of losses amounting to ₹ 168.66, March 31, 2020 : ₹ Nil) in the financial statements for the year ended March 31, 2021 consistent with applicable accounting standards as it is considered probable that future taxable profits will be available.

42 The Company's operations and financial results for the year ended March 31, 2021 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by the Government authorities due to which the operations were suspended for substantial part of the first half of the year. COVID-19 pandemic hit the country towards the end of the financial year again resulting into disruptions to our business. Subsequent to the year end, several cities and towns have announced restrictions/lockdown. With easing of lockdown and opening of economic activities, the Company has re-opened stores on a gradual basis in line with the guidelines issued by Government authorities.

The Company has assessed the impact of COVID-19 pandemic on its business operations and has considered relevant internal and external information available upto the date of approval of these financial statements, in determination of the recoverability and carrying values of its assets, including trade receivables and more particularly inventories and believes that the pandemic is not likely to materially impact the recoverability of the carrying value of these assets. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly actual results may differ from these estimates as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and will recognise the impact, if any, prospectively in future periods.

43. APPROVAL OF FINANCIAL STATEMENTS

These financial statements for the year ended March 31, 2021 were approved by the board of directors on June 21, 2021.

For and on behalf of the Board of Directors of TCNS Clothing Co. Ltd.

Onkar Singh Pasricha
Chairman
DIN : 00032290

Anant Kumar Daga
Managing Director
DIN : 07604184

Amit Chand
Chief Financial Officer

Piyush Asija
Company Secretary
ICSI M. No. 21328

Place : New Delhi
Date : June 21, 2021

