

Date: 18.08.2023

Corporate Relations Department <b>BSE Limited</b> 1st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Fort, Mumbai 400 001	Corporate Listing Department <b>National Stock Exchange of India Ltd</b> 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 FOR THE FINANCIAL YEAR 2022-23.**

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

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

Dear Sir/Madam,

In terms of the requirement of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2022-23.

The aforesaid Annual Report of the Company for the Financial Year 2022-23 is also made available on the website of the Company at <https://wforwoman.com/content/report/annual-report>.

This is for your information and record.

Thanking you.

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

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

Date: 18.08.2023

Place: New Delhi



**TCNS Clothing Co. Limited**

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CIN- L99999DL1997PLC090978

# ANNUAL REPORT

2022-2023



**TCNS**  
Clothing Co. Limited



# Contents

## Corporate Overview

- 02 Our Evolutionary Journey
- 04 About TCNS
- 06 Chairman's Outlook
- 08 Managing Director's Communique
- 10 Our Brand Portfolio
- 16 Our Pillars of Growth

## Statutory Reports

- 32 Board of Directors
- 34 Management Discussion & Analysis Report
- 41 Notice of the Annual General Meeting
- 52 Board's Report

## Financial Statements

- 126 Independent Auditor's Report and Standalone Financials





TCNS is trailblazer in the fashion industry, dedicated to inspiring style and empowering women through its diverse range of women's apparel. With a strong track record of redefining the fashion landscape, we have witnessed and adapted to profound shifts in women's roles, aspirations and fashion choices over time.

Our success lies in our meticulous design, intricate craftsmanship, and unwavering commitment to quality. As women continue to play a prominent role in India's journey towards becoming a \$5 trillion<sup>(1)</sup> economy, we are well-positioned to support their evolving fashion preferences and lifestyle choices.

At TCNS, we believe in the power of fashion to empower women, boost their confidence and reflect their individuality. Our aim is to continue setting trends and offering stylish, high-quality apparel and accessories that resonates with the aspirations of modern Indian women.

By staying true to our core values and leveraging our expertise, we are confident in our ability to navigate the dynamic fashion industry, seize opportunities and sustain our growth trajectory in the years to come. Together with our customers, we will continue to shape the future of women's fashion, fostering a sense of empowerment and self-expression.

## 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.

# OUR EVOLUTIONARY JOURNEY

From seeding a revolutionary thought to building a leading ethnicwear platform that caters to women's needs.

2001

## The Beginning



A thought that changed the Indian fashion landscape forever.

## The Perfect Fit Decoded



Path-breaking study of the sizing of Indian women. First brand to offer 6 sizes.

2002

2003

## The Iconic Knit Churidar



Combining functionality & fashion, knit churidar revolutionized the category.

## Wishful



A premium occasion wear brand for the modern Indian women.

2006

2009

## Aurelia Brand Inception



Birth of the ethnic jewel for suave women.

## Fashion At Fingertips



Among the first brands to have its own e-commerce portal.

2011

2012

## Reinterpreting Fusion Wear



Palazzos and slim pants added an edge to fashion wear.

2013

## The First 100



W opened 100 stores across 50 cities.

2016

Investment by TA Associates



Largest PE deal in the category with an investment of USD 140 Mn by TA Associates.

TCNS listed on NSE/BSE



Company first in the category to be listed on Bombay Stock Exchange and National Stock exchange.

2018

2019

550+ Exclusive Stores & Omni Forward



550+ stores across the country. Omni-channel business launched.

Brand Elleven Launched



First exclusive brand store of Elleven opened.

Launched Foot Apparel

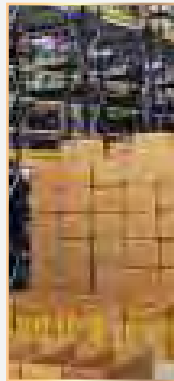


W forayed into the footwear market.

2020

2021

Supply Chain 2.0



Automated Inventory Management System.

Launched W Beauty

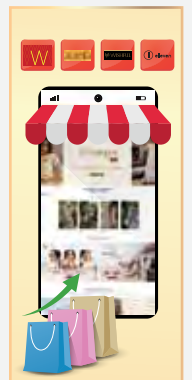


Extended the top-to-toe offering for W consumers.

2022

2023

Online 2.0



Transition of Online business to D2C model.

# About TCNS

We design, manufacture, market and retail a diverse portfolio of women's branded apparel across multiple categories of product lines. With four segment defining brands, we have the widest distribution presence across category.

We have a track record of creating homegrown brands by leveraging our comprehensive understanding of Indian women's needs and aspirations.

Our product portfolio includes top-wear, bottom-wear, drapes, combination-sets and accessories that cater to the Indian women's wardrobe needs, including every-day wear, casual wear, work wear and occasion wear.

We have grown our brand portfolio to four brands over the years, each positioned to meet the specific needs of their relevant target consumers.

With an in-house design team of over 50+ talented professionals and a network of more than 150+ suppliers spread across India, we have built a scalable and well-connected design-to-shelf network. This extensive network allows us to efficiently bring our designs to market and ensures a diversified range of products.

As we continue to evolve, we are gradually transitioning from being solely an apparel brand to becoming a comprehensive lifestyle brand. Our aim is to offer customers a holistic wardrobe solution that goes beyond clothing, incorporating a wide array of products and categories. By embracing this approach, we strive to enhance the overall customer experience and provide them with a one-stop destination for their fashion and lifestyle requirements.

We have successfully diversified our portfolio to include footwear, accessories and cosmetics. This expansion reflects our commitment of providing a complete lifestyle solution to our customers, catering to their diverse fashion and personal care needs.





**2**

**Decades of Experience**

**4**

**Brands**

**5000+**

**Products launched annually across apparel, footwear, accessories and cosmetics**

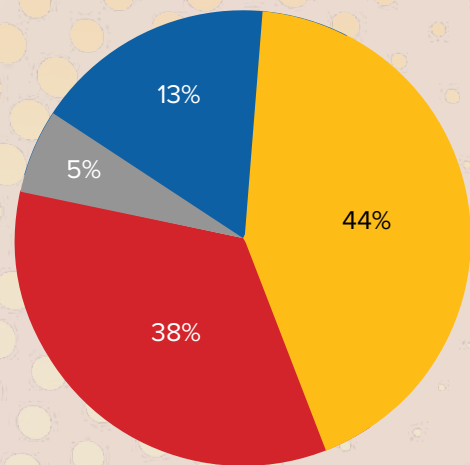
**4000+**

**Point of Sales**



**Channel Mix**

(% of total revenue) - FY 23



EBO LFS Online MBO



# Chairman's Outlook



Dear Shareholders,

FY23 was a year of adaptation. In the midst of a fluctuating market landscape, we registered our all-time high revenues in FY23 and at the same time, we made tangible adjustments in our business strategy and processes to adapt to changes in the consumer behaviour and keep our business efficient.

The latter half of FY23, especially post-Diwali, brought to light a few challenges. There was a subdued demand in the overall apparel market including the segment that we operate in - ethnic women's wear. Additionally, the transition to Online D2C model had a transient effect on our Online B2B revenues in FY23. In terms of market demand for women's wear, we are optimistic about the overall outlook, especially with the re-implementation of work-from-office models in several organizations. This positive development is expected to drive higher consumption in the women's wear segment.

In our efforts to stay agile and responsive, we have re-evaluated our merchandise structure and delivery systems. This is done keeping in mind the post-Covid world and the new set of consumer expectations that come with it. We are collaborating with our front-end and back-end partners to take feedback and incorporate those in our collections. We have allocated resources to integrate technology, refine our brand perception, and tweak our marketing approaches to be more in line with current consumer or market trends.

We have further broadened our retail reach, by adding 76 exclusive brand stores to our network. This expansion was a strategic move to cater to our diverse customer base across different regions. Additionally, to meet the changing consumer dynamics, we began transitioning our online business to a D2C model. Alongside, our backend saw the completion of a vital migration into a fully integrated warehouse and implementation of a planning and replenishment system, with the aim of refining our operational efficiencies.

Alongside, at our backend operations we have consolidated into a fully integrated warehouse and implemented a planning and replenishment system, with the aim of refining our operational efficiencies significantly.

The road ahead, while clear, will require our consistent attention to detail, an ability to adapt, and resilience. I extend my sincere gratitude to our dedicated team, our business partners, and our shareholders. Their patience, trust, and support have been and will remain pivotal. As we move ahead, we will work collaboratively to the changing terrains and ensure that our strategies align with both our short-term challenges and long-term vision of enhancing value for all our stakeholders.

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Best wishes,

**Onkar Singh Pasricha**

Chairman

# Managing Director's Communique

Dear Shareholders,

This is a very interesting and important phase in the journey of your Company. Having built the leading women's ethnic wear platform in the country, we are now taking the strategic alliance route to scale up newer heights. This will start a new chapter for all of us, one with immense promise and potential. While I will share more colour on the same, let me first take you through key performance highlights for previous year and key priorities for the next year.

As we entered the first year post-covid, we experienced a significant demand recovery in the first half of FY 23, signaling positive market dynamics. However, the broader market demand failed to sustain its pace, resulting in a muted demand during the second half of FY 23 since Diwali.

Despite the subdued demand scenario in the second half of the year and our internal product range challenges, I am happy to share that our company achieved its highest ever revenues ₹ 12,016 Mn in FY 23 reporting a growth of 34%

compared to the previous fiscal year's revenue of ₹ 8,961 Mn.

We have successfully opened 76 new Exclusive Brand Outlets (EBO) stores, surpassing the previous year's record of adding 48 new stores opening. This brings our total number of EBO stores to an all-time high of 675, surpassing the milestone of 599 stores achieved in the previous fiscal year.

In FY 23, Brand 'W' added 44 new stores reaching total of 376 stores, Brand 'Aurelia' added 13 new stores reaching total of 258 stores, Brand 'Wishful' added 2 stores reaching total of 7 stores and Brand Elleven added 17 stores reaching total of 34.

Offline expansion was fueled through Project RISE. Project Rise, our new initiative, has witnessed significant progress with the addition of 17 new stores, bringing the total store count of RISE stores to an impressive 31. Additionally, our foray into the Elleven segment gained traction, with Elleven Shop-In-Shop (SIS) scaling up to 300+ points of sale in FY 23.



The growth strategy of driving online business through omni and D2C platforms has made significant progress during the year. With reference to our online business, we have successfully completed the transition from a B2B model to a direct-to-consumer (D2C) model. This transition has resulted in deep omni-integration across our website and marketplace platforms. It has allowed us to offer a comprehensive product range and optimize inventory management across channels. D2C model now contribute to majority of our total online sales.

Our omni-channel fulfillment share expanded to double-digits of the online D2C sales. Brand website scaled up 35% Y-o-Y contributing to one-quarter of the online business. After stabilizing the technology stack for marketplace channels, we have upgraded the back-end technology for our brand websites as well. This strategic improvement will strengthen our brand website business, enhancing the overall online customer experience.

## Road Ahead

Looking ahead, after creating a strong base, we have envisioned clear priorities for the next year – Getting to the winning range architecture and merchandise mix, driving the same-store sales recovery while taking a more calibrated approach towards expansion, building on the online growth journey and continuously optimizing working capital.

We continue to build-on the product portfolio by focusing on premiumization of the occasion-wear while innovating newer styles and silhouettes within the casual and workwear space. We are strengthening certain product silos which have shown strong traction in pilot phases and will see a full-fledged launch in coming seasons.

Our focus on expanding and building a wider and deeper retail presence has resulted into us establishing the largest sales and distribution network in the current fiscal. We will now focus on driving store level throughput and efficiencies which will assist in reducing cost and moving towards better profitability realization. We will achieve this by undertaking a comprehensive approach, through optimization of store inventories, driving footfalls, adding the right merchandise mix and reducing operational costs.

The completion of initiative related to building capabilities for transition to D2C model, paves the way to focus on the next phase that is to expand across models within the business. A deeper omni-integration across websites and marketplace channels shall facilitate us to offer a comprehensive product range and drive better efficiencies through fungibility of our inventories across channels

The challenging macro demand environment this year had a negative impact on our working capital which currently is at an elevated level. We have initiated necessary steps to optimize the same through aggressive liquidation of old season merchandise, optimised new season purchases and repurposing existing stocks. We are seeing gradual progress on this front and are confident of getting back to normalized levels as we move forward.

Talking of the journey of the Company, we are at an extremely important juncture. Over the years, your Company has been able to create the leading ethnic womenwear platform with multiple successful brands with strong pan India presence. As we continue to build the platform and embark on a thorough exploration of the best long-term growth path and value creation opportunities for our company and stakeholders, it is evident that forging a strategic alliance with a larger platform would be the optimal way forward. The Board of Directors at its meeting held on May 5 2023, approved a draft Scheme of Amalgamation by way of merger by absorption (“Scheme”) between TCNS Clothing Co. Limited (“Transferor Company” or “TCNS”) and Aditya Birla Fashion and Retail Limited (“Transferee Company” or “ABFRL”) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013. This will accelerate our journey and enable us to unlock our full potential in a more expedited manner.

The partnership with ABFRL brings numerous benefits, including access to their brand playbook and a complementary portfolio, resulting in synergies that extend to both our front-end and back-end ecosystems. Importantly, this collaboration aligns perfectly with our shared ethos of empowered decision-making and maintaining a professional approach.

With immense excitement, we view this partnership as a new beginning in our journey. We eagerly anticipate the possibilities that lie ahead, confident that this strategic alliance will drive our company to even greater heights. Together with ABFRL, we are poised to seize new opportunities, foster growth, and create lasting value for all stakeholders.

I would like to express my deepest gratitude to all our stakeholders including our shareholders, employees, business partners and the Board of Directors for their unwavering support and confidence in us and look forward to the exciting journey ahead.

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## Anant Kumar Daga

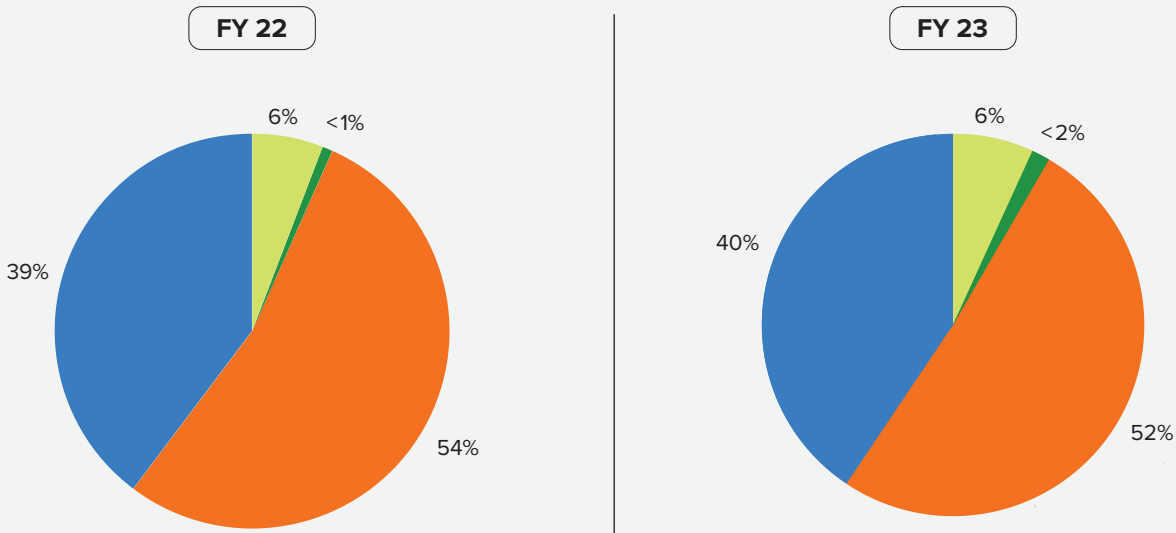
Managing Director

# Our Brand Portfolio

Through dedicated efforts in developing and expanding our home-grown brands, we have made remarkable progress in less than two decades, establishing ourselves as the leading women's wear company in the country. Our journey has led us to build a portfolio of four robust and influential brands, each with its own unique positioning.

As an organization, we have embarked on a robust expansion strategy, introducing new product categories to cater to the evolving needs and preferences of our customers. Alongside our core offerings in women's apparel, we have successfully ventured into categories such as footwear, jewellery and cosmetics, diversifying our portfolio and providing a comprehensive range of lifestyle products.

**Brand Portfolio Mix**  
(% of Total Revenue)



● W ● Aurelia ● Wishful ● Elleven

**W** is our premium fusion wear brand that combines Indian and Western sensibilities, while emphasizing unique design and styling. The brand primarily caters to the work, casual, and light occasion wear needs of the modern Indian women.





**aurelia** is our contemporary ethnic wear brand, aimed at a broader demographic seeking a combination of great design, fit and quality.

## WISHFUL

is our premium occasion wear brand that specializes in elegant designs for women's evening wear and special occasions.



**elleven** is our coordinates brand that promises to be the ultimate destination for perfect bottoms.

# New Initiatives

## Foot Apparel:

Our exclusive collection of fashionable Foot Apparel was introduced in the market three years ago and it has gained significant popularity. Currently, our Foot Apparel is available in over 250+ exclusive brand outlets (EBOs). This collection embodies a perfect balance of style and comfort, catering to the needs of the modern Indian woman who leads a dynamic and active lifestyle. It serves as an excellent addition to her wardrobe, effortlessly combining fashion-forward designs with utmost comfort.

Available in

**250+** stores



## Folksong:

Our collection sculpts fresh aesthetics for contemporary Indian women looking at artisanal fashion.

It does it in a straightforward, soulful and nostalgic way to honor the independent, free-spirited women who manage to blend their traditional and western sensibilities. The Folksong collection is distinguished by its color palettes, patterns and natural textiles that tell their own stories while echoing India's rich textile legacy and artisanal craftsmanship. It makes use of naturally breathable materials including pure cotton, linens, cotton and silk blends, and eco-friendly viscose, which are precisely crafted into the brand's signature hand block prints and textiles.

Moreover, the Folksong collection creates an exquisite blend of minimalism, grace, individuals and comfort in an effort to establish a distinctive aesthetic vocabulary.

Available in

**75+** stores



## W Beauty

With the launch of 'W Beauty' we have expanded our product line by entering into the cosmetics segment.

This endeavor aligns us with W's ongoing goal of providing a complete top to toe offering for the dynamic Indian woman. Our cruelty-free vegan make-up line, W Beauty was introduced with a diverse variety of items across categories. Our well-curated product line addresses our consumer's underlying need for a combination of fashion and utility with the benefits of skin care.

Available in

**175+** stores

## Aurelia Girls

Aurelia has expanded its category of Aurelia Girls, which caters to the ethnic wear needs of young girls aged 4 to 15 years. Shoppers can get all they need in Aurelia Girls, from casual to festive wear.

The selection of girls wear also includes a specifically curated MOM & ME category, which stems from the rising trend of twinning between mother and daughter duos.

Prioritizing the delicate balance of comfort and style for young girls, the collection specializes in expertly crafted dressier ensembles in contemporary silhouettes for a modern touch.

Available in

**220+** stores



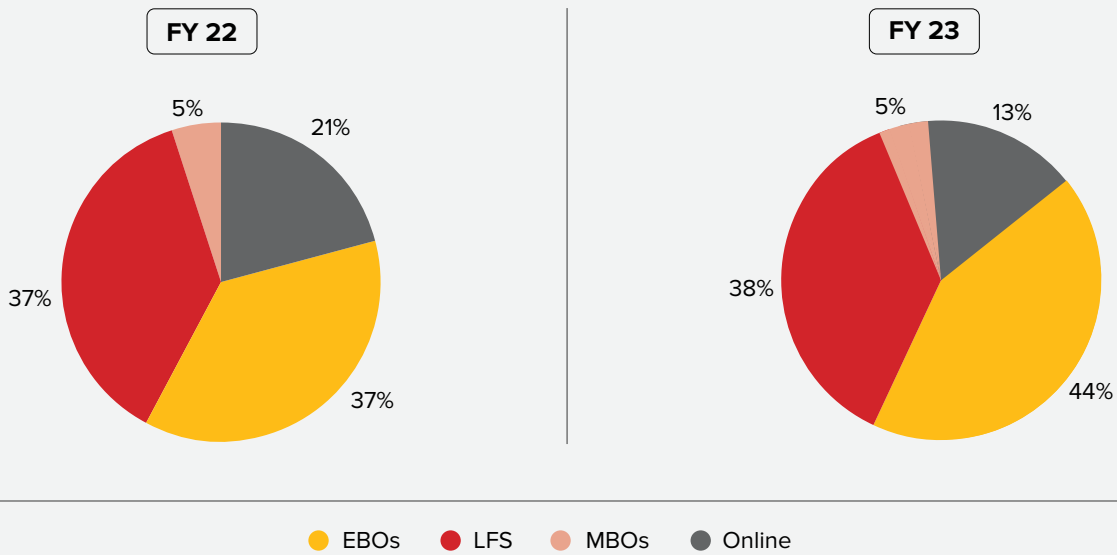


# Diversified Retail Channel with Pan-India Presence

Our expansive retail footprint across India, spanning multiple distribution channels, is efficiently managed by our dedicated front-end retail employees. These employees are equipped with the necessary technology and supported by well-established processes that we have developed and invested in over the years.

Extensive distribution encompassing various channels and countries: 4000+ point of sale

**Channel Mix**  
(% of Total Revenue)



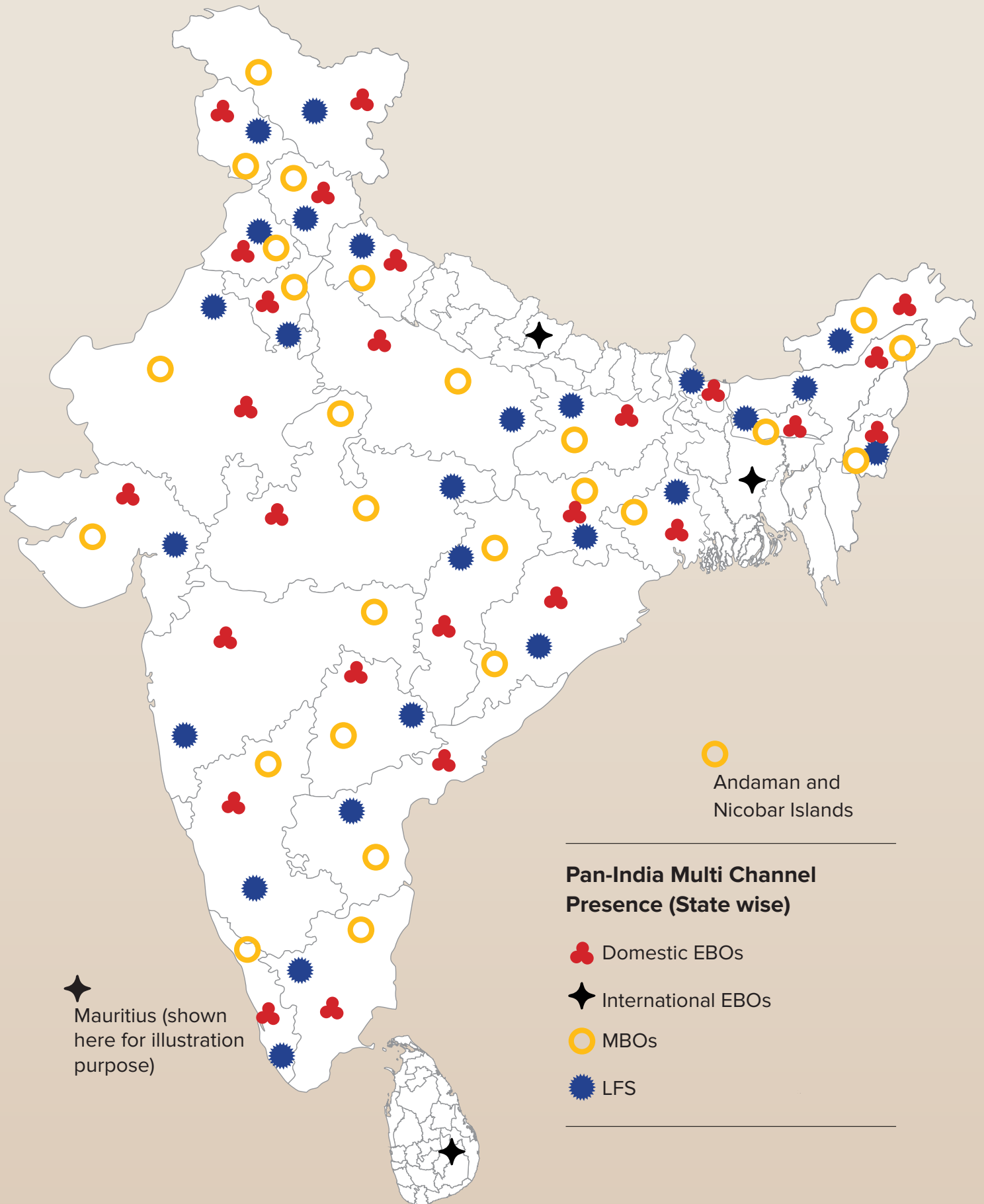
**13%+** Share of Online Revenue

**2295** Large Format Stores (LFS)

**675** Exclusive Business Outlets (EBO's)

**1075** Multi Brand Outlets (MBO's)







# Our Pillars of Growth



**Institutionalized Product Design Capabilities**



**Diversified & Responsive Supply Chain**

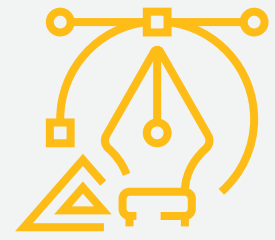


**Strengthening Retail Footprint and Online Presence**



**Our People**

# Institutionalized Product Design Capabilities



In the fashion industry, design process involves meticulous research, ideation, product creation, and feedback. At TCNS, we prioritize developing innovative designs, optimizing fit and sizing, and maintaining high-quality standards. Our well-established product development process emphasizes cross-functional collaboration, bringing together teams from different departments. This collaborative approach allows us to create exceptional products by leveraging the expertise and insights of each team member. Throughout the process, we conduct thorough research, refine concepts and gather feedback to continuously enhance our designs and exceed customer expectations.



**25+**

**New concepts/stories every season across brands**

**5000+**

**Styles in a year across brands**

**New product launches**

**Every 2-3 weeks**

**50+**

**In-house designers**

## Value driven design approach

Identifying Customers Need	Design process	Competitive edge over peers
<p><b>Identifying the impediment in branded ethnic wear:</b> Need for right fit</p> <p><b>Understanding evolving lifestyles:</b> Need for functional fashion</p> <p><b>Addressing fashion obsolescence:</b> Need for continuous innovation</p> <p><b>Understanding regional complexity:</b> Need for focused variety</p>	<p><b>Pan-India anthropometric study to determine right fit</b> for Indian women's body type</p> <p><b>Strong design team consisting of 50+ members</b> from premier institutions</p> <p><b>Feedback oriented product approach</b> with high refresh rate of design</p>	<p><b>Wide range of sizes consisting 8-9 different sizes</b>, which is highest amongst the peer group</p> <p><b>Balance of creativity and commerce with wide range</b> of options catering variety of use-cases</p> <p><b>Launch 5000+ styles</b> in a year across brands</p> <p><b>Region and channel relevant product assortments</b> with product nuances</p>

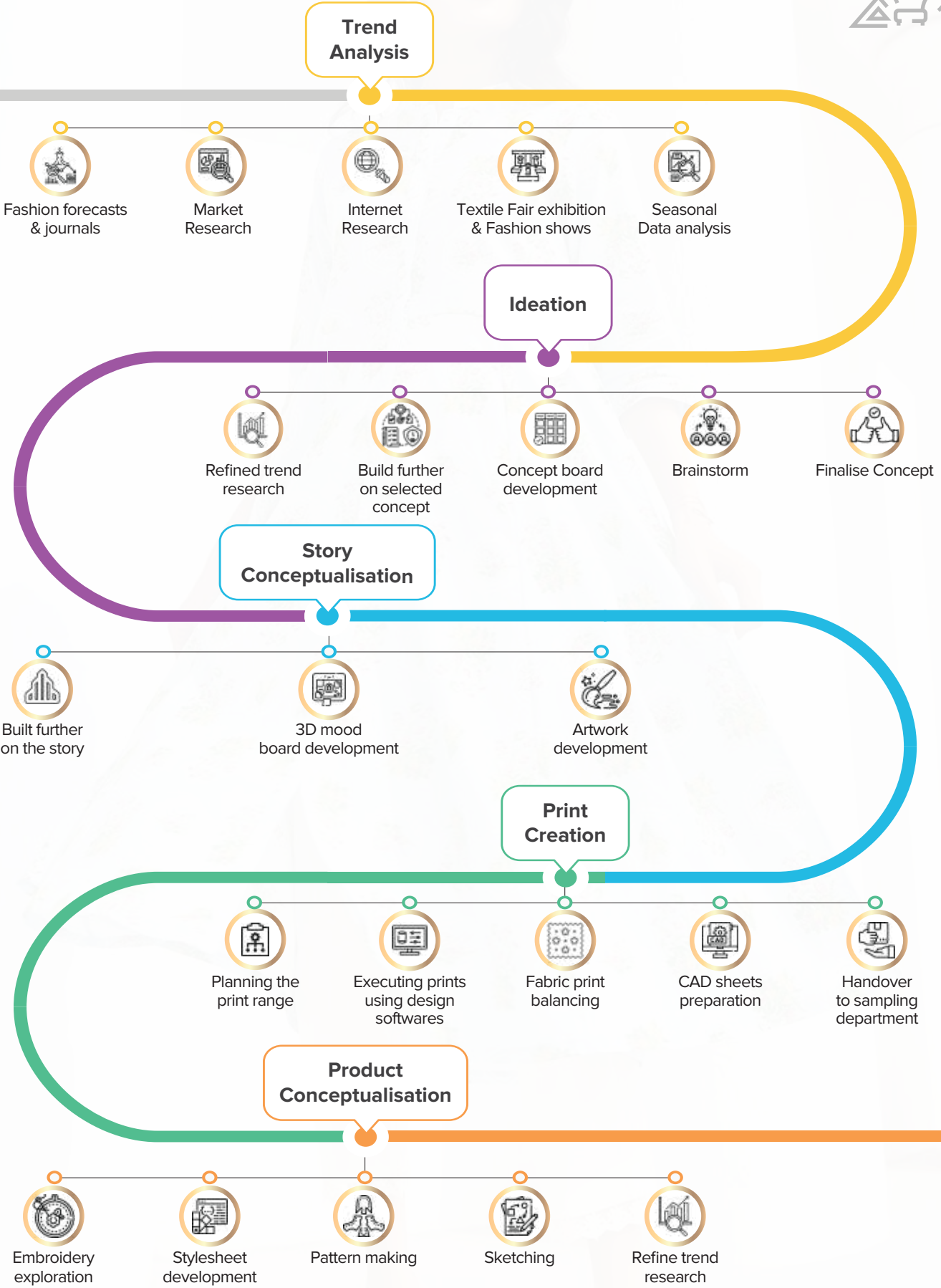
## Incubation Centre

Our incubation centre are 'Art Labs' where we built innovative brands by reimagining the possibilities of fashion, merging artistic practices with a spirit of adventure and a bold new creative identity.

Our collections are created with multiple exceptional parameters in terms of color, look and feel, prints, pattern, surface detailing, styling, fabrics qualities, weaves and storytelling.

The Angrakha Jumpsuit, Saree Draped Kurta, and Circle Maxi Dress introduced by our W Campaign SS'22 emerged as a key highlight of the season, attaining significant commercial success. For working women, we added Waterfall Asymmetrical Hemlines, Cascade Embroidered Dresses & Kurta, Tapered Streamline Co-Ord Sets, Layered Drape Jacket, Fit & Flare A-Line to work-life hybrid wear. In addition, stunning craftsmanship and a premium artisanal feel were brought through in the elegant sets for Wishful with Mashru silk combined with exquisite vintage embroidery detailing.

# Product Design Phases



# Diversified and Responsive Supply Chain



Women’s ethnic wear is an inherently complex category due to the nature of the fabrics, trims, and value-additions involved, leading to the need for a strong, agile and extensive supply chain base.

## Diversified Sourcing Base:

For years, TCNS has had associations with more than 150 suppliers, spanning from artisanal groups to major mills, allowing for a highly differentiated product every time.

## Relationship with suppliers:

We have fostered enduring partnerships with all our suppliers to guarantee the prompt and economical delivery of top-notch products to our valued customers. To cater to the requirements of our product development teams, we have established and overseen an extensive network for sourcing.

## Our comprehensive sourcing processes:

Our process for sourcing and managing the supply chain commences with a thorough assessment of each supplier's production capacity for every season,

taking into account their previous deliveries and supplied quantities. Our long-term sourcing strategies encompass exploring innovative market techniques to enhance production efficiency and providing guidance to suppliers in adopting these techniques.

## Automated planning and replenishment system:

Product buying and allocation for all of our point of sales is managed by an Automated Planning and Replenishment System.

The AI based system uses data analytics to aid the planning team in purchasing, allocation and replenishment processes.

This initiative contributes to the enhancement of our operational efficiencies, leading to improved store sales, reduced discounting, enhanced inventory management, and minimized errors across the entire supply chain.

## On-time delivery of requirements:

Our inventory replenishment mechanism, includes sales monitoring at each store and warehouse, supports the analysis for stocking our products. At our exclusive brand outlets, we also have a 'Loss of Sale' application, which allows customers to

**150+**

**Suppliers across India for printed and unprocessed fabrics/trims & garment manufacturing**

**3,000+**

**Preliminary fabric prints designed per season**

**5,000+**

**Products launched every year**

order products that are not available in our retail stores. We make every effort to ensure that product requirements and order fulfilment are met in a timely and efficient manner at each store, regardless of store formats.



## Depth Management

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



## Life Cycle Management

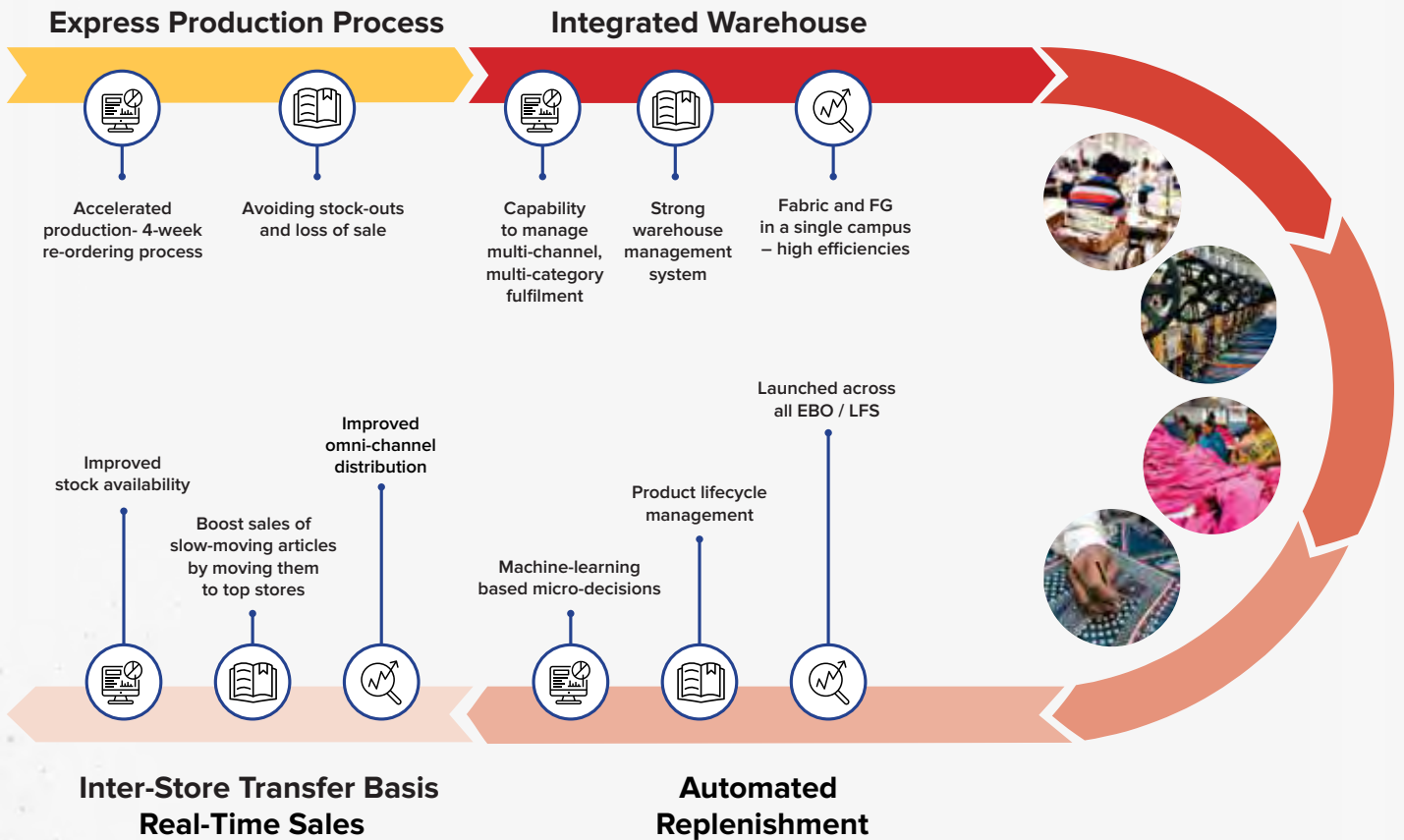
- Identify major shifts in the product performance
- Automatically assign triggers to better manage the product life cycle
- Manage liquidation based on variety and freshness targets



## Variety Management

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

## Turbocharging our supply chain



## Embracing State-of-the Art Warehousing

Our established cutting-edge integrated warehousing facility is designed to efficiently handle a wide range of new product categories and adapt to emerging delivery methods. Our strategic initiative of relocating our fabric operations to the state-of-the- art integrated Pataudi warehouse, has facilitated us with access to large infrastructure. We have also invested in warehouse upgradation, implementing a robust Warehouse Management Systems equipped with advanced artificial intelligence (AI) tools. This has significantly improved our efficiency level. In addition, we have taken necessary steps to ensure seamless and proficient management of the facility by partnering with a specialized third-party operations team.





# Strengthening Retail Footprint and Online Presence



## Retail Channels

### Continuous Expansion:

Our retail presence includes a large number of customer touchpoints, exclusive brand outlets, large format stores and multi-brand outlets spread across cities. We have been able to achieve growth across different formats owing to our multi-distribution channel retail strategy.

In FY 23, we established 76 stores across brands on a net basis with 31 Project Rise and 30 Project Bharat stores in operation. In addition to expanding our presence in our existing markets, we hope to broaden our geographic footprint in order to reach a more diverse customer base. We intend to increase our retail presence in key markets in order to showcase a complete representation of all brand collections and product categories.



### Project Bharat:

Project Bharat is our initiative to pursue aggressive retail expansion in Tier 3/4 towns through franchisee route. The year witnessed opening of 15 stores under Project Bharat.



### Project Rise:

We intend to create a one-stop shop that offers a comprehensive look from head-to-toe, showcasing all product categories. We want to expand flagship stores of 2000–4000 square feet in major cities through Project Rise.





## Online Channels

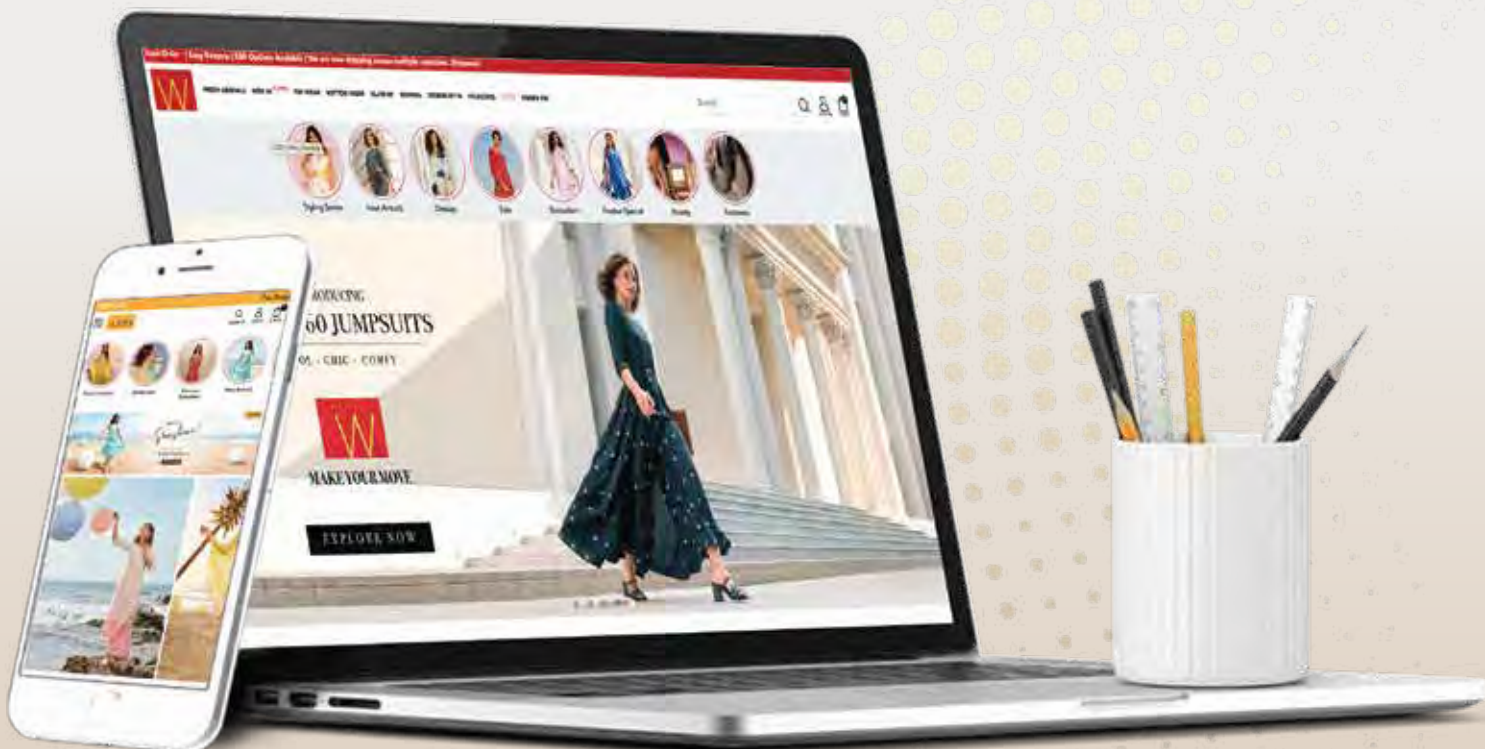
**Driving Online Business through Omni channel and D2C platform:** The Company is creating online-first products, integrating additional platforms into the omnichannel model, upgrading the website experience and investing in digital-first campaigns to scale up the online channel. The **company launched its W website in key international markets** and is seeing omni tech stabilizing across additional partners.

**Ecommerce website:** We are dedicated to continuously expanding and enhancing our website by providing a wider range of offerings, implementing personalized marketing strategies, and upgrading our technology. Additionally, we introduced Aurelia Girls on the Aurelia website and Beauty on the W website. By focusing on category-specific marketing, we were able to better segment our customers and improve their online interaction.

Currently, our own website accounts for approximately one-fifth of our total online sales. Furthermore, we have expanded our third-party marketplace by incorporating omni-channel fulfillment, which accounts for approximately 20% of select channels.

**Direct-to-Consumer (D2C):** Our future plans involve expanding our third-party marketplace by introducing new business models, additional channels and online-first product offerings. In the past year, we successfully launched the Wishful and Elleven websites. We have obtained the highest certifications from our partners, underscoring our commitment to excellence in this efficient inventory model. In the past year, we successfully introduced a direct-to-consumer (D2C) marketplace model in collaboration with Ajo and Limeroad, expanding our reach and partnerships. By leveraging a

centralized inventory pool at our warehouses and stores, whereby customers have access to our complete inventory catalogue across all major third-party marketplaces and our own Brand.com websites thereby offering an exceptional customer experience while maintaining streamlined operations.



## Omnichannel

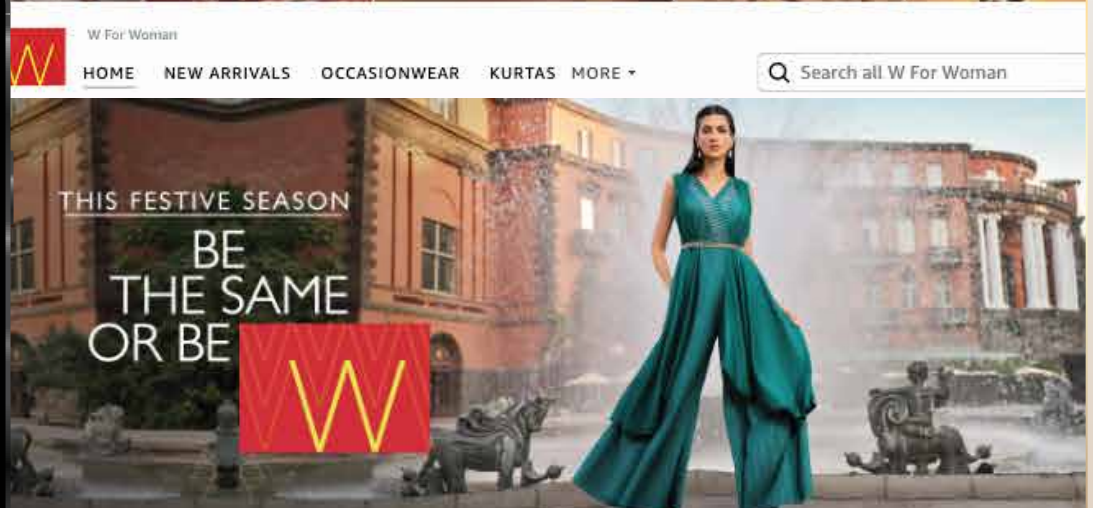
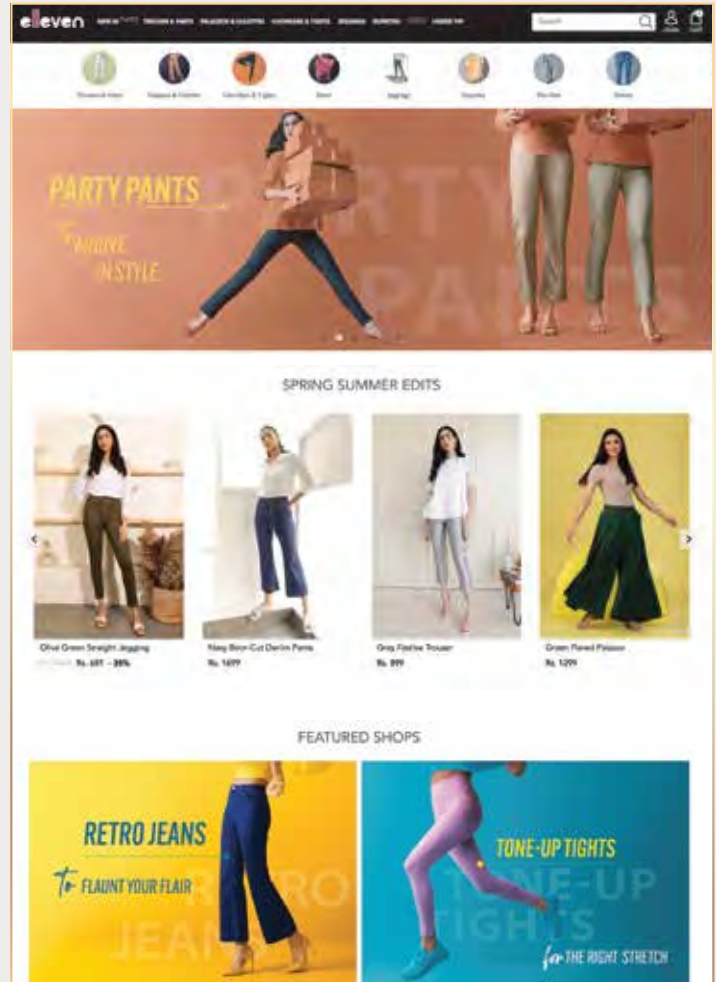
With a wide presence of Exclusive Brand Outlets (EBOs) and robust internal e-commerce capabilities, we pride ourselves on delivering an unmatched omnichannel experience to our customers. We extend this seamless experience to our online partners, expanding our reach and enhancing customer engagement.

Through our omnichannel capabilities, we can offer nearly 99% of the season's styles ensuring industry-leading fulfillment rates. We have successfully launched omnichannel fulfillment with key marketplaces such as Myntra, Nykaa, Flipkart and Ajoio, guaranteeing a hassle-free, efficient, and top-notch customer experience.

### Omnichannel fulfilment:

**90%**  
of the demand centers

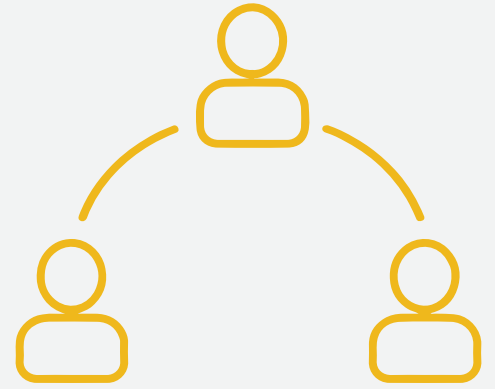
**13%**  
of online sales



# Our People

People are our most important asset. Our employees, whether they are in our corporate office, retail stores, or supply chain partners are essential to delivering a great experience to our customers.

We believe in building a high-performing, entrepreneurial organization where everyone is motivated to reach their full potential. We are proud of our professional and healthy work culture, which is built on our corporate values. Employees are provided with an enabling work environment and equal opportunities for learning and personal development.



## Our wellness initiatives are broadly categorized into four main areas of focus:



### **Mental Wellness:**

Considering that both employees and employers need to adjust their perspectives on the significance of mental health and psychological problems, we frequently discuss mental wellness at work.



### **Social Wellness:**

We place a high emphasis on social wellness because it is essential for both wellbeing and productivity to have strong social ties. Social wellbeing is reflected in an employee's interpersonal interactions with coworkers, interactions with management, and sense of belonging to the company as a whole.



### **Physical Wellness:**

One of the best investments a company can make is to support employees' physical welfare in order to help them reach their maximum potential. Exercise encourages an active lifestyle and general wellbeing in addition to many other benefits. Employee knowledge of the value of fitness increased thanks to fitness challenges like yoga, surya namaskar, and plank, among others. Along with the employees, family members were urged to participate in these events. To spread awareness, experts held yoga classes and webinars on healthy living.



### **Financial Wellness:**

In order for employees to handle their funds strategically, financial wellness involves educating them about responsible financial management. The staff members got access to a variety of workshops on financial education that helped them create financial plans.

To prioritize the well-being of our employees and promote a healthy work-life balance, TCNS curated programmes aimed at creating awareness for one's own health.

- ▶ One such initiative was a breast cancer campaign. TCNS Clothing Company stands firm in its commitment to noble causes. As October is recognized as the month for Breast Cancer Awareness we stood loud and proud in our unwavering support for the cause of providing women with breast health education. The entire TCNS team came in Pink to celebrate and support the cause with active participation in an awareness session.
- ▶ TCNS Mini Olympic was organized offering a wide range of sports activities that included walking relay race, dart competition, carrom competition, plank competition. This fostered a stronger bond among the employees.
- ▶ TCNS Premiere League – Cricket tournament played by TCNS employees.
- ▶ "Run Bhumi" - A unique TCNS Step Challenge health initiative resulted in 10,79,36,400 steps and 82,248 kms covered by TCNS employees between the 14<sup>th</sup> of December and the 23<sup>rd</sup> of January.



Our unique business model facilitates inclusive growth across stakeholders. Through our inclusive and timeless collection, Folk Song, we offer Indian artisanal craftsmanship to consumers. Our creations serve as examples of India's artisanal economy and deft handiwork. From a gender-lens perspective, the artisan economy is crucial for inclusion, addressing a vital challenge for a young economy like India. The garment's motifs, hems, tassels and buttons are all skillfully designed & manufactured in partnership with artisans.



For empowering women in becoming self-reliant, we have established two facilities located at Harur, Tamilnadu and Pathankot, Punjab through our partners. Both facilities employ majorly women workforce. Our initiative of empowering women by providing learning and livelihood opportunities is been jointly implemented along with our partners. We encourage our vendor partners to expand their manufacturing facilities in rural areas and to promote gender equality.



Engaged employees are more productive; therefore, it is crucial to prioritize employee engagement. To foster a sense of involvement and enthusiasm among our workforce, TCNS organized various activities throughout the year to foster an environment of vivacity.

TCNS wholeheartedly embraces the spirit of festivity and celebrates various festivals. Holi, Diwali, Eid-Al-Fitr (Ramdan), Buddha Purnima, Pongal, and Christmas were celebrated and the celebrations were truly vibrant and lively. The festivities comprised various engaging activities, such as Diya decoration by employee's kids, which not only kept the employees engaged but included their families in the celebrations. Diwali Mela, dress in your best ethnic attire, and some lively games such as guessing game, Tambola and lucky draw were part of the Diwali festival celebration. These festivities fostered a sense of unity and camaraderie.



Some days are special and are recognized for various purposes. Here at TCNS, we embrace these exceptional moments, celebrating days of profound importance such as Independence Day, Men’s Day, International Women’s Day, Environment Day and Republic Day celebrations. We understand the importance of various days and their impact on our workforce fostering engagement, relaxation, and a stronger bond with our company.

Photography Contest: Employees were given a chance to show their creativity through the click of a photograph.



Our activities are not limited to company alone, with the core belief of giving back to society, TCNS initiated "Joy of Giving," where employees came together to make handcrafted school utility kits for the children of underprivileged sections of society. Items made were small wooden desks, notice boards, exam clipboards, and canvas framed wall paintings. In addition to the items created, books, woollens, & bags were also donated.

**TCNS’s contribution to the environment:**

TCNS believes in celebrating green birthdays while offering gifts to employees who keep giving back to the environment. On employee’s birthday, TCNS, in association with Grow-Trees.com, plants trees; 360 trees were planted in this fiscal year.

(Grow-Trees.com is a tree planting and monitoring service provider)

Setting off coffee in landfills is detrimental to the environment. The used coffee grounds release harmful greenhouse gases such as “methane” when it is not disposed properly. The release of methane is more harmful than carbon dioxide as it could severely damage the ozone layer. TCNS distributed 83 kilograms of used



coffee grounds over 30 days to its employees, to be used as fertiliser for plants.

Spiral notebooks – 320 pcs of spiral notebooks made with one side used paper were used in the current year by TCNS employees, thus furthering the cause of creating a sustainable environment.

- ▶ No paper cups in the TCNS (corporate) office –TCNS replaced paper cups with ceramic cups, thereby avoiding 1,20,000 paper cups being added to the landfill in the current fiscal year.
- ▶ Harmful plastic bottles have been replaced with non-toxic, BPA free, reusable and refillable steel bottles thus contributing to a sustainable future.
- ▶ Under our #GoGreen initiative here at TCNS Clothing Co., we have led the creation of 10,000 paper bags made solely from recycled newspapers.

**Trainings:**

Both technical & behavioral trainings were conducted at regular intervals for the employees.



As part of our rural development initiatives, we have established manufacturing clusters in remote areas in collaboration with our supply chain partners. We organize affordable and high-quality assistance programs, as well as scholarships and training programmes in rural areas.



**94%**  
Employees trained

**9**  
Average Man Hours of Training



# Statutory Reports





# Board of Directors



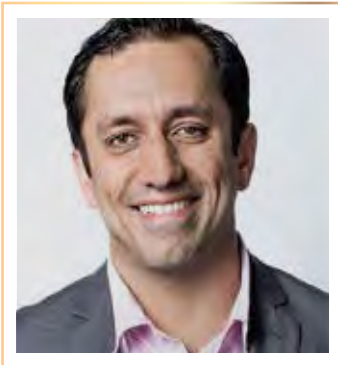
**Mr Onkar Singh Pasricha**  
Chairman and Executive Director

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.



**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.



**Mr Naveen Wadhwa**  
Non-Executive Director

He holds a Bachelor's degree in Systems Engineering from University of Pennsylvania and Post-graduate MBA from Wharton School of Business. He has more than 21 years of experience in private equity and financial services. He has held managerial positions in multiple entities such as Goldman, Sachs & Co. – Asian Special Situations Group, Accretive LLC and Broadview International – Mergers and Acquisitions.



**Mr Arvinder Singh Pasricha**  
Non-Executive Director

He is an Entrepreneur, Investor and Philanthropist with over four decades of experience in the textile and garment industry. He is also the Co-Founder and Promoter of TCNS Clothing Co. Limited. At TCNS Clothing Co. Limited, he has contributed to building the brand (s) "W" and "Aurelia".



**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.



**Ms Sangeeta Talwar**  
Independent Director

She holds a Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata. 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.



**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.



**Mr Suresh Jayaraman**  
Independent Director

He holds a Master's degree in Business Administration from Indian Institute of Management, Bangalore. He has over 30 years of experience in the FMCG, Lifestyle Brands and Retail Industry. He has served as the MD and CEO of Arvind Fashions and held various managerial positions at Hindustan Unilever Limited.

# Management Discussion and Analysis Report



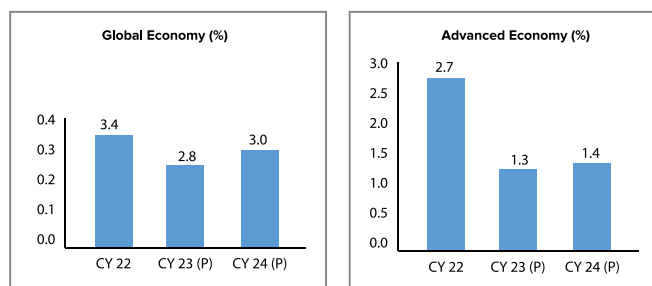
# ECONOMY

## Global Economy:

According to IMF’s World Economic Outlook report<sup>(1)</sup> titled ‘A Rocky Recovery’, global growth is estimated to bottom out at 2.8% in CY 23 before rising modestly to 3.0% in CY 24. This growth forecast for CY 23 is based on the assumption that the recent global financial sector stresses are contained. In a scenario of further financial stress, world economy growth for CY 23 is likely to reduce to 2.5% which will be the weakest growth since the global downturn.

Within the global economy, slowdown is estimated to be concentrated in advanced economies, which is projected to see a fall in growth from 2.7% in CY 22 to 1.3% in CY 23. This is particularly true for ‘Euro’ area and the United Kingdom, where growth is expected to fall from 4.0% and 3.5% in CY 22 to 0.3% and 0.8% respectively in CY 23 before rebounding to 1.0% and 1.1% in CY 24.

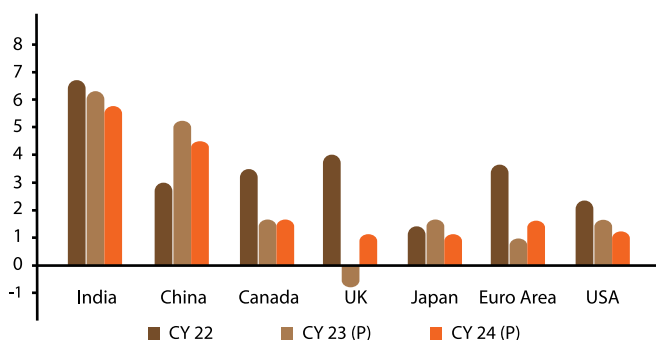
Compared to advanced economies, economic growth prospects of emerging markets and developing economies are relatively stronger. On an average, the emerging market and developing economies growth is estimated to be 3.9% in CY 23 followed by a rise to 4.2% in CY 24 indicating limited impact of the latest financial market turmoil effects.



## Indian Economy:

India is estimated to be one of the major beacons of growth in CY 23, driven by strong domestic demand and government expenditure. The efforts of the Union Budget 2023-24 to improve the disposable income of taxpayers in the country is expected to boost consumption via an increase in discretionary spending. In addition, the strong capital expenditure push provided by the Union Budget for FY 24, with an increase of 37.4%<sup>(2)</sup> in comparison to the fiscal year FY 23 is expected to drive growth, investments, and job creation.

## Major Economies GDP Growth (%)



### Source:

- <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>
- <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/03/kpmg-global-economic-outlook-h1-2023-report.pdf>
- <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPRPR2023CE7252C3A2594B408162BF7877EF7F03.PDF>
- <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR88MINUTESOFMPC507ABE3E36B346B6A843FDCDD9F6207.PDF>
- <https://economictimes.indiatimes.com/wealth/personal-finance-news/what-moved-consumer-inflation-in-march-2023-where-is-it-headed/articleshow/100032656.cms?from=mdr>
- <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR88MINUTESOFMPC507ABE3E36B346B6A843FDCDD9F6207.PDF>

The second advance estimates (SAE)<sup>(3)</sup> released by the National Statistical Office (NSO) on February 28, 2023 placed India’s real gross domestic product (GDP) growth at 7.0% in FY23 driven majorly by Private Consumption and Public Investment. RBI’s survey of enterprises conducted during January-March 2023 points to a moderation of its Business Expectations Index for the manufacturing sector firms in Q1 of FY24, although the Business Assessment Index for the prevailing conditions moved up in Q4 of FY 23. Both the indices indicate an expansion of economic activities.<sup>(4)</sup>

The survey of Consumer Confidence for March 2023 points to expectations of improved conditions for employment over the expectations held in the previous round of the survey, with a marginal decline in sentiments on general economic conditions and household income. In all the three indicators of perceptions of the economy, one-year ahead situation is expected to be substantially superior to the present.<sup>(4)</sup>

Consumer inflation fell to a 15-month low in March 2023. According to data released by National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, inflation was 5.66% in March 2023 compared to expectations of 5.8%. Comparing y-o-y inflation rates for February 2023 and March 2023, 59% of 290 sub-components of CPI combined saw moderation in price growth, 38% saw a jump in price growth whereas 3% witnessed no change.<sup>(5)</sup>

Going forward, RBI’s Monetary Policy Committee has projected CPI inflation at 5.2% for 2023-24, with Q1 at 5.1%, Q2 at 5.4%, Q3 at 5.4% and Q4 at 5.2%, and risks evenly balanced.<sup>(6)</sup>

Chart 1: Quarterly Projection of CPI Inflation (y-o-y)

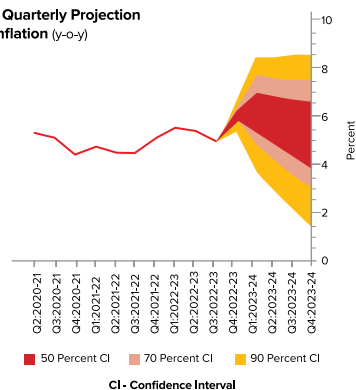
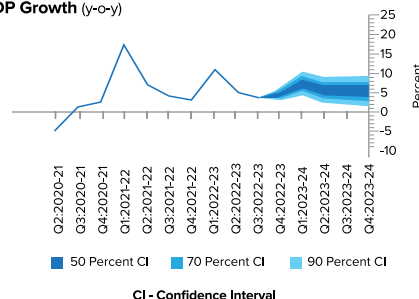


Chart 2: Quarterly Projection of GDP Growth (y-o-y)



## Industry Overview

### Indian Apparel Industry:

India’s apparel market size now stands at fourth rank globally and only China, USA and Japan are ahead of the country in 2023. As per Statista, the revenues in the Indian apparel market may amount to US \$ 96.47 billion in 2023 and the market is expected to grow annually by 3.34% between 2023 to 2027.<sup>(7)</sup>

### Key Growth Drivers:

- 1. Per Capita Income:** Per Capita Income has registered a Y-o-Y growth of 6.1% in FY 23 increasing to ₹ 1,15,746 and is expected to grow steadily in the years to come and will fuel demand for apparel industry.<sup>(8)</sup>
- 2. Private Consumption:** Private consumption which is the mainstay of the domestic economy accounted for nearly 58.5% of the GDP in FY 23 compared to 58.3% in FY 22 and 57.2% in FY 21. According to Morgan Stanley, with more disposable income likely to be with Indian Consumers, India’s income distribution could flip over the next decade, and consequently overall consumption in the country could more than double from \$2 trillion in 2022 to \$4.9 trillion by the end of the decade. The greatest gains are going to be non-grocery retail, including apparel and accessories, leisure and recreation, and household goods and services, among other categories.<sup>(9)</sup>
- 3. Shift to digital engagement model:** Digital penetration has transformed the retail landscape. E-commerce platforms have made shopping convenient and accessible for consumers across the country. In addition to increase in smartphones penetration, improving data affordability, better awareness is driving adoption of online shopping amongst customers and Cash-on-delivery option along with payment gateways has evolved digital engagement towards Direct-to-Customer models (D2C) making physical distance irrelevant.

### Women’s Apparel:

According to Technopak Analysis report, the women apparel market contributed 36% of the total apparel market of India in FY 20 and is estimated at ₹ 1,63,291 Mn (~US\$ 21.8 Billion) and the same is expected to grow at a CAGR of 9.2% for the next 5 years to reach ₹ 2,53,733 Mn (US\$ 33.8 Billion) by FY 25<sup>(10)</sup>. Women’s Indian wear is the largest segment within the women apparel market in India and contributed ~71% of the market in FY 20. Indian fashion is influenced by Indian ethos and values and these factors impact the apparel’s cut, shape, silhouette and nature of raw material used.

### Key Growth Drivers:

- 1. Increasing women’s participation in workforce :** As per the latest available Annual Periodic Labour Force Survey (PLFS) Reports, the estimated Labour Force Participation Rate (LFPR) on usual status for women of age 15 years and above in the country was 30.0%, 32.5% and 32.8% during 2019-20, 2020-21 and 2021-22, respectively showing an increasing

trend. The Government has taken various steps to improve women’s participation in the labour force and quality of their employment. A number of protective provisions have been incorporated in the labour laws for equal opportunity and congenial work environment for women workers. The Code on Social Security, 2020 has the provisions for enhancing paid maternity leave from 12 weeks to 26 weeks, provision for mandatory crèche facility in the establishments having 50 or more employees, permitting women workers in the night shifts with adequate safety measures, etc. To increase the employability of female workers, the Government is providing training to them through a network of Women Industrial Training institutes, National Vocational Training Institutes and Regional Vocational Training Institutes.<sup>(11)</sup>

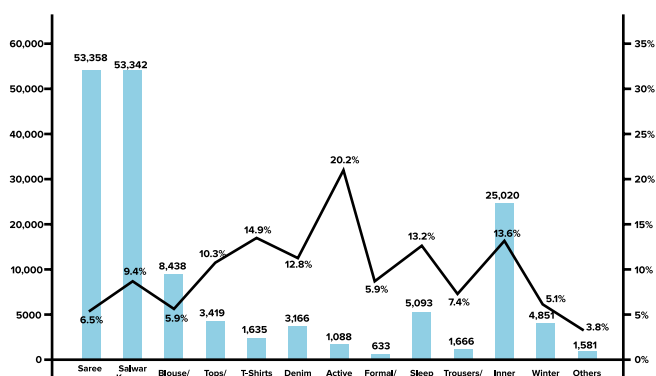
- 2. Personalized Consumer Preference:** India’s expanding population and increasing disposable income has led to a diverse consumer base with varying preferences. Consumer preference are more inclined towards fusion of traditional clothing, deeply rooted in cultural significance and the demand for modern styles influenced by Western trends and urbanization
- 3. Increased Popularity for Celebration Wear:** Regional variations in climate, festivals, and social occasions create distinct market segments driving demand in customized segment.

### Women’s Indian Wear:

As per an analysis carried out by Technopak<sup>(12)</sup> , Women’s Indian-wear accounted for approximately 71% of the overall Women’s wear market. This translates to roughly a market size of ₹ 115,139 Mn (US\$ 15.3 billion) in FY 20 and is expected to increase at a CAGR of 8% to reach ₹ 1,68,222 Mn by FY 25. It implies that women Indian wear is the mainstay for women apparel market in India.

The largest segments in women-wear viz Saree and Salwar-Kameez, which collectively occupy approximately 67% of the women-wear market, are expected to grow at 6.5% and 9.4% respectively<sup>(12)</sup>.

**Market Size (CY 20) and Expected CAGR (2020 to 2025) for Women’s Wear Segments**



### Source:

- <https://apparelresources.com/business-news/retail/indias-apparel-retail-market-amounts-us-96-47- billion-2023/>
- [https://mospi.gov.in/sites/default/files/press\\_release/PressNoteQ4\\_FY2022-23\\_31may23.pdf](https://mospi.gov.in/sites/default/files/press_release/PressNoteQ4_FY2022-23_31may23.pdf)
- <https://www.morganstanley.com/ideas/investment-opportunities-in-india>
- [https://sskl.co.in/wp-content/uploads/2022/07/Industry-Report\\_Technopak.pdf](https://sskl.co.in/wp-content/uploads/2022/07/Industry-Report_Technopak.pdf)
- <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1908961>
- [https://sskl.co.in/wp-content/uploads/2022/07/Industry-Report\\_Technopak.pdf](https://sskl.co.in/wp-content/uploads/2022/07/Industry-Report_Technopak.pdf)

## Company Overview

The company has created multiple scaled, independent brands in Women's apparel segment. TCNS has a portfolio of 4 segment defining brands which sets it poised for high-growth possibilities in the Women's apparel segment.

The Company has emerged as the market leader in the women's ethnic and fusion wear category, because of deep insights into the target "Indian women customer", unmatched brand-building capabilities, diversified and responsive supply chain, widest pan India reach, established online and omni-channel capabilities, and Institutionalized product design capabilities and strong supply chain infrastructure.

A team of 50+ designers with an institutionalized design process encompassing understanding of evolving customer preferences, understanding of regional complexity, robust feedback process, data insights and a scientific approach to size and fits backed by pan-India anthropometric study, gives a competitive advantage to the company. The company refreshes its inventory every two to three weeks with 5000+ designs launched annually.

The Company has evolved from being a pure play apparel company to a lifestyle platform offering head-to-toe look to its customers.





## Financial and Operational Overview:

Company reported its' highest ever revenue from operations of ₹ 12,016 Mn (Y-o-Y growth of 34%) in FY 23. The growth is broadly attributed to better like-to-like recovery in offline channels compared to FY 22, expansion in offline channels particularly in Exclusive Brand Outlets (EBOs) and growth registered in online channels driven by higher contribution of D2C models and scale up of brand websites which is now contributing to one-quarter of the online business. EBITDA for FY 23 increased to ₹ 1,416 Mn (Y-o-Y growth of 15%). The company made losses at PBT and PAT levels as the business is yet to recover completely from the impact of Covid-19 and store sales are yet to recover to pre-covid levels.

(₹ in Mn.)

Particulars	FY 23	FY 22
Total Revenue	12,016	8,961
EBITDA	1,416	1,243
Profit Before Tax	-312	-72
Profit After Tax	-175	-57
Earnings Per Share (EPS) – in ₹	-2.75	-0.90

The financial year FY 23 started on a mixed note with an overhang of the third wave of Covid-19 coupled with optimism for demand to recover in subsequent quarters as more women getting back to work and more occasions opening up.

The company faced product-related challenges in the second half of the financial year where certain products launched in the market in Monsoon-Festive'22 season didn't receive favourable response from the consumers and the sell-throughs were impacted. Coupled with muted demand environment post Diwali, this resulted in lower-than-expected revenues for the year and a built-up of working capital.

Given the high operating leverage in our business, the negative impact on revenues had a multi-fold impact on our profitability and the company incurred losses in FY 23. Necessary corrections were implemented in the merchandise architecture with impact already visible, albeit partially, in the Spring-Summer'23 and expected completely in our Monsoon-Festive'23 range.

In FY 23, company's distribution channel has increased to 4045 point of sales. This includes a net addition of 76 stores in our Exclusive Brand Outlets (EBO) channel where our store tally increased to 675 stores, highest ever.

In line with the stated focus on building Direct-to-Consumer (D2C) with particular focus on brand websites, the company made progress on the transition from B2B model to D2C model which is now contributing to majority of the Online sales. Subsequent to stabilizing the stack for marketplace channels whereby partners shifted to D2C model, the Company upgraded the technology back-end for brand websites as well.

### Key Focus Areas:

In FY 24, we are focusing on certain building blocks which have been put into place over the last couple of years to drive efficient growth.

Our first focus area is to consistently deliver a winning range architecture and merchandise mix. From a long-term strategy perspective, we are enriching our merchandise architecture including premiumization of the occasion-wear and casualizing the day-wear ranges. In the short-term, the focus would be to incorporate the learnings into our range a part of which was

already done for Spring-Summer'23 range which is in the market. We intend to build on these successes and this should be reflected fully in our upcoming ranges.

The second focus area is driving the same-store sales recovery, while taking a more calibrated approach towards business development and expansion. Focus will be on driving store-level throughput and efficiencies more than ever. We will undertake a comprehensive approach, including optimization of store inventories, driving footfalls, adding the right merchandise mix.

Third focus area is to build on the online growth journey with the stabilized base that is now in place. Over the last couple of years, we have invested in building capabilities to transition the business mix from a B2B model to a D2C model. To drive efficient growth, the approach will be to increasingly focus on variety and convenience seeking customers, in addition to price-seeking consumers. With deep omni-integration across websites and marketplace channels, we will be able to offer a comprehensive product range and drive better efficiencies through fungibility of our inventories across channels.

Our fourth focus area is working capital optimization. The working capital inflated in FY 23 and while this will take a couple of seasons to fully resolve, we are hopeful of seeing gradual progress on this front.

### Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations. The key financial ratios are given below:

Ratios	FY 23	FY 22
Debtors Turnover (in times) Net Sales/ Average Debtors	5.56	5.29
Inventory Turnover (in times) Sales/Average inventory	2.81	2.80
Interest Coverage Ratio (in times) <sup>1</sup> EBIT/Interest	0.40	0.81
Current Ratio (in times) <sup>2</sup> Current assets/Current liabilities	1.96	2.66
Debt Equity Ratio (in times) <sup>3</sup> Debt (net of cash & Bank and liquid investment)/Equity	0.02	0.00
Operating profit (in %) <sup>4</sup> EBIT excluding other income/ Net Sales	0.40%	(-)0.53%
Net Profit Margin (in %) <sup>5</sup> PAT/Net Sales	(-)1.46%	(-)0.64%
Return on Net Worth (in %) <sup>6</sup> PAT/ Equity	(-)2.87%	(-)0.92%

### Notes:

<sup>1</sup> There has been increase in finance costs in the current year due to availment of working capital demand loans and utilisation of cash credit facilities.

<sup>2</sup> Due to increase in borrowings and increase in current portion of lease liabilities with the opening of new stores in the current year.

<sup>3</sup> The Company has taken working capital demand loans and utilised cash credit facilities in current year due to which there is an increase in debt balance.

<sup>4</sup> Due to increase in sales and resultant operating leverage.

<sup>5</sup> The increase is due to increase in losses at PAT level in current year owing to increase in corresponding expenses, higher interest cost and lower other Income.

<sup>6</sup> The Company has incurred losses in the current year due to persisting impact of Covid-19 and subdued consumer demand.

**Internal Control:**

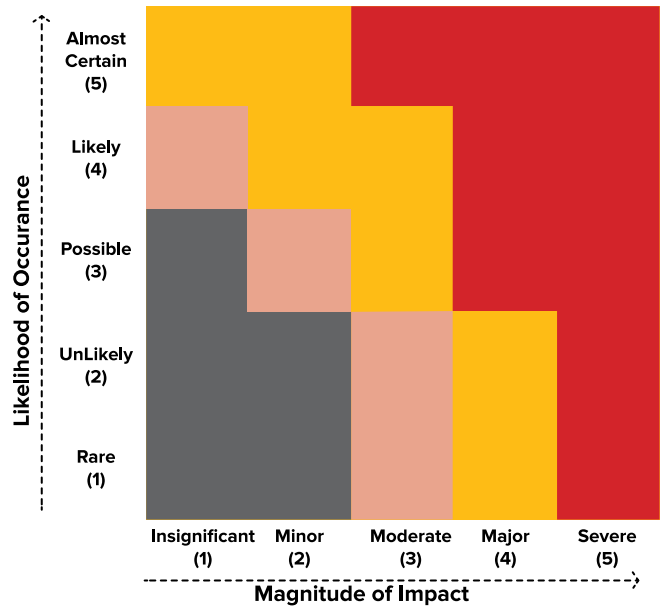
The Company’s internal control system guarantees that transactions are properly authorised, recorded, and reported. Internal control is exercised using the Enterprise Resource Planning (ERP) system’s procedures and rights. Internal auditing is used to enhance the controls. The Audit Committee reviews the audit findings and corrective actions performed on a regular basis to verify the internal control system’s effectiveness.

**Human Resources:**

People are the most precious asset and the Company strives to create a high-performing entrepreneurial organization where everyone is driven to achieve their full potential. TCNS is proud of the professional and healthy work culture, which is based on strong corporate values. Employees are given an enabling working environment and culture, as well as equal opportunities for learning and personal development. The Company has a total of 4,297 employees as of March 31, 2023 including contractual, temporary and permanent employees.

**Risk Management:**

The company’s risk management infrastructure includes the people, processes, and technology. We follow a 4 step process of Risk Management: (1) identify & measure, (2) mitigate, (3) monitor and (4) report key risks for the organization. The risks are monitored quarterly and reported to the Risk Management Committee periodically. The risks are measured basis likelihood of its occurrence and the possible impact of the risk in a 5 X 5 matrix.



Key Risks	Mitigation
<p><b>Strategic Risks:</b> Continue to sustain leadership position in women ethnic-wear market.</p>	<p>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.</p> <p>The Company's initiative of creating an 'Incubation cell' facilitated in idealizing product innovation in-line with upcoming trends thereby ensuring that we are ahead of the trend curve. Incubation cell acts like an "Art Lab" that assists in touching upon the four founding principles - Observation, Ideation, Innovation and Implementation of a new product innovation.</p> <p>Overall, through Incubation cell, the capability to idealize new product offering in-line with changing trend not only increases multifold, but also provides the needed agility to accommodate change.</p>
<p><b>Financial Risks:</b> Ability to sustain and grow margins, Optimize working capital.</p>	<p>TCNS reported highest ever revenue from operation in FY 23. Given the higher operating leverage of the business, a singular focus on sales recovery to pre-covid levels and growth beyond that has potential to deliver significant impact on the financial metrics. Initiatives to optimize working capital to include reduction of design-to-deliver process timelines, faster replenishment, allocation and replenishment through an AI driven tool, shift to D2C model for online business etc.</p>
<p><b>Operational Risks:</b> Prevent design failures, inventory build-up, concentration of business with limited customers or suppliers etc</p>	<p>To mitigate risk arising from design failure, the Company has an extensive design process which seamlessly integrates multiple stages of trend analysis, products conceptualization, print creation and range planning to produce the final products. Strong creative orientation and institutionalized product creation processes to ensure the balance of creativity and commerce for every single range, reducing risk of design failure.</p> <p>In addition to above, their automated inventory management system ensures that optimum inventory levels are maintained in-line with various scenario</p>
<p><b>Technology Risks:</b> Sustain leading position in a highly volatile competitive landscape driven by digitalization</p>	<p>TCNS has completed their transition of business mix from a B2B model to a D2C. Subsequent to stabilizing the stack for marketplace channels, the Company has upgraded the technology back-end for brand websites as well. This should help them strengthen brand website business as well.</p> <p>With deep omni-integration across websites and marketplace channels, the Company will be able to offer a comprehensive product range and drive better efficiencies through fungibility of inventories across channels.</p>

#### Disclosures of Arrangement under Regulation 30A of SEBI (Listing Obligations and Disclosure Requirements)

Mr. Onkar Singh Pasricha and Mr. Arvinder Singh Pasricha, Promoters of The Company had entered into an Upside Sharing Agreement with TA FDI Investors Limited, formerly "Wagner Limited", on 15<sup>th</sup> June 2018 which was subsisting as on date of effectiveness of SEBI (LODR) Second Amendment Regulations, 2023. This purpose and effect of the said arrangement was not intended either directly or indirectly or potentially to impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity. The Upside Sharing Agreement has been terminated with effect from 31<sup>st</sup> July 2023 without any performance of rights and obligation by the parties. The brief details of the said agreement have been disclosed in the Prospectus of the Company and is disclosed at the website of the Company at the link <https://wforwoman.com/content/investor-relation>.

#### Proposed Merger with Aditya Birla Fashion and Retail Limited ("ABFRL")

The Board of Directors at its meeting held on May 5 2023, approved a draft Scheme of Amalgamation by way of merger by absorption ("Scheme") between TCNS Clothing Co. Limited ("Transferor Company" or "TCNS") and Aditya Birla Fashion and Retail Limited ("Transferee Company" or "ABFRL") and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013. The Scheme is conditional upon and subject to Transferor Company and Transferee Company complying with the 'Conditions Precedent to Effectiveness' as stated in clause 31 of the Scheme and receipt of requisite approvals from Statutory and Regulatory authorities, the respective shareholders and creditors, under applicable laws. On the scheme becoming effective, 11 fully paid-up equity shares of the face value of ₹ 10 of Transferee Company will be Issued for every 6 fully paid-up equity shares of the face value of ₹ 2 of the Transferor Company.

#### Outlook:

India's economy is projected to remain the fastest growing economy in the world, despite sharp global slowdown. Inflation rate is projected to remain within RBI's 2-6 % tolerance band. A growing economy and favorable inflation rate ensures growth stability leading to favorable demand outlook scenario for India's women wearable segment. It would be accelerated by key growth drivers such as - (i) increasing per capita income, (ii) increase in number of women's representation in country's workforce, (iii) more companies opening offices as a result of expansion or reopen offices closed during the COVID pandemic, (iv) better digital engagement adoption across age group and region and (v) shift towards organized retail.

#### Disclaimer

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and it may include any 'forward looking statements' within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to results include economic conditions affecting demand/supply, price conditions in domestic and overseas markets in which the Company operates, competitive pressures in these markets, changes in government regulations, tax laws and other statutes and incidental factors.

## NOTICE

### Invitation to attend the Twenty - Sixth (26<sup>th</sup>) Annual General Meeting (“AGM”) of TCNS CLOTHING CO. LIMITED (“the Company”)

Dear Members,

You are cordially invited to attend the Twenty-Sixth (26<sup>th</sup>) Annual General Meeting (“AGM”) of the Company to be held on Monday, September 11, 2023 at 11:30 AM (IST) through Video Conferencing (“VC”). The Notice convening the Annual General Meeting is attached herewith.

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

Sr. No.	Particulars	Details
1	Time and date of AGM	Monday, September 11, 2023 at 11:30 AM (IST)
2	Mode	Video Conferencing/Other Audio-Visual Means
3	Link for attending the AGM through Video Conferencing (VC)	<a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
4	Link for remote e-Voting (Please use as applicable to you)	<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a> <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>
5	Username and password for VC	Members may attend the AGM through VC by accessing the link <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> 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 Limited (‘KFin Tech’) at 1800-309-4001 or write to them at <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a>
7	Cut-off date for e-Voting	Monday, September 04, 2023
8	e-Voting Start time and Date	Friday, September 08, 2023 (9:00 AM)
9	e-Voting end time and Date	Sunday, September 10, 2023 (5:00 PM)
10	Last date for publishing results of the e-Voting	Wednesday, September 13, 2023
11	Registrar and Share Transfer Agent contact details	Mr. Umesh Pandey, Manager KFin Technologies Limited “KFin Tech” Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. Toll-free No.: 1800-309-4001 E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> ; <a href="mailto:umesh.pandey@kfintech.com">umesh.pandey@kfintech.com</a> ; Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a>
12	TCNS’s contact details	<a href="mailto:investors@tcnsclothing.com">investors@tcnsclothing.com</a> 011-42193193/011-42193176
13	Link of Proxy Advisors report	<a href="https://www.iiasadvisory.com/voting-recommendation">https://www.iiasadvisory.com/voting-recommendation</a> (IIAS) <a href="https://www.sesgovernance.com/ses-recommendations">https://www.sesgovernance.com/ses-recommendations</a> (SES)
14	Link of disclosures on Stock Exchange website and Company website	<a href="https://www.nseindia.com/companies-listing/corporate-filings-announcements">https://www.nseindia.com/companies-listing/corporate-filings-announcements</a> (NSE) <a href="https://www.bseindia.com/corporates/ann.html">https://www.bseindia.com/corporates/ann.html</a> (BSE) <a href="https://wforwoman.com/content/investor-relation">https://wforwoman.com/content/investor-relation</a> (Company’s website)

#### For and on behalf of Board of Directors

Sd/-

**PIYUSH ASIJA**

Company Secretary and Compliance Officer  
ACS 21328

Date: August 18, 2023

Place: New Delhi

Notice (continued...)

Notice is hereby given that the Twenty-Sixth (26<sup>th</sup>) Annual General Meeting (“AGM”) of the Members of TCNS Clothing Co. Limited will be held on Monday, September 11, 2023 at 11:30 AM (IST) through Video Conferencing (VC)/Other Audio Video Mode (OAVM), to transact the following businesses:

**ORDINARY BUSINESS:**

**Item no. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.**

“RESOLVED THAT the audited financial statements of the Company comprising of the balance sheet as at March 31, 2023, the statement of profit and loss, cash flow statement and statement of equity, for the financial year ended on March 31, 2023, together with the notes thereto, report of the board of directors and auditors’ report thereon, as circulated to the members and laid before the meeting, be and are hereby considered and adopted.”

**Item no. 2: To appoint a Director in place of Mr. Onkar Singh Pasricha (DIN 00032290) who retires by rotation and being eligible, offers himself for re-appointment.**

“RESOLVED THAT Mr. Onkar Singh Pasricha (DIN 00032290), who retires by rotation as Director at this Meeting pursuant to the provisions of Section 152 of the Act and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS:**

**Item no. 3: Approval for Remuneration of Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company.**

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

“RESOLVED FURTHER THAT pursuant to provisions of Sections 197, 198 and other applicable provisions of the Act, the rules made thereunder read with Schedule V of the Act (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and resolution of the members of the Company passed on September 17, 2021 and based on the recommendation of Nomination and Remuneration Committee and the approval of Board of Directors, the payment of remuneration, perquisites, and other benefits to Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company for FY 2023-24, as set out in the Explanatory Statement be and is hereby approved, with the authority to the Board to alter and vary the terms and conditions related to remuneration payable to him in such manner as may be agreed between the Board and Mr. Anant Kumar Daga.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board/Committee including Company Secretary and Chief Financial Officer in this regard) be and are hereby authorised on behalf of the Company to do all acts, deeds and things and take all steps as may be necessary, proper and expedient to give effect to the above resolution.”

**For and on behalf of Board of Directors**

Sd/-

**PIYUSH ASIJA**

Company Secretary and Compliance Officer  
ACS 21328

Date: August 11, 2023

Place: New Delhi

**NOTES:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) related to the Special Business(es) to be transacted at the Annual General Meeting (“AGM”/“Meeting”) is annexed hereto.
2. Pursuant to the provisions of the Act, Regulation 36 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 appointment/re-appointment and fixation of remuneration at the AGM is attached as **Annexure-B** and forms an integral part of this Notice.
3. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) read with the Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 issued by the Securities and Exchange Board of India (“SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
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 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 up to 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, Scrutinizers, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join Thirty (30) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of Fifteen (15) 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,

Notice (continued...)

- together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [sanjaygrover7@gmail.com](mailto:sanjaygrover7@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com). The scanned image of the above-mentioned documents should be in the naming format "TCNS Clothing Co. Limited\_7513".
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. The Company has appointed M/s. Sanjay Grover and Associates, Practicing Company Secretaries, to act as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. Mr. Kapil Dev Taneja (FCS No. 4019 and CP No. 22944) and in case of his unavailability Mr. Neeraj Arora (FCS No. 10781 and CP No. 16186) on behalf of M/s. Sanjay Grover and Associates, has communicated his willingness to be appointed as a Scrutinizer and be available for the purpose.
  10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  11. 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., September 04, 2023.
  12. 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 August 11, 2023 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. The Members seeking physical copy of Annual Report for FY 2022-23 are required to raise a request at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com) mentioning their Folio No./DP ID and Client ID.
  13. 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/wp-content/uploads/2021/12/4FORM-SH-13.pdf>.
  14. 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 lodgement 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.
  15. The SEBI has wide it's Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 in related to "Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination" 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 (RTA).
  16. In case of change in residential status of Non-Resident Indian Members, 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.
  17. Certificate from M/s. Sanjay Grover and Associates, Secretarial 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.
  - 17.2 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](mailto: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 7 days before the date of AGM, through email at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com). The same will be replied by the Company suitably.
  - 18.1 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.
  - 18.2 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. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
  19. The 26<sup>th</sup> Annual General Meeting is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with applicable rules and applicable circulars.
  20. The recorded transcript of this meeting shall be made available on the website of the Company at <https://wforwoman.com/content/investor-relation>
  21. Holders of equity shares in physical mode, in case of any dispute against the Company and/or its RTA, regarding delay or default in processing their request(s), can file for arbitration with Stock Exchange. For more details, please refer to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022 and/or the following web links of the Stock Exchanges: BSE - <http://tiny.cc/m1l2vz> NSE - <http://tiny.cc/s1l2vz>.
- In case investors need any assistance in filling complaints on SCORES, they can call on SEBI toll free helpline number: 1800 266 7575 and 1800 22 7575.

Notice (continued...)

## 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 OR PARTICIPATION IN THE AGM THROUGH VC, AND FOR E-VOTING DURING THE AGM.

- 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](http://www.nseindia.com) and [www.bseindia.com](http://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 [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) for sending the Annual report and Notice of AGM by email.
- 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 MEMBERS 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. Members are advised to update their mobile number and e-mail ID with their DPs to access remote e-Voting facility.

#### OPTION 1 – LOGIN THROUGH DEPOSITORIES

Members having NSDL as Depository	Members having CDSL as Depository
<ol style="list-style-type: none"> <li>Members who have already registered and opted for IDeAS facility to follow below steps:               <ol style="list-style-type: none"> <li>Go to URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>On the new page, enter the existing User ID and Password. Post successful authentication, click on “Access to e-Voting”.</li> <li>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.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Members who have already registered and opted for Easi/Easiest to follow below steps:               <ol style="list-style-type: none"> <li>Go to URL: <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a>; or</li> <li>URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select ‘New System Myeasi’</li> <li>Login with user id and password.</li> <li>The option will be made available to reach e-Voting page without any further authentication.</li> <li>Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>User not registered for IDeAS e-Services               <ol style="list-style-type: none"> <li>To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Proceed with completing the required fields.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>User not registered for Easi/Easiest               <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></li> <li>Proceed with completing the required fields.</li> </ol> </li> </ol>
<ol style="list-style-type: none"> <li>First-time users can visit the e-Voting website directly and follow the process below:               <ol style="list-style-type: none"> <li>Go to URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a></li> <li>Click on the icon “Login” which is available under ‘Member/Member’ section.</li> <li>Enter User ID (i.e., 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>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.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>First-time users can visit the e-Voting website directly and follow the process below:               <ol style="list-style-type: none"> <li>Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on the icon “e-Voting”</li> <li>Provide demat Account Number and PAN No.</li> <li>System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</li> <li>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.</li> </ol> </li> </ol>

Notice (continued...)

**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 Members 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800-1020-990 and 1800-224-430.
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="http://helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43.

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

- Please access the RTA's e-Voting platform at the URL: <https://evoting.kfintech.com>
- Members whose email IDs are registered with Company/Depository Participants (s), will receive an email from RTA which will include details of e-Voting Event Number (EVEN) i.e. 7513, USER ID and password. Members are requested to use these credentials at the Remote Voting Login at the above-mentioned URL.
- 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.
- 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 Members) 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. HMT12345678


**3. OTHER GENERAL INSTRUCTION FOR REMOTE E-VOTING:-**

The remote e-Voting facility will be available during the following period:

Start date and time	September 08, 2023 at 09:00A.M. (IST)
End date and time	September 10, 2023 at 05:00P.M. (IST)

- 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.
- 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.
- In case of any query pertaining to e-Voting, please refer "Help" or "FAQs" and "User Manual for Members" 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 1800-3094-001 or send an e-mail request to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) for all e-Voting related matters.

**4. INSTRUCTION FOR E-VOTING AT E-AGM:**

- 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.
- Members who have casted their votes by remote e-Voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.
- 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.
- Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- The facility of Instapoll will be available not exceeding Fifteen (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. September 04, 2023 and who have not already cast their vote(s) through remote e-Voting.

**5. 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> 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 of the Company. Click on the video symbol and accept the meeting etiquettes to join



Notice (continued...)

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 through VC/OAVM shall open at least Thirty (30) 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 September 06, 2023 to September 08, 2023. 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, Members' 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://www.youtube.com/watch?v=0QpzRQ\\_IQdM](https://www.youtube.com/watch?v=0QpzRQ_IQdM).
- 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 voting (👍) 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.

## 6. 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 Website) or contact Mr. Umesh Pandey, Manager KFin Technologies Limited ('KFin Tech') Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032. Toll-free No.: 1800-309-4001 E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); [umesh.pandey@kfintech.com](mailto:umesh.pandey@kfintech.com) Website: <https://www.kfintech.com> for any further clarifications.
- ii. The Members, whose names appear in the Register of

Members/list of Beneficial Owners as on September 04, 2023, 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(s) 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., September 04, 2023.
- iv. The Scrutinizer shall, immediately after the conclusion of the remote e-Voting at the AGM, first count the votes cast through remote e-Voting 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 Scrutinizer'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 (2) Two working days 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](http://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.

## 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").

### Item No. 3:

Mr. Anant Kumar Daga was re-appointed as Managing Director of the Company via a special resolution passed by the members at 24<sup>th</sup> Annual General Meeting held on September 17, 2021 for a period of Five (5) years with effect from September 07, 2021 to September 06, 2026.

In furtherance to the aforementioned appointment, the members of the Company revised the remuneration of Mr. Anant Kumar Daga, Managing Director for the FY 2022-23 at their 25<sup>th</sup> Annual general Meeting held on September 20, 2022.

In recognition of Mr. Anant Kumar Daga's contribution to the Company's performance and considering the company's performance on defined parameters, industry benchmarks and individual performance and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on August 11, 2023 approved the remuneration of Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company for the FY 2023-24 subject to approval of shareholders and other applicable rules and regulations.

The remuneration proposed to be paid to Mr. Anant Kumar Daga, Managing Director of the Company for FY 23-24 as mentioned below is commensurate with his roles and responsibilities and is in line with the industry benchmarks and the performance of the company. Considering the size

Notice (continued...)

of the operations of the Company, role and responsibilities assigned to in his position, his background, competence, experience and his association with the Company and the industry benchmarks and remuneration packages of similarly placed personnel of other corporate bodies in the country, the remuneration proposed to be paid to him is considered to be fair, just and reasonable.

The proposed structure of Mr. Anant Kumar Daga as the Managing Director are as follows:

#### 1. REMUNERATION DETAILS:

i. **Period:** From April 01, 2023 to March 31, 2024 (FY24)

ii. **Compensation details:**

- Salary: Upto ₹ 30 Mn. per annum (including Retirals, variable pay as per the policy of the Company, Perquisites, allowances and other benefits).
- Commission: Nil
- Retirals: include Company's contribution to provident fund, superannuation or annuity fund and gratuity fund as per the service rules of the Company and applicable laws.
- Sitting Fee: Nil
- Perquisites: Perquisites include but not limited to expenses pertaining to medical reimbursements as per policy of the Company, Leave Travel Concession as per policy of the Company, conveyance reimbursements, personal accident insurance, term policy, life insurance policy premium, usage of Company car(s) with driver, telephone/internet expenses and other utilities, membership fees of industry associations and/or clubs.

The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder including any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company.

Any perquisite arising out of exercise of options during the year will be calculated at actual and would be in addition to the compensation limit mentioned above.

If during the financial year, the Company has no profits or its

profits are inadequate, it shall pay to Mr. Anant Kumar Daga, remuneration as specified above, as minimum remuneration subject to the limits laid down and, in the manner, as stipulated in Schedule V to the Act, as may for the time being, be in force.

Pursuant to the provisions of Sections 197, 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Shareholders by way of Special Resolution is required for payment of Managerial Remuneration by the Company;

- a) to its Managing Director, in any financial year, exceeding 5% of the net profits computed in accordance with the provisions of section 198 of the Companies Act, 2013; and/or
- b) to its Director(s) including Managing Director, Whole Time Director(s) and Non-Executive Director(s) in any financial year, exceeding 11% of the net profits computed in accordance with the provisions of section 198 of the Companies Act, 2013.

It is submitted that based on the projections, the managerial remuneration as aforesaid payable individually to Mr. Anant Kumar Daga may exceed the limits specified in Section 197 of the Companies Act, 2013. Accordingly, approval of the shareholders is sought by way of Special Resolution for the Item No. 3 of this AGM Notice.

Requisite information as required to be provided as per Schedule V of the Companies Act, 2013 is annexed as **Annexure- C**.

Except Mr. Anant Kumar Daga and his relative (to the extent of their shareholding in the Company, if any), none of Directors, Key Managerial Personnel and their relatives are considered to be concerned or interested financially or otherwise, in the said Resolution.

This Explanatory Statement may also be read and treated as written memorandum setting out the terms of appointment in compliance with the requirements of Section 190 of the Companies Act, 2013.

Additional information pursuant to the Secretarial Standard on General Meetings (SS-2) in respect of fixation of remuneration of direction at Item No. 3 is given in **Annexure-B** to this Notice.

**For and on behalf of Board of Directors**

Sd/-

**PIYUSH ASIJA**

Company Secretary and Compliance Officer  
ACS 21328

Date: August 11, 2023

Place: New Delhi

Notice (continued...)

## Annexure-B

Details under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking appointment/re-appointment or fixation of remuneration of Director. (Executive Directors)

Name of Director (DIN)	Mr. Anant Kumar Daga (DIN 07604184)	Mr. Onkar Singh Pasricha (DIN 00032290)
<b>Resolution No.</b>	Resolution No. 3 (Approval of Remuneration)	Resolution No. 2 (Liable to retire by rotation and being eligible, offers himself for re-appointment)
<b>Brief Resume, Experience and Expertise in specific functional areas</b>	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010. He was appointed on the Board as Managing Director on September 07, 2016 and re-appointed on September 07, 2021. Prior to joining the Company, Mr. Anant Kumar Daga has worked with Reebok India and ICICI bank.	Mr. Onkar Singh Pasricha holds a bachelor's degree in Technology in Electrical Engineering from Indian Institute of Technology, Delhi. He is one of the Co-founders of TCNS Clothing Co. Limited and has been on the Board of the Company since December 3, 1997. He has more than Forty Six (46) years of experience in the fashion industry spanning from retail, trading, whole-selling, manufacturing and exports. From the early 1970s he has set up manufacturing operations and contract manufacturing in India and other countries to serve global developed markets for international brands and chain store retailers. He has been also awarded for Entrepreneur of the year by Images North Indian Awards (FY 2019).
<b>Date of Birth (Age in years)</b>	April 28, 1977 (46 years)	September 21, 1950 (72 years)
<b>Qualifications</b>	Bachelor's degree in Commerce from the University of Calcutta and a postgraduate diploma in management from Indian Institute of Management, Ahmedabad.	B-Tech, Electrical Engineering, IIT-Delhi.
<b>Terms and conditions of appointment/re-appointment including remuneration</b>	As mentioned in explanatory statement	Mr. Onkar Singh Pasricha, retires by rotation and being eligible as confirmed by him, offers himself for re-appointment.
<b>Details of remuneration last drawn</b>	₹ 27.50 Mn. (₹ 30.00 Mn was approved by Shareholders on September 20, 2022 for FY 2022-23)	₹ 3.00 Mn. (₹ 4.50 Mn. per annum was approved by Shareholders on September 20, 2022 for FY 2022-23 to 2024-25).
<b>Date on which first appointed on the Board</b>	September 07, 2016	December 03, 1997
<b>Details of shareholding in the Company directly or on beneficial basis (As on March 31, 2023)</b>	36,05,124 equity shares	67,52,681 equity shares
<b>Relationship with other Directors Manager and Key Managerial Personnel (if any)</b>	Not related to any Director of the Company.	Relative of Mr. Arvinder Singh Pasricha (Non-Executive Director) (DIN 00032420)
<b>Number of Board meetings attended during the year</b>	5 out of 5 Board meetings	5 out of 5 Board meetings

Notice (continued...)

Name of Director (DIN)	Mr. Anant Kumar Daga (DIN 07604184)	Mr. Onkar Singh Pasricha (DIN 00032290)
<b>Board memberships of other Companies</b>	Nil	1. TCNS Limited 2. TCNS Resorts Private Limited
<b>Chairperson/ Member of the Committee of the Board of Directors of Company</b>	1. Risk Management Committee (Member) 2. Stakeholders Relationship Committee (Member)	1. Risk Management Committee (Chairperson) 2. Nomination and Remuneration Committee (Member) 3. Corporate Social Responsibility Committee (Member)
<b>Chairperson/ Member of the Committee of the Board of Directors of other Companies</b>	Nil	Nil
<b>Name of Listed Companies from which resigned during last Three (3) years</b>	Nil	Nil

**For and on behalf of Board of Directors**

Sd/-

**PIYUSH ASIJA**Company Secretary and Compliance Officer  
ACS 21328

Date: August 11, 2023

Place: New Delhi

Notice (continued...)

## Annexure-C

### ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT

#### GENERAL INFORMATION:

<b>Nature of industry</b>	Manufacturing and Retailing of women apparel.		
<b>Date or expected date of commencement of commercial production</b>	The Company is in operation since December 3, 1997.		
<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	Not applicable		
<b>Financial performance based on given indicators</b>	The Financial performance of the Company for Financial Year ended on March 31, 2023 and March 31, 2022 is as under:		
	All the figures are in "Mn." except Earnings per share		
	<b>Particulars</b>	<b>Current year (FY 2022-23)</b>	<b>Previous year (FY 2021-22)</b>
	Profit (Loss) After Tax	(175.47)	(57.29)
	Net-worth including balance in profit and loss account	6117.03	6198.65
	Earnings per share – basic (in ₹)	(2.75)	(0.90)
	Turnover (Revenue from Operations)	12,015.89	8960.52
<b>Foreign investments or collaborations, if any</b>	The Company has not entered into any foreign collaboration and no direct investment has been made in the Company during the previous three financial years. The Foreign Investors mainly comprised of Foreign Institutional Investors, Foreign Portfolio Investor, FDI and NRI's.		

#### Information about the Directors:

<b>Background Details</b>	
<b>Particulars</b>	<b>Information</b>
Name	Mr. Anant Kumar Daga
Father's name	Mr. Krishan Kumar Daga
Qualification	Bachelor's degree in commerce from the University of Calcutta and post graduate diploma in management from Indian Institute of Management, Ahmedabad.
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.
Past Remuneration	<p>Last drawn remuneration:</p> <ul style="list-style-type: none"> <li>Salary as per provisions contained in Section 17(1) of the Income-tax Act 1961 and Value of perquisites u/s 17(2) Income tax Act, 1961: ₹ 26.32 Mn. per annum.</li> <li>Contribution to PF: ₹ 1.18 Mn.</li> </ul> <p>(Remuneration of ₹ 30.00 Mn. per annum was approved by the Members for FY 2022-23 at their meeting held on September 20, 2022).</p>
Recognition or awards	<ul style="list-style-type: none"> <li>Featured in the Economic Times "40 under Forty" list of India's hottest business leaders for 2017.</li> <li>Brand Professional of the Year 2017 by CMAI.</li> </ul>

Notice (continued...)

<b>Background Details</b>	
<b>Job profile and his suitability</b>	<p>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.</p> <p>He is responsible for the operations of the Company and ensuring that appropriate governance procedures are in place and well entrenched in the culture of our Company.</p> <p>Taking into consideration his qualifications and expertise, Mr. Anant Kumar Daga is adequately suited for the responsibilities currently assigned to him by the Board of Directors of the Company.</p>
<b>Remuneration proposed</b>	As stated in the explanatory statement as stated above.
<b>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)</b>	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.
<b>Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any.</b>	Besides the remuneration proposed and current equity holding in the Company, Mr. Anant Kumar Daga does not have any pecuniary relationship with the Company.

**Other Information:**

<b>Reason of loss or inadequate profits</b>	Post-Covid lingering impact on consumer demand resulting in reduction in revenues and profitability of various channels.
<b>Steps taken or proposed to be taken for improvement</b>	<p>The Company proposes to build on its market leadership position and improve its profitability through:</p> <ol style="list-style-type: none"> <li>1. Building Strong Brands &amp; Enhancing Product Portfolio</li> <li>2. Effective Marketing</li> <li>3. Implementing responsive and agile Design and Supply Chain processes</li> <li>4. Expanding distribution process footprint</li> <li>5. Digital Transformation</li> <li>6. Cost optimization</li> </ol>
<b>Expected increase in productivity and profits in measurable terms</b>	The implementation of these steps and recovery of revenues to pre-covid levels at a store level would significantly increase the profitability given the operational leverage in our business.

**For and on behalf of Board of Directors**

Sd/-

**PIYUSH ASIJA**

Company Secretary and Compliance Officer  
ACS 21328

Date: August 11, 2023

Place: New Delhi

## BOARD'S REPORT

To

### THE MEMBERS

#### TCNS CLOTHING CO. LIMITED

Your Directors take pleasure in presenting 26<sup>th</sup> Annual Report on business performance along with the Audited Financial Statements for the Financial Year ended March 31, 2023 (FY23) and Auditor's Report thereon.

### 1. FINANCIAL RESULTS

Particulars	₹ in Mn.)	
	FY 2022-23	FY 2021-22
Revenue from Operations	12,015.89	8,960.52
EBITDA	1,416.24	1,243.35
Finance Costs	520.20	371.70
Depreciation and Amortization Expense	1208.18	943.84
Profit/(Loss) Before Tax	(-) 312.14	(-) 72.19
Tax Expenses	(-) 136.67	(-) 14.90
Profit/(Loss) After Tax	(-) 175.47	(-) 57.29
Other Comprehensive Income/(Loss)	8.48	12.13
Total Comprehensive Income/(Loss) for the Year	(-) 166.99	(-) 45.16

### 2. OVERVIEW OF COMPANY'S PERFORMANCE AND OPERATIONS

Revenue of the Company increased to ₹ 12,015.89 Mn. in FY23 compared to ₹ 8,960.52 Mn in FY22. The Company's EBITDA (Earnings Before Interest, Tax and Depreciation) was ₹ 1,416.24 Mn in FY23 compared to ₹ 1,243.35 Mn in FY22. Loss After Tax was ₹ 175.47 Mn in FY23 compared to ₹ 57.29 Mn in FY22. FY23 started on a mixed note with an overhang of the third wave of Covid coupled with optimism for demand to recover in subsequent quarters of the year as the consumers seemed to be unfazed by any new waves of Covid. As the festive season began, consumer demand seemed to recover to pre-covid levels in most parts of the market with many sectors reporting better than pre-covid revenues on a like-to-like basis. The Company delivered its highest ever revenues in a quarter in Q2 of FY23. However, post Diwali, the demand of the broader market has been muted and we saw this panning out in spring summer '23 as well. The demand was more resilient in Tier 1 cities and the concern was more pronounced in lower tiers and smaller cities.

The women's ethnic wear category started to regain ground since last festive season and while the overall women's wear segment is still trailing men's wear in recovery, it is expected to catch up with more women getting back to work and more occasions opening up.

India's population is still amongst the youngest in an otherwise aging world. Women are increasingly being integrated into the formal workforce with greater control over personal finances and decision-making. This shift is expected to positively impact the consumption of lifestyle and fashion products. By 2030, over 40% of the country's

population is expected to be in urban centres. This consistent trend towards urbanization suggests a shifting of preferences away from rural life to the accessibility and convenience of city life. Urbanization is leading to growth across not just metros and tier I cities but also tier II and tier III cities. Increasing consumption, coupled with higher urbanization levels is expected to fundamentally alter the consumption basket including lifestyle and clothing related discretionary spend.

Pandemic-related restrictions served as a catalyst for a marked shift in consumer behaviour. Consumers constrained at home hastened adoption of digital shopping methods. Ubiquitous access to internet at more affordable prices and higher penetration of digital devices are concurrent trends influencing consumer buying behaviour. Increasingly, store & online channels are integrating with consumers leveraging internet to compare products, prices, brand offerings and the feedback/opinions of fellow consumers before making their purchase decision. The Indian e-commerce market penetration is expected to increase as total gross merchandise value is expected to grow very significantly driven by options and convenience over the coming years.

### 3. DIVIDEND

Considering the Company's financial performance in FY23, the Board of Directors recommends not to distribute any dividend for the year under review.

### 4. TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND

There were no unclaimed or unpaid dividend during the previous years and hence no funds or shares required to be transferred to the Investor Education and Protection Fund during the year under review.

### 5. TRANSFER TO RESERVES

During the year under review, the Company transferred a Total Comprehensive Income/(Loss) of ₹ 8.48 Mn. to the Retained Earnings. Post this transfer, Retained Earnings amounts to ₹ 1,832.60 Mn. as on March 31, 2023. There is no amount proposed to be transferred to the General Reserves during the year under review.

### 6. 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 global economic scenario and outlook, industry developments, Company's operational and financial performance during the year, risk management, internal control systems and their adequacy, material developments on human resource and key financial ratios.

### 7. SHARE CAPITAL

During the year under review, the Company has allotted 1,05,994 (One lakh five thousand nine hundred and ninety-four) equity shares of ₹ 2/- (Rupees two) each under TCNS ESOP Scheme 2014-17 and 5,000 (five thousand) equity shares of ₹ 2/- (Rupees two) each under TCNS ESOP Scheme 2018-2023. Thereby, the paid-up equity nominal capital of the Company increased by ₹ 2,21,988/- (Rupees two lakh twenty-one thousand nine hundred and eighty-eight only).

## 8. MATERIAL CHANGES AND COMMITMENTS

### Draft Scheme of Arrangement

Your Board of Directors had at its meeting held on May 5, 2023 approved a Scheme of Arrangement between TCNS Clothing Co. Limited (“the Transferor Company” or “TCNS” or “the Company”) and Aditya Birla Fashion and Retail Limited (“the Transferee Company” or “ABFRL”) and their respective shareholders and creditors (“the Scheme”) as per the provisions of Sections 230-232 and any other applicable provisions of the Companies Act, 2013 (“the Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), and in terms of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021.

Except as disclosed elsewhere in the Report, no material changes and commitments which could affect the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

## 9. 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:

Particulars	(₹ in Mn.)	
	FY 2022-23	FY 2021-22
Foreign Exchange Inflow	56.46	50.50
Foreign Exchange Outflow	13.27	8.15

## 10. DIRECTORS

The Board of Directors consists of eight (8) members, of which four (4) Directors are Independent Directors which includes two (2) Women Independent Directors. During the period under review, Mr. Arvinder Singh Pasricha (DIN 00032420) (Non- Executive Non- Independent Director), Mr. Naveen Wadhwa (DIN 02503164) (Non-Executive Non-Independent Director) and Mr. Suresh Jayaraman (DIN 03033110) (Non- Executive Independent Director) were regularised from the designation of Additional Directors to Directors with effect from May 05, 2022.

During the period under review, Mr. Onkar Singh Pasricha was re-appointed as Executive Director of the Company for a term of five (5) years with effect from December 14, 2022 vide shareholders’ approval dated September 20, 2022.

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), Director of the Company, retiring by rotation at the 26<sup>th</sup> Annual General Meeting, being eligible, offers himself for

re-appointment.

A brief resume of Mr. Onkar Singh Pasricha (DIN 00032290) 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 26<sup>th</sup> Annual General Meeting of the Company. Further, there were no changes except the changes stated above in the Board of Directors during the Financial Year under review.

### Independent Directors

The Board of the Company comprises of four (4) Independent Directors. During the period under review, Mr. Suresh Jayaraman (DIN 03033110) (Non- Executive Independent Director) was regularised from the designation of Additional Director to Director with effect from May 05, 2022. Mr. Bhaskar Pramanik (DIN 00316650) (Non- Executive Independent Director), Ms. Neeru Abrol (DIN 01279485) (Non- Executive Independent Director) and Ms. Sangeeta Talwar (DIN 00062478) (Non- Executive Independent Director) were re-appointed for their second term of five (5) consecutive financial years with effect from December 14, 2022, vide shareholders’ approval dated September 20, 2022.

All the Independent Directors were appointed by the shareholders 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 available on the website of the Company at <https://wforwoman.com/content/report/terms-and-conditions-of-appointment-of-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.

In the opinion of the Board of Directors all the Independent Directors are the person of integrity and having requisite expertise, skills and experience (including the proficiency) required for their role(s).

### 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 and details on familiarization programs attended by the Independent Directors is available on the website of the Company at <https://wforwoman.com/content/report/familiarization-programme-redressal-and-other-relevant-details>



## Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act, the corporate governance requirements as prescribed by the Listing Regulations and the guidance note on Board evaluation issued by Securities and Exchange Board of India dated 5<sup>th</sup> January 2017. The Nomination & Remuneration Committee (NRC) has defined the evaluation criteria for the performance evaluation of individual Directors, the Board and its Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as structure of the Board, meetings and functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and the Management, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, independence of the Committee from the Board, contribution to decisions of the Board, effectiveness of the meetings and quality of relationship of the Committee with the Board and the Management, etc. The Board and the Nomination & Remuneration Committee (NRC) reviewed the performance of the individual Directors on the basis of the criteria such as knowledge and competency, fulfilment of functions, ability to function as a team, initiatives taken, availability and attendance at the meeting, integrity, independence, contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings etc.

In addition, the Chairperson was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer the meetings, impartiality, ability to keep shareholder's interests in mind and motivating and providing guidance to the Executive Directors etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairperson was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## 11. KEY MANAGERIAL PERSONNEL

In accordance with the provisions of sections 2(51) and 203 of the Companies Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Onkar Singh Pasricha (DIN 00032290), Executive Director, Mr. Anant Kumar Daga (DIN 07604184), Managing Director, Mr. Amit Chand, Chief Financial Officer and Mr. Piyush Asija, Company Secretary and Compliance Officer continue to be Key Managerial Personnel of the Company.

## 12. SECRETARIAL STANDARDS

The Directors state that the applicable mandatory Secretarial Standards, i.e., SS-1: Secretarial Standard on Meetings of the Board of Directors and SS-2: Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, have been followed by the Company.

## 13. 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 read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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 Prevention of 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 programmes through external consultants and its in-house training team in the organization on regular intervals.

There were six (6) cases reported during the year under review, which were addressed within the prescribed timelines. As on March 31, 2023, there is one (1) case of alleged discrimination pertaining to previous year which is pending resolution before the National Commission of Women (NCW).

## 14. GOVERNANCE AND SECRETARIAL

The Board has an optimum mix of Executive, Non-Executive and Independent Directors and is headed by Mr. Onkar Singh Pasricha (DIN 00032290), 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, 2023, the Board comprises of two (2) Executive Directors, two (2) Non-Executive Non-Independent Directors, and four (4) 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 'G'**.

## 15. 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/report/lo-dr-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/report/lo-dr-policies>. There are no subsidiaries/joint ventures/associates of the Company as on March 31, 2023.

#### **Dividend Distribution Policy**

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates top one thousand (1,000) Listed Companies (on the basis of their market capitalization as calculated on the 31<sup>st</sup> 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 available on the website of the Company at <https://wforwoman.com/content/report/lo-dr-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 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/report/lo-dr-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/report/lo-dr-policies>.

Risk Management is integral to Company's strategy and for the achievement of long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities generated by our business and the markets we operate in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's agenda, which is where we believe it should

be. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Senior Management, Managing Director, Chief Financial Officer, Risk Management Committee, Audit Committee and Board of Directors. For each of our principal risks, we have a risk management framework detailing the internal controls we have in place and who is responsible for managing both the overall risk and the individual controls mitigating that risk. Our assessment of risk considers short and long term as well as internal and external risks including financial, operational, sustainability (particularly environment, social and governance related risks), cyber security, data privacy and security and any other risks as may be determined by the Company's leadership teams. The emerging risk areas are reviewed on an ongoing basis by Risk Management Committee and the Board at least twice a year.

#### **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, Key Managerial Personnel and Senior Managerial Personnel 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/report/lo-dr-policies>. The affirmation by the Managing Director that the Code of Conduct has been complied by the Board of Directors and Senior Management Personnel 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 trading 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 available on the website of the Company at <https://wforwoman.com/content/report/lo-dr-policies>.

The Company is maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Also, time to time internal trainings and awareness programmes were conducted during the year to make the employees familiar with Insider Trading Policy of the Company formulated as per SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company monitors its Designated Persons through TCNS INSIDERS MONITORING PORTAL ('TIMP') a web-based comprehensive solution especially designed for catering all the requirements arising under SEBI (Prohibition of Insider Trading) Regulations, 2015 viz. applying pre-clearance and approval thereof, recording of trades, disclosure under Reg 7(2), recording of UPSI etc. The Designated Persons are being monitored regularly with respect to their trading in securities of the Company.

The Company is also maintaining the System Driven Disclosure on Central Depository Services Limited (“CDSL”)

(Designated Depository) in terms of SEBI circular dated September 09, 2020.

**Web links of the Other Statutory Policies of the Company:**

<b>Name of the Policy</b>	<b>Web Link</b>
Content Archival Policy	<a href="https://wforwoman.com/content/lodr-policies">https://wforwoman.com/content/lodr-policies</a>
Code of Business Conduct & Ethics	<a href="https://wforwoman.com/content/report/lodr-policies">https://wforwoman.com/content/report/lodr-policies</a>
Policy Determining Material Subsidiaries	<a href="https://wforwoman.com/content/report/csr-policy">https://wforwoman.com/content/report/csr-policy</a>
Policy for Determination of Materiality and Disclosure of Information	<a href="https://wforwoman.com/content/report/policy-for-determination-of-materiality-of-events-or-information">https://wforwoman.com/content/report/policy-for-determination-of-materiality-of-events-or-information</a>
Policy on Nomination Remuneration and Board Diversity	<a href="https://wforwoman.com/content/report/lodr-policies">https://wforwoman.com/content/report/lodr-policies</a>
Policy on Dealing with Related Party Transactions	<a href="https://wforwoman.com/content/report/related-party-transactions-policy">https://wforwoman.com/content/report/related-party-transactions-policy</a>
Risk Assessment and Management Policy	<a href="https://wforwoman.com/content/report/lodr-policies">https://wforwoman.com/content/report/lodr-policies</a>
Preservation of Documents	<a href="https://wforwoman.com/content/report/lodr-policies">https://wforwoman.com/content/report/lodr-policies</a>
Dividend Distribution Policy	<a href="https://wforwoman.com/content/report/dividend-distribution-policy">https://wforwoman.com/content/report/dividend-distribution-policy</a>
CSR Policy	<a href="https://wforwoman.com/content/report/csr-policy">https://wforwoman.com/content/report/csr-policy</a>

The Company is committed to doing business with integrity and transparency and has a zero-tolerance approach to bribery and corruption. TCNS Anti-Bribery and Anti-Corruption Policy is implemented to ensure compliance with all applicable anti-bribery and anti-corruption laws in all Jurisdictions where it operates and to prohibit bribery and any form of improper payments/dealings in the conduct of business operations.

The Company also has a Anti-Fraud Policy with the intent to promote consistent legal and ethical organizational behaviour by assigning responsibility for the development of controls and providing guidelines for reporting and conducting investigations of suspected fraudulent behaviour.

The Company has a “Equal Opportunity Policy” with an intent to provide transparency and accountability, encourages and promotes fair and equal treatment and eliminates discrimination, abuse, and harassment towards the employees.

The Company recognizes that effective management of environmental impacts is an integral part of its business. Therefore, its vision is to continue to be an environmentally responsible organization making continuous improvements in the management of the environmental impact of our operations. In view of the same the Company has Environment Protection, Product Safety and Sustainability Policy aiming to develop a culture to comply with environmental regulations and conform to Sustainability standards and other requirements and endeavour to go beyond compliances.

The Company has “Affirmative Action Policy” which is committed to respect the human rights of our workforce, employees, value chain partners, customers and consumers.

The Company believes that it is its prime responsibility to help build a better business environment and equal opportunities for everyone, in view of the same the Company has adopted Public Advocacy Policy which encourages direct and indirect advocacy to connect with Governmental Authorities on key issues relating to the sector.

## 16. GENERAL BODY MEETINGS

During the year under review, the 25<sup>th</sup> Annual General Meeting of the Company was held on September 20, 2022. No Extraordinary General Meeting was conducted during the year under review.

## 17. 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 Year under review.

## 18. 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.

## 19. 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.

## 20. ENVIRONMENT, HEALTH AND SAFETY

We recognize that effective management of environmental impacts is an integral part of its business. Therefore, the Company’s vision is to continue to be an environmentally responsible organization making continuous improvements in the management of the environmental impact of our operations. In view of the same, the Company has “Environment Protection, Product Safety and Sustainability Policy” aiming to develop a culture to comply with environmental regulations and conform to Sustainability standards and other requirements and endeavour to go beyond compliances. We are committed to ensure that everyone connected with it - designers, producers, value chain members, customers and recyclers are aware of their responsibilities. This policy is applicable to all the employees, business partners/associates and other relevant stakeholders. We seek to provide goods that are safe and contribute to sustainability throughout their life

cycle. Our core objective is to ensure that the goods we sell and procure have been produced in an ethical, safe and environmentally conscious manner. Your Company is aware of the environmental impacts of the industry in which it operates with respect to the greenhouse gas emission and hence seeks to procure sustainable materials having low environmental and social impact across its lifecycle, starting from procurement to disposal. Our units have appropriate systems and processes in place to ensure compliance with the statutory provisions, including handling of grievances for redressal related to Environment, health and Safety. Any grievance related to environment, health and safety and sustainability can be raised to the Human Resource Department.

## 21. ANNUAL RETURN

The draft of Annual Return for FY23 in prescribed form MGT-7, pursuant to provisions of section 92 of the Act read with the rules framed thereunder, is available on the website of the Company at <https://wforwoman.com/content/report/annual-return>. The Company shall immediately after the filing of the Annual Return for the year 2022-23 within the timelines prescribed under Companies Act, 2013 and shall make the same available on the website of your Company.

## 22. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Regulation 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates the inclusion of Business Responsibility and Sustainability Report ("BRSR") for top 1,000 listed companies based on market capitalization. Your Company has commented on the sustainability initiatives and partnerships in the Business Responsibility and Sustainability Report in line with the regulatory requirements. The Business Responsibility and Sustainability Report forms part of this Annual Report and marked and annexed as **Annexure 'F'**.

## 23. 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 a Company Secretary in Practice in terms of Part E of schedule V of the said regulations of the Company forms part of this Annual Report and marked and annexed as **Annexure 'G'**.

## 24. 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/report/csr-policy>. With a 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 including committee composition, expenditure details and policy details is annexed and marked as **Annexure 'B'** forming part of this Report.

## 25. 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 FY23.

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:

- i. The applicable accounting standards have been followed with no material departure in the preparation of the accounts for the Financial Year ended March 31, 2023;
- ii. 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, 2023 and of the profit/loss of the Company for the year ended on that date;
- iii. 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;
- iv. The annual accounts have been prepared on a going concern basis;
- v. 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
- vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

## 26. 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 re-appointed as Statutory Auditors of the Company with effect from April 01, 2022 by the members at the 25<sup>th</sup> Annual General Meeting held on September 20, 2022 for a term of four (4) consecutive financial years and their term expires at the conclusion of 29<sup>th</sup> Annual General Meeting of the Company.

### 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, Practising 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 FY23. The Secretarial Audit Report for FY23 was considered by the Board in its meeting held on May 29, 2023 and the said Report is annexed to this Report as **Annexure 'H'**. 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 May 29, 2023, has re-appointed M/s. Sanjay Grover and Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for FY24.

## 27. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has a defined system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business. KPMG India is the Internal Auditor of the Company. The Internal Audit plan is approved by Audit Committee at the beginning of every year. The conduct of Internal Audit is oriented towards the review of internal controls and risks in the Company's operations and covers all functions. The Audit Committee is presented with a summary of recommendations and follow-up actions thereon. Business risk assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans. The 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. The Company has laid down Standard Operating Procedures and Compliance Management Software to guide the operations of the business and track applicable compliances. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

## 28. 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 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.

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected to independent review by an independent Chartered Accountant to establish compliance with the requirements

of Related Party Transactions under the Companies Act, 2013, and Listing Regulations.

All related party transactions entered during the year were in ordinary course of the business and at arm's length basis. No material related party transactions, as per the materiality threshold adopted by the Board of Directors, were entered during the year by your Company 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 'I'**.

## 29. HUMAN RESOURCE

Human Resources function takes all necessary measures for safety of the employees, acquisition of quality talent, tailoring learning journeys for employees to boost competence, drive outcomes, keep the workforce engaged and deliver an enhanced customer experience. An expert series consisting of medical sessions, health check-ups, yoga sessions in office, engagement exercises including virtual competitions like quizzes, photography etc, fitness dance, and emotional well-being webinars and workshops were organized during the year. The Company continued to focus on training in the areas of Prevention of Sexual Harassment (POSH) and Leadership Development Programmes.

## 30. 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.

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

No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

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

There are no such instances and no settlements have been done with banks or financial institutions.

## 33. 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 acknowledge 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: May 29, 2023

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

## 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:

### CONSERVATION OF ENERGY

The Company recognizes that effective management of environmental impacts is an integral part of its business. Therefore, its vision is to continue to be an environmentally responsible organization making continuous improvements in the management of the environmental impact of our operations. In view of the same, the Company has "Environment Protection, Product Safety and Sustainability Policy" aiming to develop a culture to comply with environmental regulations and conform to Sustainability standards and other requirements and endeavour to go beyond compliances.

The Company is committed to assure safety and optimal resource use over the lifecycle of the product from design to disposal and ensure that everyone connected with it - designers, producers, value chain members, customers and recyclers are aware of their responsibilities. The Company is aware of the environmental impacts of the industry in which it operates with respect to the greenhouse gas emission and hence seeks to procure sustainable materials having low environmental and social impact across its lifecycle, starting from procurement to disposal. Hence, we seek to provide goods that are safe and contribute to sustainability throughout their life cycle. Our core objective is to ensure that the goods we sell and procure have been produced in an ethical, safe and environmentally conscious manner.

The Company believes that the sustainable success can be reached only through sustainable sourcing of its product and, hence, endeavours to procure sustainable materials having low environmental and social impact across its lifecycle, starting from procurement to disposal. TCNS regularly reviews and improves upon the supply chain processes with new technologies, its deployment and commercialization and incorporating social, ethical and environmental considerations. The Company is committed to leveraging collaboration on technology, innovation & digitalization with our vendors and suppliers for long-term value creation and sustainability.

The Company is committed towards integrating sustainability in entire value chain by encouraging and training the vendors on skill enhancement, environment sustainability management, business integrity and governance.

The Company has undertaken various initiatives like:

- a) Installation of LED lighting at stores resulting in optimisation of power consumption.
- b) Use of refurbished floor fixtures and environment-friendly alternatives wherever possible, in line with best-in-class store planning and maintenance practices.
- c) Adoption of good maintenance practice to avoid energy losses and optimization of energy consumption.

### Conservation of resources

The e-waste produced by the Company is sent for treatment, storage, and/or disposal. This process has been approved by the Central Pollution Control Board (CPCB). The Company as a Brand Owner has obtained the Extended Producer Responsibility Registration and fulfilled the EPR Targets for the year 2022, as mandated by the Delhi Pollution Control Board by processing 0.2722 MT of Plastic Waste through

a registered plastic waste processors as disclosed in the Business Responsibility and Sustainability Report.

The Company continues to emphasize social and environmental sustainability across the value chain. With the aim of achieving secure working conditions and positive footprints across the supply chain, the Company regularly evaluates vendors on key aspects including labour standards, health & safety, management systems, business ethics and environmental safety. Regular audits and training workshops by certified institutions provide further support in taking corrective actions as warranted. Our vendors are required to be formally certified to be compliant on key social and environment related parameters. We are using digital tools to identify new potential innovation partners, onboarding new suppliers by conducting virtual audits, monitoring, and reviewing quality performance online, and tracking logistics and supply risks in real time.

We are committed to objectives such as improving energy consumption, reducing greenhouse gas emissions, deploying renewable energy and improving efficiency in our shipments.

### Reducing emissions and identifying alternate energy sources

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

The Company encourages fabric suppliers to recycle dyeing water for further dyeing of products effectuating carbon neutrality.

### Protection of biodiversity

The Company doesn't carry out operations and has no offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) and hence no environmental approvals/clearances are required.

### Capital investment on energy conservation equipment.

During the year under review, there was no capital investment done towards energy conservation equipment's directly as the Company outsources manufacturing of its product to job workers.

### 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 conducted 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.

The Company has adopted technology tools to improve planning and allocation processes which would enable the Company to optimize inventory and supply chain management.

### 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, 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 modern technology from time to time,

the efficiency and capacity with respect to manufacturing has been increased resulting in better quality of products and 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.

**For and on behalf of Board of Directors**

Sd/-  
**ANANT KUMAR DAGA**  
Managing Director  
DIN: 07604184

Place: New Delhi  
Date: May 29, 2023

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

## ANNEXURE 'B' TO THE BOARD'S REPORT

### Annual Report on Corporate Social Responsibility ("CSR") Activities

#### 1. Brief outline on CSR policy of the Company:

The Company has been undertaking and implementing CSR activities 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. 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:

Sr. 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 disclosed on the website of the Company:

- 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 executive summary along with web-link(s) of Impact assessment of CSR project carried out in pursuance of sub-rule (3) of rule 8, if applicable:

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. (a) Average net profit of the Company as per section 135(5): ₹ (-) 60.31 Mn.  
 (b) Two percent of average net profit of the Company as per section 135(5): **NIL**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: **NIL**  
 (d) Amount required to be set off for the Financial Year, if any: **NIL**  
 (e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: **NIL**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 3.00 Mn.  
 (b) Amount spent in Administrative Overheads: **NIL**  
 (c) Amount spent on Impact Assessment, if applicable: **NIL**  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 3.00 Mn.  
 (e) 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
3.00	NIL	-	-	NIL	-



(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in Mn)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	NIL
(ii)	Total amount spent for the Financial Year	3.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3.00

**7. Details of Unspent CSR amount for the preceding three Financial Years:**

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any.		Amount remaining to be spent in succeeding Financial Years (₹ in Mn)	Deficiency, if any
					Amount (in Mn.)	Date of transfer		
1.	2021-22	NIL	NIL	NIL	NIL	-	NIL	-
2.	2020-21	NIL	NIL	NIL	NIL	-	NIL	-
3.	2019-20	NIL	NIL	NIL	NIL	-	NIL	-
	Total		NIL	NIL	NIL	-	NIL	-

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent Details of entity/Authority/beneficiary of the registered owner				
					(1)	(2)	(3)	
(1)	(2)	(3)	(4)	(5)	(6)			
					CSR Registration Number, if applicable	Name	Registered address	
	Not Applicable		Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

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

Place: New Delhi  
Date: May 29, 2023

Sd/-  
**ANANT KUMAR DAGA**  
Managing Director  
DIN:07604184

Place: New Delhi  
Date: May 29, 2023

## ANNEXURE 'C' TO THE BOARD'S REPORT

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 23, the percentage increase in remuneration of each of the Executive Director, Chief Financial Officer and Company Secretary during the FY 23 is as follows:

(₹ in Mn.)

Name of Executive Director/KMP and Designation No.	Remuneration of Director/KMP for Financial Year 2022-23	% Increase in Remuneration in Financial Year 2022-23	Ratio of Remuneration of Director/KMP to Median Remuneration of employees
Mr. Onkar Singh Pasricha, Chairperson and Executive Director	3.00	0	14
Mr. Anant Kumar Daga Managing Director	27.50	12%	131
Mr. Piyush Asija, Company Secretary and Compliance Officer	4.68	14%	22
Mr. Amit Chand, Chief Financial Officer	14.09	13%	67

Notes:

- The Non-Executive Non- Independent Directors were not paid any remuneration.
- The Non- Executive Independent Directors are not paid any remuneration except the sitting fee and commission within the prescribed statutory limits and as approved by Members as disclosed in Corporate Governance Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors are therefore not considered for the purpose above.
- The number of permanent employees on rolls of the Company as on March 31, 2023 were 4056 and the average median remuneration was ₹ 0.21 Mn. per annum. The median remuneration of employees (excluding Executive Directors and KMPs) in FY 23 increased by 0.37%.
- The average increase in the remuneration of Managerial Personnel was 12.91% on comparison of compensation paid for FY 23 with the compensation that was paid in FY 22.
- It is hereby affirmed that the remuneration paid to all the Directors, KMP, Senior Managerial Personnel of the Company during the financial year ended March 31, 2023, was as per the Nomination and Remuneration Policy of the Company

The particulars pursuant to Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including amendments thereto shall be made available to any shareholder on a specific request made by him/her in writing on email to [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com) before the date of such Annual General Meeting wherein financial statements for the relevant financial year are proposed to be adopted by shareholders and such particulars shall be made available by the Company within three days from the date of receipt of such request from shareholders. On receipt of request even after the date of completion of Annual General Meeting, such particulars shall be made available to the shareholders within seven days from the date of receipt of such request.

### For and on behalf of Board of Directors

Sd/-

**ANANT KUMAR DAGA**

Managing Director

DIN: 07604184

Place: New Delhi

Date: May 29, 2023

Sd/-

**ONKAR SINGH PASRICHA**

Chairman & Executive Director

DIN: 00032290

## ANNEXURE 'D' TO THE BOARD'S REPORT

Disclosure pursuant to regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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 2022-23.					
B	SUMMARY	TCNS ESOP Scheme 2014-17					
	Description	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	November 19, 2015	November 19, 2015	November 19, 2015	January 05, 2018	February 02, 2018
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, February 04, 2015 and March 16, 2015	November 19, 2015 and 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
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 ESOPs 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.	(2.75)					
12	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 the notes to Financial Statements adequately.					

13	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.	Please refer the note number 39 of the Financial Statements.					
<b>C</b>	<b>Options Movement during the year</b>						
	<b>Description</b>	<b>TCNS Employee Stock Option Plan 2014</b>	<b>TCNS Senior Management Stock Option Plan 2015</b>	<b>TCNS Employee Stock Option Plan 2015</b>	<b>TCNS Senior Executive Stock Option Plan 2015</b>	<b>TCNS Employee Stock Option Plan 2017</b>	<b>TCNS Employee Stock Option Plan 2018</b>
1	Options outstanding at the beginning of the year	-	13,00,000	3,05,950	1,82,369	0	62,500
2	Option granted during the year	-	-	-	-	-	-
3	Options vested during the year	-	-	-	-	0	15,625
4	Options exercised during the year	-	-	90,125	15,869	-	-
5	Weighted average exercise price	-	100	300	100	-	372
6	Number of shares arising as a result of exercise of options during the year	-	-	90,125	15,869	-	-
7	Options cancelled & lapsed during the year	-	-	-	-	-	-
8	Options Outstanding at the end of the year	-	13,00,000	2,15,825	1,66,500	0	62,500
9	Options exercisable at the end of the year	-	13,00,000	2,15,825	1,66,500	0	62,500
10	Money realized by exercise of options (in ₹)	-	-	2,70,37,500	15,86,900	0	-
11	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA
<b>D</b>	<b>Options granted to Senior Management Personnel</b>	<b>Name of the Employee with designation</b>	<b>Number of options granted during the year</b>	<b>Exercise price</b>			
	None	-	-	-	-	-	-
<b>E</b>	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	Nil	Nil	Nil
<b>F</b>	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	Nil	Nil	Nil

<b>G</b>	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	Refer Note-I	Refer Note-I	Refer Note-I
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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.

\*Date of initial approval by shareholders, consolidation of all plans approved by the shareholders on February 02, 2018 and subsequent ratification post listing on August 26, 2019.

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 Executive Stock Option Plan 2015	TCNS Senior Management 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 01, 2014	February 04, 2015 and March 16, 2015	November 19, 2015		April 01, 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	372.00
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	2.00-2.63	1.77-2.00	2.00-2.63	5.00	5.00
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						

## TCNS ESOP SCHEME 2018-23:

<b>A</b>	<b>General Disclosure</b>	<b>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 2022-23.</b>					
<b>B</b>	<b>Summary</b>						
1	Description	TCNS ESOP Scheme 2018-23					
2	Date of Shareholders approval	TCNS ESOP Scheme 2018-23 was approved by the shareholders on February 02, 2018, ratified and amended on August 26, 2019.					
3	Total number of options approved under the scheme	64,67,817					
4	Date of grant	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	October 01, 2021
	Options granted	50,72,751	83,800	1,60,000	1,35,000	30,000	85,000
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	On the recommendation of the Nomination and Remuneration Committee, pursuant to Regulation 7(1) read with Regulation 12(2) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SBEB & SE Regulations"), the Board of Directors of the Company on June 27, 2022 approved the amendment in the Scheme and subsequently the shareholders of the Company approved the same vide a postal ballot on 30th July 2022. The variation is not detrimental to interest of any of the option holders. In clause 2 of the scheme, definition of IPO Long Stop Date was amended as: "IPO Long Stop Date shall mean December 31, 2023".					
10	Method used for accounting of ESOP	The ESOPs 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.	(2.75)					
	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 page number 65 to the Financial Statements.					
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	NA					

C	Options Movement during the year	TCNS ESOP Scheme 2018-23					
		February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	October 01, 2021
	Particulars (As per plans)						
1	Options Outstanding at the beginning of the year	47,60,207	83,800	1,60,000	1,35,000	30,000	85,000
2	Weighted average exercise price	373.26	716	500	500	500	605.50
3	Options vested during the year		16,760	-	18,750	7,500	10,750
	Weighted average exercise price	-	-	-	-	-	-
4	Options exercised during the year	5,000	-	-	-	-	-
	Weighted average exercise price	-	-	-	-	-	-
5	No. of shares arising as a result of exercise of options during the year	5,000	-	-	-	-	-
6	Options cancelled & lapsed during the year	0	-	-	-	-	-
	Weighted average exercise price	-	-	-	-	-	-
7	Options Outstanding at the end of the year	47,55,207	83,800	1,60,000	1,35,000	30,000	85,000
	Weighted average exercise price	373.26	716	500	500	500	605.50
8	Options exercisable at the end of the year	9,55,354	50,280	-	18,750	7,500	10,750
	Weighted average exercise price	373.26	716	500	500	500	605.50
9	Money realized by exercise of options (in ₹)	18,66,300	Nil	Nil	Nil	Nil	Nil
10	Loan repaid by the trust during the year From the exercise price received	NA	NA	NA	NA	NA	NA
<b>D</b>	<b>Options granted to Senior Management Personnel</b>	<b>Name of the Employee with designation</b>	<b>No. of Options granted during the year</b>	<b>Exercise price</b>			
	None	Nil	Nil	Nil	Nil		
<b>E</b>	Options granted to any employee during the year amounting to 5% or more of options granted during the year.	Nil	Nil	-	-		
<b>F</b>	Options granted to any employee equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil	-	Nil	Nil		
	Description	Scheme 2018-23					
<b>G</b>	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.

Particulars (Date of Grant)	February 02, 2018	November 08, 2019	August 18, 2020	November 18, 2020	March 02, 2021	October 01, 2021
Weighted average share price	₹ 288.68	₹ 727.95	₹ 347.45	₹ 389.65	₹ 495.90	₹ 652.60
Exercise Price	₹ 373.26	₹ 716.00	₹ 500.00	₹ 500.00	₹ 500.00	605.50
Volatility	44.28%	35.23%	43.94%	44.13%	44.48%	44.20%
Life of the options granted in years	2.75	5.00	2.97-7.01	2.74-6.01	3.00-6.01	5.50 -7.00
Average risk-free Interest rate	7.16%	6.31%	4.76%-5.82%	4.48%-5.62%	4.90-6.02%	5.69-6.00%
Expected dividends	Nil	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	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 historical companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of historical Companies over periods corresponding to the remaining Life of respective options.	Based on the historical volatility of historical Companies over Periods corresponding to the remaining life of respective options.	Based on the historical volatility of historical Companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of historical companies over periods corresponding to the remaining life of respective options.	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.	N. A	N. A	N. A	N. A	N. A	N. A

As per original terms of TCNS Employee Stock Option Scheme 2018-2023, Long stop date was 7th August 2022. During the year, on the recommendation of the Nomination and Remuneration Committee, pursuant to Regulation 7(1) read with Regulation 12(2) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2012 (the "SBE & SE Regulations"), the Board of Directors of the Company on June 27, 2022 approved the amendment in the Scheme and subsequently the shareholders of the Company approved the same vide a postal ballot on 30th July 2022. Accordingly, the method and assumptions got changed to the extent mentioned below:

Particulars (Date of Grant)	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	October 01, 2021
Number of Options	37,99,853	NA	1,00,000	60,000	NA	42000
Weighted average share price	₹ 617.00	NA	₹ 617.00	₹ 617.00	NA	₹ 617.00
Exercise Price	₹ 373.26	NA	₹ 500.00	₹ 500.00	NA	605.50
Volatility	46.38%	NA	44.39%	44.39%	NA	44.39%
Life of the options granted in years	3.44	NA	4.72	4.83	NA	5.28
Average risk-free Interest rate	6.65%	NA	6.78%	6.78%	NA	6.78%
Expected dividends	Nil	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	Nil



Particulars (Date of Grant)	February 02, 2018	November 08, 2019	August 18, 2020	Novembr 10, 2020	March 02, 2021	October 01, 2021
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.	Nil	Based on the historical volatility of historical companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of historical companies over periods corresponding to the remaining life of respective options.	NA	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.	N. A	N. A	N. A	N. A	N. A	N. A

#### NOTE ON VESTING SCHEDULES

##### TCNS Employee Stock Option Scheme 2014-17 and 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 FY2016-17 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 = $(4.5\% \times \text{Incremental EBITDA}) / (\text{Price per share} - \text{Exercise Price})$ . Incremental EBITDA = EBITDA for FY 17 minus EBITDA for FY 16. Launch of website as well as the mobile application For online sales.	2,00,000
April 01, 2018	No of options to be vested = $(4.5\% \times \text{Incremental EBITDA}) / (\text{Price per share} - \text{Exercise Price})$ . Incremental EBITDA = EBITDA for FY 18 minus EBITDA for FY 17. Price per share = $(15 \times \text{EBITDA for FY 18} / \text{Number of shares as on March 31, 2018})$ .	

**TCNS Employee Stock Option Plan 2017**

<b>Date of Vesting</b>	<b>Vesting conditions</b>	<b>Total Options (face value of ₹ 2 each)</b>
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)**

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

**TCNS Employee Stock Option Plan 2018**

<b>Date of Vesting</b>	<b>Vesting conditions</b>	<b>Total Options (face value of ₹ 2 each)</b>
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

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

<b>Date of Vesting</b>	<b>Total Options (face value of ₹ 2 each)</b>
(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 2 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	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2021	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2022	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2023	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2024	Continuing in employment of the Company until date of 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	Continuing in employment of the Company until date of Vesting.	15,000
August 19, 2024	Continuing in employment of the Company until date of Vesting.	15,000
August 19, 2025	Continuing in employment of the Company until date of Vesting.	15,000
August 19, 2026	Continuing in employment of the Company until date of Vesting.	15,000

**For Event based Options**

Sr. No.	Vesting conditions	Total Options (face value of ₹ 2 each)
1.	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 more than the Threshold 1 Sale Price i.e., ₹ 947.36.	50,000
2.	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 more than the Threshold 2 Sale Price i.e., ₹ 1,171.72.	50,000
<b>Total</b>		<b>1,00,000</b>

**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	Continuing in employment of the Company until date of Vesting.	18,750
November 11, 2023	Continuing in employment of the Company until date of Vesting.	18,750
November 11, 2024	Continuing in employment of the Company until date of Vesting.	18,750
November 11, 2025	Continuing in employment of the Company until date of Vesting.	18,750

**For Event based Options**

Sr. No.	Vesting conditions	Total Options (face value of ₹ 2 each)
1.	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.	30,000
2.	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 2 price i.e., ₹ 1,171.72.	30,000

**TCNS ESOP Scheme 2018-23 (Granted on March 02, 2021)****For Time Based Options**

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
March 03, 2023	Continuing in employment of the Company until date of Vesting.	7,500
March 03, 2025	Continuing in employment of the Company until date of Vesting.	7,500

**For Event Based Options**

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

**TCNS ESOP Scheme 2018-23 (Granted on October 01, 2021)****For Time Based Options**

Date of Vesting	Vesting conditions	Total Options (face value of ₹ 2 each)
October 01, 2022	Continuing in employment of the Company until date of Vesting.	10,750
October 01, 2023	Continuing in employment of the Company until date of Vesting.	10,750
October 01, 2024	Continuing in employment of the Company until date of Vesting.	10,750
October 01, 2025	Continuing in employment of the Company until date of Vesting.	10,750

## For Event based Options

Sr. No.	Vesting conditions	Total Options (face value of ₹ 2 each)
1.	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.	21,000
2.	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 of all Shares held by the Investor. At a price per share which is more than the Threshold 2 price i.e., ₹ 1,171.72.	21,000
<b>Total</b>		<b>42,000</b>

## 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	No. 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, 2023
TCNS Employee Stock Option Plan 2014	July 01, 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	341,675	-	42,500	215,825
TCNS Senior Executive Stock Option Plan 2015	November 19, 2015	2,00,000	33,500	-	-	166,500
TCNS Employee Stock Option Plan 2017	June 27, 2017	1,07,500	-	-	107,500	-
TCNS Employee Stock Option Plan 2018	May 28, 2018	62,500	-	-	-	62,500
<b>Total Options outstanding under TCNS ESOP Scheme 2014-17 as on March 31, 2023.</b>						<b>17,44,825</b>

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

Date of Grant	No. 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, 2022
February 02, 2018	50,72,751	15,000	-	3,02,544	47,60,207
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
October 1, 2021	85,000	-	-	-	85,000
<b>Total Options outstanding under TCNS ESOP Scheme 2018-23 as on March 31, 2023.</b>					<b>52,49,007</b>

## 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 2, 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 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### 2. OBJECTIVES

**The main objectives of this Policy are:**

- (i) 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.
- (ii) To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- (iii) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- (iv) 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

##### Directors and Key Managerial Personnel

- (i) The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.
- (ii) The Company recognizes 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 also appoint a Chairman and a Managing Director or Chief Executive Officer. The Company ensure that the role of the Chairman and Managing Director or Chief Executive Officer shall not be exercised by the same individual.
- (iii) 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 judgement), 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.

(iv) 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 to the above fulfil 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/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.

(v) 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.

(vi) 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 7 (seven) Indian listed companies and if serving as a Whole-Time Director/Managing Director in any Indian Listed Company then in not more than 3 (three) Indian listed companies as required and specified under regulation 17A of SEBI

(Listing Obligation and Disclosure Requirements) Regulations, 2015.

- 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

##### (a) Managing director/Whole Time Director/Manager

The Company shall appoint or re-appoint any person as its Managing Director /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.

##### (b) Independent Director

An Independent Director shall hold office for a term up to five 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

##### (a) 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 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:

- The services are rendered by such Director in his capacity as the professional; and
- 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 and other Employees.

The remuneration of KMP's (other than Managing Director and Whole-Time Director), Senior Management and other employees 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 KMP's (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; 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; 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 there under. Loan and advances to key managerial personnel, senior management personnel 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.

#### 8. AMENDMENT TO THE POLICY

The Committee is authorized 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.

## ANNEXURE 'F' TO THE BOARD'S REPORT

## Business Responsibility and Sustainability Report

## Financial Year 2022-23

## SECTION A: GENERAL DISCLOSURES

## I. Details of the Listed Entity

Sr. No.	Details of Listed Entity	
1	Corporate Identity Number (CIN) of the Listed Entity	L99999DL1997PLC090978
2	Name of the Listed Entity	TCNS Clothing Co. Limited
3	Year of incorporation	1997
4	Registered office address	119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030
5	Corporate Address	119 & 127, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030
6	E-mail	<a href="mailto:investors@tcnsclothing.com">investors@tcnsclothing.com</a>
7	Telephone	011-42193193/011-42193176
8	Website	<a href="http://www.wforwoman.com">www.wforwoman.com</a>
9	Financial year for which reporting is being done	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
10	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 12,34,47,336
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Piyush Asija, Company Secretary, Email ID: <a href="mailto:piyush.asija@tcnsclothing.com">piyush.asija@tcnsclothing.com</a> , 011-42193193
13	Reporting boundary : Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

## II. List of Products/Services

## 14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and Retailing	Manufacturing and retail of female-oriented clothing, cosmetics, footwear, artificial jewelry, and accessories.	100%

## 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Manufacturing and Retailing	141	100%

## III. Operations

## 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NIL	1	1
International	NIL	NIL	NIL



**17. Markets served by the entity:****a. Number of locations**

Locations	Number
National (No. of States and UTs)	28 states and 7 Union Territories
International (No. of Countries)	6

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

0.30%

**c. A brief on types of customers**

TCNS offers apparel, cosmetics, and accessories through a portfolio of brands. TCNS house India's most iconic brands – W for Women, Aurelia, Elleven and Wishful. The brands have evolved into a progressive style partner for the fashion seeking shopper and is at the forefront of all fashion trends across all categories such as Women's wear, fashion accessories, footwear and cosmetics. The brands are distributed through EBOs, Large format doors, MBOs and Online channel.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and Workers (including differently abled):**

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	4,056	2,282	56.26%	1,774	43.74%
2	Other than Permanent (E)	56	52	92.86%	4	7.14%
3	Total employees (D + E)	4,112	2,334	56.76%	1,778	43.23%
<b>WORKERS</b>						
4	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5	Other than Permanent (G)	185	185	100%	NIL	NIL
6	Total workers (F+G)	185	185	100%	NIL	NIL

**b. Differently abled Employees and Workers:**

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	13	11	84.61%	2	15.4%
2	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3	Total employees (D + E)	13	11	84.61%	2	15.4%
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5	Other than Permanent (G)	NIL	NIL	NIL	NIL	NIL
6	Total workers (F+G)	NIL	NIL	NIL	NIL	NIL

**19. Participation/Inclusion/Representation of women**

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel*	2	0	-

\*Note: KMP excludes Senior Management personnel and includes only CFO and CS.

## 20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	40%	34%	37%	25%	20%	22.5%	31%	21%	27%
Permanent Workers	Not Applicable								

## V. Holding, Subsidiary and Associate Companies. (including joint ventures)

## 21. Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies /joint ventures (A)	Indicate whether holding/subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
NIL	NIL	NIL	NIL	NIL

## VI. CSR Details

## 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 12,015.89 million

(iii) Net worth (in ₹): 6,117.03 million

## VII. Transparency and Disclosures Compliances

## 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If yes, then provide web-link for the grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remark
Communities	Yes. <a href="https://wforwoman.com/content/report/ldr-policies">https://wforwoman.com/content/report/ldr-policies</a>	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes. <a href="https://wforwoman.com/content/report/ldr-policies">https://wforwoman.com/content/report/ldr-policies</a>	0	0	NA	0	0	NA
Shareholders	Yes. <a href="https://wforwoman.com/content/report/ldr-policies">https://wforwoman.com/content/report/ldr-policies</a>	0	0	NA	0	0	NA
Employees and workers	Yes. <a href="https://wforwoman.com/content/report/ldr-policies">https://wforwoman.com/content/report/ldr-policies</a>	0	4	NA	0	4	NA

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If yes, then provide web-link for the grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remark
Customers	Yes. <a href="https://wforwoman.com/content/report/lodr-policies">https://wforwoman.com/content/report/lodr-policies</a>	2	2	NA	0	0	NA
Value Chain Partners	Yes. <a href="https://wforwoman.com/content/report/lodr-policies">https://wforwoman.com/content/report/lodr-policies</a>	0	1	NA	1	1	NA

24. Overview of the entity’s material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Supply Chain Sustainability and Sustainable Sourcing	Risk	Supply chain management affects product and service quality, delivery, costs, customer experience and ultimately, profitability. Increased supply chain disruptions at the wake of geopolitical crises results in loss of business continuity. Increase effects of physical risks of climate change in the form of natural disasters has a significant impact on supply of raw materials required like cotton for an apparel industry.	TCNS may develop sustainable procurement policy or guidelines for key fabric and other goods suppliers. TCNS may evaluate the areas from which sourcing material comes from, which can help in identifying areas which are severely impacted by physical climate risks so that they can find an alternative in place.	Negative
2	Employee Welfare and Human Resources	Opportunity	Employee welfare is an opportunity to TCNS as providing employee benefits such as financial increments, increased vacation days, work-life balance, flexible working conditions etc. can help retain talent and boost overall efficiency and productivity.	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
3	Customer Satisfaction	Risk	Product quality and brand image are two of the most important aspects which are considered for customer satisfaction in apparel industry. Customer preferences are towards quality of products, and if the quality of a product is not satisfactory it may pose a great financial risk.	TCNS may improve quality by implementing on site product testing before shipping out of the manufacturing unit by conducting fitting test, fatigue tests, stretch tests etc. to further strengthen customer satisfaction.	Negative
4	Business Behavior and Ethics	Opportunity	Business ethics are cornerstones of ensuring transparent and sustainable corporate governance frameworks. TCNS has an Anti-Bribery policy in place which has measures to implement stringent actions for strong business ethics which creates opportunity for attracting more customers and investments.	-	Positive
5	Corporate Governance	Opportunity	Corporate governance ensures companies maintain good governance management structure and illustrate ethical business practices. This is an opportunity as having good governance measures leads to increase in confidence of shareholders and also effectively managing risks through policies and procedures.	-	Positive
6	Data Privacy	Risk	Risks from cyber threats which may arise are malware attack, social engineering attack. There is a high risk of theft of sensitive customer data, which is not only a data privacy risk but also reputational risk to the organization.	TCNS may conduct vulnerability assessment which systematically reviews security weaknesses in an information system. TCNS may adopt ISO 27001 for information security management system.	Negative

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web link of the policies, if available	<a href="#">An-ti-Cor-ruption &amp; Anti Bribery Policy</a>	<a href="#">Prod-uct Quality and Safety Policy</a>	<a href="#">Equal Op-port-unity Policy</a>	<a href="#">Affir-mative Action Policy</a>	<a href="#">Environ-ment Protec-tion, Product Safety and Sustain-ability Policy</a>	<a href="#">Public Advo-cacy Policy</a>	<a href="#">CSR Poli-cy</a>	<a href="#">Pri- vacy Policy</a>	
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not available as on date								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	TCNS does not have any specific commitments or goals currently, but will formulate goals and commitments in the future aligning towards sustainability.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	TCNS will record the performance on goals and commitments in the future.								
<b>Governance, leadership, and oversight</b>									
7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements	-								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Anant Kumar Daga Managing Director								
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.	Yes. The Corporate Social Responsibility Committee is responsible for decision making on sustainability related issues.								

## 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y									Annually
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y									Annually

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No	No	No	No	No	No	No	No	No

## 12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									Not Applicable
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE DISCLOSURES**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.****Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.**

<b>Segment</b>	<b>Total number of training and awareness programmes held</b>	<b>Topics/principles covered under the training and its impact</b>	<b>% of persons in respective category covered by the awareness programmes</b>
Board of Directors	12	<ul style="list-style-type: none"> <li>• Ethics, Transparency and Accountability</li> <li>• Sustainability and Product Safety</li> <li>• Employees Wellbeing</li> <li>• Human Rights</li> <li>• Customers</li> </ul>	100%
Key Managerial Personnel	30	<ul style="list-style-type: none"> <li>• Diversity &amp; Inclusion</li> <li>• POSH IC member workshop</li> <li>• POSH People Manager workshop</li> <li>• Building a Learning Ecosystem Development Journey for 2021 and Beyond</li> <li>• Creating a diversity and inclusion culture to achieve talent development goals</li> <li>• Data Privacy, Tech Law &amp; Cyber Crime – Legal Issues &amp; Regulatory Framework</li> <li>• Excellence in Store Operations</li> </ul>	100%
Employees other than BoD & KMPs	30	<ul style="list-style-type: none"> <li>• Diversity &amp; Inclusion</li> <li>• POSH IC member workshop</li> <li>• POSH People Manager workshop</li> <li>• Building a Learning Ecosystem – Development Journey for 2021 and Beyond</li> <li>• Creating a diversity and inclusion culture to achieve talent development goals</li> <li>• Data Privacy, Tech Law &amp; Cyber Crime – Legal Issues &amp; Regulatory Framework</li> <li>• Excellence in Store Operations</li> </ul>	84%
Workers	NIL	NA	NA

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL		NIL	NIL
Punishment	NIL	NIL		NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of regulatory/enforcement agencies/judicial institutions
NIL	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes. TCNS has an anti-corruption and anti-bribery policy, available on <https://wforwoman.com/content/wp-content/uploads/2023/03/TCNS-Anti-Bribery-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regards to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
No. of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
No. of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

TCNS has an anti-bribery and anti-corruption policy, Business Code of Conduct, and a strong corporate governance. Any issues related to corruption, conflicts of interest, or breaches are regarded and result in disciplinary action, subject to the degree of misconduct. Stringent actions to set precedent and deter any such misconducts are also implemented to create an ethical workplace.



## LEADERSHIP INDICATORS

## 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL	NIL	NIL

## 2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes. Firstly, TCNS takes annual affirmation from Board of Directors with reference to Conflict of Interest. Secondly, our Related Party Policy defines how we manage conflicts of interests involving members of the Board. The policy elaborates on the guidance and mechanism in place for board members to address potential conflict of interests that may arise in certain business transactions.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

## Essential Indicators

## 1. Percentage of R&amp;D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&amp;D and capex investments made

	FY 2022-23	FY 2021-22	Details of improvements
R&D	NIL	NIL	NIL
Capex	NIL	NIL	NIL

## 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

## b. If yes, what percentage of inputs were sourced sustainably?

Inline with its Sustainability Policy, we are committed to ensuring responsible and safe usage of products from the stage of extraction till end of life. However, we have not monitored the exact percentage of inputs sourced sustainably.

## 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste Type	Processes to reclaim through reuse, recycle, disposal at end of life
Plastics (including packaging)	TCNS complies with Extended Producer Responsibility (EPR) under Plastic Waste Management Rules, 2016.
E-Waste	TCNS has engaged Adinath Recyclotronix Pvt. Ltd. an authorized entity by the Haryana Pollution Control Board for the collection, transportation, dismantling, and disposal of e-waste in compliance with E-Waste Management & Handling Rules, 2016 in an environment-friendly manner. The e-waste produced is sent for treatment, storage, or disposal. This process has been approved by the Delhi Pollution Control Board.
Hazardous Waste	Hazardous waste is provided to hazardous waste management agencies and third party vendors.
Other Waste	TCNS conducts regular donations of its scrap fabrics to NGOs that recycle the same. This helps support livelihoods as well.

## 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. The waste collection plan is in line with the EPR requisites, and the plan is submitted to the Central Pollution Control Board.

## LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicate in public domain (Yes/No) If yes, provide the web-link.
NIL					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
NIL		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022 - 23	FY 2021 - 22
	Not Available	Not Available

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022 - 23			FY 2021 - 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	0.272 MT	NIL	Nil	Nil	Nil
E-waste	Nil	0.925 MT	NIL	Nil	0.816 MT	NIL
Hazardous waste	Nil	Nil	NIL	Nil	Nil	Nil
Other waste	Nil	Nil	NIL	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.**

### ESSENTIAL INDICATORS

#### 1. a. Details of measures for the well-being of employees.

% of employees covered by											
Category	Total (A)	Health insurance*		Accident insurance		Maternity benefits		Paternity Benefits**		Day Care facilities**	
		No. (B)	% (B/A)	No. C	% (C/A)	No. (D)	% (D/A)	No.(E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent employees</b>											
Male	2282	2282	100%	677	30%	0	0	227	9.94%	0	0
Female	1774	1774	100%	229	13%	1774	100%	0	0	91	5.12%
<b>Total</b>	<b>4056</b>	<b>4056</b>	<b>100%</b>	<b>906</b>	<b>21.50%</b>	<b>1774</b>	<b>43.73%</b>	<b>227</b>	<b>5.59%</b>	<b>91</b>	<b>2.24%</b>
<b>Other than Permanent employees</b>											
Male	52	48	92.30%	48	92.30%	0	0	0	0	0	0
Female	4	3	75%	3	75%	3	75%	0	0	3	75%
<b>Total</b>	<b>56</b>	<b>51</b>	<b>91.07%</b>	<b>51</b>	<b>91.07%</b>	<b>3</b>	<b>75%</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>75%</b>

\* All employees who are not covered under health insurance are covered under ESI.

\*\* Only corporate employees are covered under paternity benefits and daycare facilities

#### b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance*		Accident insurance		Maternity benefits		Paternity Benefits**		Day Care facilities**	
		No. (B)	% (B/A)	No. C	% (C/A)	No. (D)	% (D/A)	No.(E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent workers</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Other than Permanent workers</b>											
Male	185	185	100%	14	7.56%	NIL	NIL	NIL	NIL	NIL	NIL
Female	0	0	-	0	-	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>185</b>	<b>185</b>	<b>100%</b>	<b>14</b>	<b>7.56%</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

\*All other than permanent workers who are not covered under health insurance are covered under ESI

#### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
<b>PF</b>	100%	100%	Y	100%	100%	Y
<b>Gratuity</b>	100%	NA*	NA*	100%	NA*	NA*
<b>ESI*</b>	77%	92%	Y	81%	95%	Y

\*TCNS does not have any permanent workers and contractors/vendors ensure the gratuity of contractual workers.

### 3. Accessibility of workplaces

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

No. However, TCNS is working towards creating an accessible workplace in accordance with the requirements of Rights of Persons with Disabilities Act, 2016 which includes providing access to ramps, washrooms etc.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide the link to the policy.

Yes. TCNS has an equal opportunity policy and the same is available on <https://wforwoman.com/content/report/sustainability>.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention Rate
Male	100%	86%	Not Applicable	Not Applicable
Female	98%	18%	Not Applicable	Not Applicable
Total	98%	27%	Not Applicable	Not Applicable

Note: Return to work rate is for FY-21-22 and retention rate is FY-22-23

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	(If yes, then give details of the mechanism in brief) Yes/No
Permanent Workers	Not Applicable
Other than Permanent Workers	TCNS has created focal contacts within the local and central teams to receive and resolve complaints and grievances from employees and workers. Additionally, the POSH and Code of Conduct policies cater to such complaints and grievances
Permanent Employees	TCNS has created focal contacts within the local and central teams to receive and resolve complaints and grievances from employees and workers. Additionally, the POSH and Code of Conduct policies cater to such complaints and grievances
Other than Permanent Employees	TCNS has created focal contacts within the local and central teams to receive and resolve complaints and grievances from employees and workers. Additionally, the POSH and Code of Conduct policies cater to such complaints and grievances

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity.

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Unions (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Unions (D)	% (D/C)
Total Permanent Employees						
Male		NIL			NIL	
Female						
Total Permanent Workers						
Male		NIL			NIL	
Female						

## 8. Details of training given to employees and workers.

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Permanent Employees</b>										
Male	2282	1533	67.17%	2237	98%	2256	1473	65.29%	2113	93.66%
Female	1774	1345	75.81%	1766	99.50%	1654	1051	63.54%	1618	97.82%
<b>Total</b>	<b>4056</b>	<b>2878</b>	<b>70.95%</b>	<b>4003</b>	<b>98.60%</b>	<b>3910</b>	<b>2524</b>	<b>64.55%</b>	<b>3731</b>	<b>95.40%</b>
<b>Other than Permanent Employees</b>										
Male	52	0	0	0	0	0	0	0	0	0
Female	4	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Permanent Workers</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Other Than Permanent Workers</b>										
Male	185	148	80%	0	0	303	255	84.15%	255	84.15%
Female	0	0	-	0	0	41	41	100%	41	100%
<b>Total</b>	<b>185</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>344</b>	<b>296</b>	<b>86%</b>	<b>296</b>	<b>86%</b>

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)*	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	2334	0	-	2256	1465	64.93%
Female	1778	0	-	1654	943	57.01%
<b>Total</b>	<b>4112</b>	<b>0</b>	<b>-</b>	<b>3910</b>	<b>2408</b>	<b>61.58%</b>
<b>Workers</b>						
Male	185	0	-	303	181	59.73%
Female	0	0	-	41	14	34.14%
<b>Total</b>	<b>185</b>	<b>0</b>	<b>-</b>	<b>344</b>	<b>195</b>	<b>56.68%</b>

\*Annual Performance and career development review for the FY 2022-23 has not been conducted till the date of this report and scheduled to be conducted before August 31, 2023.

## 10. Health and safety management system

- Whether an occupational health and safety management system been implemented by the entity? (Yes/No). If yes, the coverage of such system?**  
Yes, an occupational health and safety management system has been implemented at the entity level.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**  
TCNS conducts routine health checkups and fire drills to ensure minimization and identification of risks and hazards that may occur.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**  
Yes
- Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**  
Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees & Workers	NIL	NIL
Total recordable work-related injuries	Employees & Workers	NIL	NIL
No. of fatalities	Employees & Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees & Workers	NIL	NIL

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

TCNS has installed air purifiers to maintain ambient air quality, conducts regular fire drills and trainings on health and safety of employees and in the workplace.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) & Workers (Y/N).**

Yes, all employees covered under ESI and Provident Fund schemes and benefits are provided with life insurance and other compensatory packages in the event of death.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

TCNS conducts third party assessment for its value chain partners and, in the findings, it is observed that statutory payments like ESI, EPF and EPT are covered.

**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY2021-22	FY 2022-23	FY2021-22
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)  
No
5. Details on assessment of value chain partners:
- | % of value chain partners (by value of business done with such partners) that were assessed |     |
|---|-----|
| Health and safety practices   | NIL |
| Working Conditions  | NIL |
6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.  
Not Applicable

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

**ESSENTIAL INDICATORS**

1. Describe the processes for identifying key stakeholder groups of the entity.  
TCNS has identified its relevant stakeholders, both internal and external, based on the impacts of its business operations and the influence of stakeholders on the business. In line with the materiality assessment, TCNS has identified crucial internal and external stakeholders. The stakeholder groups identified by TCNS include customers, suppliers, investors, statutory bodies, employees, and value chain partners. This identification has been conducted in line with corporate goals of TCNS, to engage with its internal and external stakeholders.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/Half Yearly/Quarterly/ others- please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Emails, SMSs and Surveys	Daily basis	Brand building, promotion, information around latest trends
Suppliers	No	Emails, SMSs and Meetings	Daily basis	Build a strong and sustainable supply chain
Investors	No	Emails, SMSs and Meetings	Quarterly	Investor awareness and building trust, Value creation
Statutory Bodies	No	Emails and Meetings	As an when required or mandated by law	Compliance with Applicable laws, Corporate Governance
Employees	No	Emails, and Community Meetings	Daily basis	Build and boost employee morale, protect their interest. Increased productivity
Value Chain Partners	No	Emails and Meetings	Quarterly	Build a strong and sustainable supply chain

**LEADERSHIP INDICATORS**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics, or if consultation is delegated, how is feedback from such consultations provided to the Board.
- Update on key matters pertaining to Customers (including customer complaints, customer service), Suppliers, Value Chain Partners, Investors and Employees are shared with the Board and/or its Committees on a quarterly basis.
  - Status of compliances and other communications with Statutory Bodies are updated to the Board and/or its Committees as and when there is any update and atleast on a quarterly basis.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

No, however, TCNS intends to do so in the future.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

Nil

**Principle 5: Businesses should respect and promote human rights.**

**ESSENTIAL INDICATORS**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employee/workers covered (B)	% (B/A)	Total (C)	No of employees/workers covered (B)	% (D/C)
<b>Employee</b>						
Permanent	4056	4038	99.55%	3910	3762	96.20%
Other than permanent	56	56	100%	51	51	100%
Total Employees	4112	4094	99.56%	3961	3813	96.26%
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	185	185	100%	344	344	100%
Total Workers	185	185	100%	344	344	100%

2. **Details of minimum wages paid to employees and workers in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2282	290	12.70%	1992	87.20%	2256	317	14.05%	1939	85.94%
Female	1774	215	12.11%	1559	87.88%	1654	214	12.93%	1440	87.06%
<b>Other than Permanent</b>										
Male	52	1	1.92%	50	96.15%	46	0	0%	46	100%
Female	4	0	-	4	100%	4	0	0%	4	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent</b>										
Male	185	8	4.32%	177	95.67%	303	197	65.01%	106	34.98%
Female	0	0	-	0	-	41	37	90.20%	4	9.75%



3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female		Others	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	2	1,52,49,565	0	0	0	0
Key Managerial Personnel	2	93,85,103	0	0	0	0
Employees other than BoD and KMP	2,278	2,20,048	1,774	1,94,824	0	0
Workers	185	2,31,195	0	0	0	0

\*Executive Directors only

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

TCNS has a mechanism in place to redress grievances related to human rights issues. The same is available on <https://wforwoman.com/content/wp-content/uploads/2023/03/TCNS-Affirmative-Action-Policy.pdf>

6. Number of complaints on the following made by employees and workers.

Complaints	FY 2022-23 (Calendar Year Dec 22)			FY 2021-22 (Calendar Year Dec 21)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	6	0	NA	2	0	NA
Discrimination at workplace	0	1		0	1	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	2		0	2	
Other Human Rights related issues	0	2		0	2	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

TCNS has stringent mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. Maintaining confidentiality and anonymity is a key aspect of our grievance redressal mechanism and we maintain that as an utmost priority.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced or Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others- Please specify	NA

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

To prevent sexual harassment at the workplace, TCNS has stringent mechanisms in form of an Internal Complaints Committee (ICC) which consists of mandatory regulations and composition. The ICC is responsible for Sexual Harassment cases that arise at TCNS. Post complaints, a stringent grievance redressal process is followed by TCNS ICC, and the complainant is ensured with confidentiality, anonymity and no negative repercussions. We are a zero-tolerance workplace when it comes to discrimination of any form, and sexual harassment among others.

#### LEADERSHIP INDICATORS

**1. Details of business process being modified/introduced as a result of addressing human rights grievances/complaints.**  
TCNS intends to include human rights related aspects in its agreements with Value Chain Partners.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**  
Not available

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

No. However, TCNS is working towards creating an accessible workplace in accordance with the requirements of Rights of Persons with Disabilities Act, 2016 which includes providing access to ramps, washrooms etc.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	NIL
Forced or Involuntary Labour	NIL
Sexual Harassment	NIL
Discrimination at Workplace	NIL
Wages	NIL

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Not Applicable

#### Principle 6: Businesses should respect and make efforts to protect and restore the environment

#### ESSENTIAL INDICATORS

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total electricity consumption (A)	GJ	34,644.25	20,181.27
Total fuel consumption (B)	GJ	1,308.56	214.19
Energy consumption through other sources (C)	NA	NA	NA
<b>Total energy consumption (A+B+C)</b>	<b>GJ</b>	<b>35,952.81</b>	<b>20,395.46</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	GJ/Million INR	2.99	2.27

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, TCNS is not a designated consumer under the PAT scheme of the Government of India.

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in Kilolitres)		
i) Surface water	NIL	NIL
ii) Groundwater	NIL	NIL
iii) Third party water	1,394.58 KL	1,211.3 KL
iv) Seawater/desalinated water	NIL	NIL
v) Others	NIL	NIL
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	1,394.58 KL	1,211.3 KL
<b>Total volume of water consumption (in KL)</b>	1,394.58 KL	1,211.3 KL
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	0.11 KL/Million INR	0.13 KL/Million INR

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

## 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

## 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m <sup>3</sup>	Does not record	Does not record
Sox	µg/m <sup>3</sup>	Does not record	Does not record
Particulate matter(PM)	µg/m <sup>3</sup>	Does not record	Does not record
Persistent organic pollutants (POP)	µg/m <sup>3</sup>	Does not record	Does not record
Volatile organic compounds (VOC)	µg/m <sup>3</sup>	Does not record	Does not record
Hazardous air pollutants (HAP)	µg/m <sup>3</sup>	Does not record	Does not record

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

## 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub>	29.39	7.26
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub>	1095.78	826.82
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	tCO <sub>2</sub> /Million INR	0.0936	0.0930

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

## 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

No

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste Generated (in metric tonnes)</b>		
Plastic waste (A)	0.272	NIL
E-waste (B)	0.925	0.816
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	NIL	NIL
Solid Waste	NIL	NIL
Blron Scrap + Garbage (Empty drums, boxes etc.)	NIL	NIL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (Food Waste)	NIL	NIL
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>1.197</b>	<b>0.816</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste	
i) Recycled	0.925
ii) Re-used	Does not monitor as all waste is managed by authorized waste vendor
iii) Other recovery operations	-
<b>Total</b>	<b>0.925</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste	
i) Incineration	
ii) Landfilling	
iii) Other disposal operations	Does not record
<b>Total</b>	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

TCNS does not use hazardous and toxic chemicals in its manufacturing and retail of apparel.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Location	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
		Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N).

Yes

If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/guidelines which were not complied with	Provide details of non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by Courts	Correction action taken (If any)
Not applicable				

#### LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>From renewable sources</b>			
Total electricity consumption (A)	NIL	NIL	NIL
Total fuel consumption (B)	NIL	NIL	NIL
Energy consumption through other sources (C)	NIL	NIL	NIL
<b>Total energy consumed from renewable sources (A+B+C)</b>	NIL	NIL	NIL
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ (Gigajoules)	34,644.25	20,181.27
Total fuel consumption (E)	GJ (Gigajoules)	1,308.56	214.19
Energy consumption through other sources (F)	GJ (Gigajoules)	NIL	NIL
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	GJ (Gigajoules)	35,952.81	20,395.46

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

2. Provide the following details related to water discharged:

Parameter	FY 2022 - 23	FY 2021 - 22
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kiloliters)</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
No

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of Area

(ii) Nature of Operations

(iii) Water Withdrawal, Consumption and Discharge in the following format:

Parameter	FY 2022 - 23	FY 2021 - 22
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>NA</b>	<b>NA</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>NA</b>	<b>NA</b>
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	<b>NA</b>	<b>NA</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	<b>NA</b>	<b>NA</b>
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment		

Parameter	FY 2022 - 23	FY 2021 - 22
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment		
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not Available	Not Available
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent	Not Available	Not Available
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO <sub>2</sub> equivalent	Not Available	Not Available

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

No significant direct or indirect impact of TCNS on biodiversity. Hence no prevention or remediation activities required.

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

No such initiatives have been undertaken by TCNS. However, we shall consider exploring solutions to improve resource efficiency, reduce impact due to emissions and waste generated.

Sr. No.	Initiative Taken	Details of the initiative (Web link if any, may be provided along with summary)	Outcome of the initiative
NIL	NIL	NIL	NIL
NIL	NIL	NIL	NIL

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

TCNS maintains a comprehensive and robust Business Continuity and Disaster Management plan to give a best-in-class service to its customers.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

TCNS consistently monitors its impact on the environment but will do so more rigorously in future.

**9. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.**

Not Available.

**Principle 7: Businesses when engaging in influencing public and regulatory bodies, should do so in a transparent and responsible manner.**

#### ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/associations.**  
02 (Two).
- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to:**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Retailers Association of India (RAI)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of Authority	Brief of the Case	Corrective Action Taken
NA	NA	NA

#### LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

Sr. No.	Policy advocated	Method for such advocacy	Whether information is in public domain (Y/N)	Frequency of Review by Board (Annually/ Half yearly/Quarterly /Others – please specify)	Web Link if Available
			NIL		

**Principle 8: All Businesses should promote inclusive growth and equitable development**

#### ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant Web Link
NIL	NIL	NIL	NIL	NIL	NIL

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of project for which R&R is ongoing	Date of notification	State	District	No. of Project Affected Families	% PAFs covered by R&R	Amount paid to PAFs
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



**3. Describe the mechanisms to receive grievances of the local community.**

Grievances of local communities pertaining to human rights or any other violations and grievances can be registered using the mechanism available on <https://wforwoman.com/content/wp-content/uploads/2023/03/TCNS-Affirmative-Action-Policy.pdf>

**4. Percentage of inputs directly sourced from MSMEs/small producer:**

	FY23 Current financial year (Up to March 23)	FY22 Previous financial year
Directly sourced from MSMEs/Small Producers	80.92%	87.94%
Sourced directly from within the district and neighboring districts	42.20%	50%

**LEADERSHIP INDICATORS****1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NIL	NIL

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

Sr. No.	State	Aspirational District	Amount spent (INR)
1	Karnataka	Madikeri	3.00 million

- 3.
- Procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No).**  
No
  - From which marginalized /vulnerable groups do you procure?**  
Not Applicable
  - What percentage of total procurement (by value) does it constitute?**  
Not Applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes or No)	Benefit shared (Yes or No)	Basis of calculating benefit share
				NIL

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the authority	Corrective Action Taken
		NIL

**6. Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education and Rural Development	72	100%

**Principle 9: Business should engage with and provide value to their customers in a responsible manner Essential Indicators.****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

TCNS has a Customer Care number, Email, Website to enable customers to log any complaints or feedback. Our customers can also provide feedback through social media, which gets picked up by our ORM agency for necessary action. These SLAs are tracked on ongoing basis.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Does not record
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2022- 23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	1	1	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other (Consumers)	42	NIL	NA	16	NIL	NA

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. <https://wforwoman.com/page/privacy-policy.html>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Not applicable.

**LEADERSHIP INDICATORS**

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available)**

<https://wforwoman.com>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

TCNS does not use single use plastics and they reuse their packaging bags.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

TCNS informs its customers of any risks of disruption of essential services through bulk email and messaging services

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

Yes, TCNS complies with relevant clauses of the Legal Metrology Act 2009.

**Did your entity carry out any survey with regards to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).** Yes.

5. **Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact.**

NIL

- b. **Percentage of data breaches involving personally identifiable information of customers.**

NIL

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## ANNEXURE 'G' TO THE BOARD'S REPORT

### CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report for the FY23. 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:

### 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 endeavour 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, government, 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 Board of your Company comprises highly experienced persons of repute, eminence and has a good & diverse mix of Executive and Non-Executive 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 eight (8) Directors out of which four (4) are Independent Directors, which constitutes 50% of the total strength of the Board. The Board has two (2) Women Directors. A brief profile of all the Directors is available on the website of the Company at <https://wforwoman.com/content/report/board-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 FY23, the Board met five (5) times i.e., on May 27, 2022, August 12, 2022, November 11, 2022, February 14, 2023 and March 23, 2023. The Company has sent certain resolutions through circulation considering the urgent business requirements on June 26, 2022 (approved dated June 27, 2022) and March 17, 2023 (approved dated March 20, 2023) which forms part of minutes of Board Meetings dated August 12, 2022 and March 23, 2023 respectively. 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 FY23 are given as follows:**

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)	5	Yes	1	NIL	NIL	67,52,681	NIL
Mr. Anant Kumar Daga	Managing Director	5	Yes	NIL	1	NIL	36,05,124	NIL
Mr. Bhaskar Pramanik	Non-Executive Independent Director	5	No	3	6	3	NIL	a) Royal Orchid Hotels Limited (Non-Executive Independent Director) b) Route Mobile Limited (Non-Executive Independent Director)

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)
Ms. Neeru Abrol	Non-Executive Independent Director	5	Yes	2	5	2	NIL	a) Apollo Pipes Limited (Non-Executive Independent Director) b) APL Apollo Tubes Limited (Non-Executive Independent Director)
Ms. Sangeeta Talwar	Non-Executive Independent Director	5	Yes	5	9	2	NIL	a) Castrol India Limited (Non-Executive Independent Director) b) HCL Infosystems Limited (Non-Executive Independent Director) c) Mahindra Holidays and Resorts India Limited (Non-Executive Independent Director)
Mr. Suresh Jayaraman	Non-Executive Independent Director	5	Yes	4	1	1	NIL	a) Arvind Fashions Limited
Mr. Arvinder Singh Pasricha	Non-Executive Non-Independent Director (Promoter)	5	Yes	1	NIL	NIL	94,70,671	NIL
Mr. Naveen Wadhwa	Non-Executive Director	1	No	NIL	NIL	NIL	NIL	NIL

**Notes:**

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.
4. \*Shareholding as on March 31, 2023.

**Inter-se Relationship**

Except Mr. Onkar Singh Pasricha (Executive Director and Chairperson) and Arvinder Singh Pasricha (Non-Executive Director), none of the other Directors of the Company are related inter-se.

Mr. Arvinder Singh Pasricha holds 94,70,671 equity shares of Company.

None of the other Non-Executive Directors hold any shares and convertible instruments of the Company.

**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 familiarization program in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including interactions with the Managing Director, Chief Financial Officer & the Senior Management of the Company covering all important aspects of the Company. The Familiarization programmes undertaken are available on the website of the Company at <https://wforwoman.com/content/report/familiarization-programme-redressal-and-other-relevant-details>.

Name of Director	Designation & Category
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 on September 20, 2022 (with effect from December 14, 2022). He has more than 46 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. 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 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.
Ms. Sangeeta Talwar	She holds a Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata. 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. Suresh Jayaraman	He holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree from IIM Bangalore. He is former MD and CEO of Arvind Fashions Limited. His total work experience of 41 years is largely split between two companies, 17 years in Hindustan Unilever Limited and 17 years in Arvind Fashions Limited.
Mr. Arvinder Singh Pasricha	He holds a Bachelor's Degree from University of Delhi. He is an Entrepreneur, Investor and Philanthropist. He has over four decades of experience in the textile and garment industry. He is one of the Promoters and Co-founders of TCNS Clothing Co. Limited.
Mr. Naveen Wadhwa	He holds a Bachelor's Degree in Systems Engineering from University of Pennsylvania and Master's degree (MBA) from Wharton School of Business. He has more than 22 years of experience in private equity and financial services. He co-founded TA's European and Asian efforts and sponsored and led investments in several geographies across Technology, Financial Services, Healthcare and Consumer Businesses.

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 competencies 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 and fulfils the criteria of independence under 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 fulfil the conditions specified in these regulations and are independent of the management. Further, none of the Independent Directors resigned during the year under review.

#### Meeting of Independent Directors

For the year under review, a separate meeting of the Independent Directors was held on March 10, 2023, 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 FY23. 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.

#### 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/report/insider-trading-policy>.

The Code of Conduct for Prohibition of Insider Trading of the Company prohibits the Directors of the Company and other designated employees from trading in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of Code of Conduct for Prohibition of Insider Trading of the Company is to prevent

misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

The Company is maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Internal trainings and awareness programmes were conducted during the year to make the employees familiar with Insider Trading Policy and Code of Conduct for Prohibition of Insider Trading of the Company formulated as per SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company monitors the trades conducted by its Designated Persons through TCNS INSIDERS MONITORING PORTAL ("TIMP") a web-based comprehensive solution especially designed for catering all the requirements arising under SEBI (Prohibition of Insider Trading) Regulations, 2015 viz. applying pre-clearance and approval thereof, recording of trades, disclosure under reg. 7(2), recording of UPSI etc.

### 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:

- a. Audit Committee
- b. Stakeholders' Relationship Committee
- c. Nomination and Remuneration Committee
- d. Corporate Social Responsibility Committee
- e. Risk Management Committee

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 three Directors viz. Ms. Neeru Abrol, Ms. Sangeeta Talwar and Mr. Bhaskar Pramanik. Ms. Neeru Abrol holds position of the Chairperson of Audit 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.

Mr. Piyush Asija, Company Secretary and Compliance Officer, acts as the Secretary of 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 with particulars reference to:
  - i. 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;
  - ii. Changes, if any, in accounting policies. practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 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;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 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;
- 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;
- Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
- Statement of deviations;
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and
- 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 FY23, the Audit Committee met five (5) times i.e., on May 27, 2022, August 12, 2022, November 11, 2022, February 14, 2023 and March 23, 2023.

#### The attendance of the members of the Committee for the FY23 is as under:

Committee Members	Category	Number of Audit Committee Attended/Held
Ms. Neeru Abrol	Independent Director	5/5
Ms. Sangeeta Talwar	Independent Director	5/5
Mr. Bhaskar Pramanik	Independent Director	5/5

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 Committee consists of five (5) Directors viz., Mr. Bhaskar Pramanik, Ms. Neeru Abrol, Mr. Onkar Singh Pasricha, Ms. Sangeeta Talwar and Mr. Suresh Jayaraman. Mr. Bhaskar Pramanik holds position of the Chairperson of the Committee.

Mr. Piyush Asija, Company Secretary and Compliance Officer acts as the Secretary to 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;
- Evaluation of balance of skills, knowledge and experience on the Board for every appointment of an Independent Director, and on the basis of such evaluation, to prepare a description of the role and capabilities required of an Independent Director. Further to ensure that the person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description and for the purpose of identifying suitable candidates:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- 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; and
- 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.

During the FY23, the Committee met four (4) times i.e., on May 27, 2022, August 12, 2022, November 11, 2022 and February 14, 2023.

**The attendance of the members of the Committee for the FY23 is as under:**

Name of Director	Designation & Category	Number of Meetings Nomination and Remuneration Committee Attended/Held
Mr. Bhaskar Pramanik	Independent Director	4/4
Ms. Neeru Abrol	Independent Director	4/4
Mr. Onkar Singh Pasricha	Executive Director	4/4
Ms. Sangeeta Talwar	Independent Director	4/4
Mr. Suresh Jayaraman	Independent Director	4/4

The criteria for performance evaluation of Independent Directors covers, preparation, participation, conduct and effectiveness of their functioning. The performance evaluation is based on pre-set checkpoints which includes:

- Participation at the Board/Committee meetings;
- Commitment (including guidance provided to senior management outside of Board/Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment;
- Impact and Influence, and
- Adherence to the code of conduct and policies of the Company.

The Company's approved Nomination & Remuneration Policy is available on the Website of the Company at <https://wforwoman.com/content/report/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 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) holds the position of the Chairperson of the Committee. Mr. Piyush Asija, Company Secretary and Compliance Officer acts as the Secretary to the Committee.

**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 Registrar 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; and
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

SEBI, the capital market regulator, had issued guidelines and undertook a number of measures for raising industry standards for Registrar and Share Transfer Agent to facilitate effective shareholder service. The Committee seeks periodic updates and affirmations from the Compliance Officer and representatives of the Registrar and Share Transfer Agent of the Company on the implementation of regulations in the interest of Shareholders.

During the FY23, the Committee met four (4) times i.e., on May 27, 2022, August 12, 2022, November 11, 2022 and February 14, 2023.

**The attendance of the members of the Committee for the FY23 is as under:**

Committee Members	Category	Number of Stakeholder Committee Meetings Attended/Held
Ms. Sangeeta Talwar	Independent Director	4/4
Mr. Anant Kumar Daga	Executive 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 FY23 are as follows:

Opening Balance	0
Received	0
Resolved	0
Closing Balance	0

There are no complaints pending to be resolved as on March 31, 2023.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of four (4) Directors viz. Ms. Sangeeta Talwar, Ms. Neeru Abrol, Mr. Bhaskar Pramanik and Mr. Onkar Singh Pasricha.

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

During the year under review, the Committee met two (2) times on May 27, 2022 and February 14, 2023. The CSR Policy of the Company is available on the website of the Company at <https://wforwoman.com/content/report/csr-policy>.

For further details, please refer annual report on CSR activities, which is attached with the Board's Report as **Annexure "B"**.

## 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.

The Risk Management Committee comprises of six (6) Members viz. Mr. Onkar Singh Pasricha, Mr. Anant Kumar Daga, Mr. Amit Chand, Ms. Neeru Abrol, Ms. Sangeeta Talwar and Mr. Bhaskar Pramanik. Mr. Onkar Singh Pasricha holds position of the Chairperson of the Committee. Mr. Piyush Asija, Company Secretary and Compliance Officer act as the Secretary to the Committee.

The Committee met two (2) times during the year on September 16, 2022 and March 10, 2023.

The attendance of the members of the Committee for the FY23 is as under.

Committee Members	Category	Number of Risk Management Committee Meetings Attended/Held
Mr. Onkar Singh Pasricha	Executive Director	2/2
Mr. Anant Kumar Daga	Managing Director	2/2
Mr. Amit Chand	Chief Financial Officer	2/2
Ms. Neeru Abrol	Independent Director	2/2
Ms. Sangeeta Talwar	Independent Director	2/2
Mr. Bhaskar Pramanik	Independent Director	2/2

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

- To formulate a detailed risk management policy which shall include:
  - i. 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;

- ii. Measures for risk mitigation including systems and processes for internal control of identified risks;

- iii. 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 is available on the website of the Company at <https://wforwoman.com/content/report/csr-policy>.

## REMUNERATION PAID TO DIRECTORS IN THE FY23

### a. Executive Directors:

The appointment of Executive Directors and Key Managerial Personnel is by virtue of their employment with the Company and therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies. The compensation for Executive Directors and Key Managerial Personnel and is reviewed and recommended to the Board of Directors for their approval, by the Nomination and Remuneration Committee and the Audit Committee annually, taking into account external benchmarks along with the combination of Company's and individual's performance.

### The Remuneration paid to Executive Director(s) during the FY23 as follows:

(₹ in Mn.)

Particulars of Remuneration	Name of MD/WTD	
	Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha
Salary including variable pay and perquisites	26.32	2.80
Contribution to Provident Fund	1.18	0.20
<b>Total</b>	<b>27.50</b>	<b>3.00</b>

The Board, in its meeting held on August 12, 2022, approved sitting fees payable to the Independent Directors within the

limits prescribed under Companies Act 2013 and applicable SEBI regulations.

The Commission, if any, payable to Independent Directors has been approved by the Nomination and Remuneration Committee of the Company and has been approved by the Shareholders within the prescribed limits as stipulated under Companies Act, 2013.

No commission was paid to any Director for the FY23.

Except Mr. Arvinder Singh Pasricha (Promoter and Non-Executive Director) holding 94,70,671 (15.34%) equity shares of the Company, none of the other Non-Executive Directors holds any shares of the Company.

None of Non-Executive Directors were 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/report/terms-and-conditions-of-appointment-of-independent-directors>. Except Mr. Onkar Singh Pasricha (Executive Director) and Mr. Arvinder Singh Pasricha (Non-Executive Director), none of your 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 for the sitting fees paid to them. No sitting Fee was paid to Non- Executive Non-Independent Directors.

**The detail of Remuneration (commission and sitting fees) paid to Non-Executive Director(s) during the FY23 as follows:**

(₹ in Mn.)						
Particulars	Mr. Bhaskar Pramanik	Ms. Neeru Abrol	Ms. Sangeeta Talwar	Mr. Naveen Wadhwa	Mr. Suresh Jayaraman	Mr. Arvinder Singh Pasricha
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	1.65	2.0	2.0	Nil	0.17	Nil

**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

**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	Venue	Special Resolutions Passed
25 <sup>th</sup> Annual General Meeting	Tuesday, September 20, 2022 at 10:30 AM (IST)	Held through Video Conferencing Mode (deemed venue was W-House, 119, Neelgagan towers, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030)	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Bhaskar Pramanik (DIN 00316650) as an Independent Director of the Company.</li> <li>Re-appointment of Ms. Neeru Abrol(DIN 01279485) as an Independent Director of the Company.</li> <li>Re-appointment of Ms. Sangeeta Talwar (DIN 00062478) as an Independent Director of the Company.</li> <li>Re-Appointment of Mr. Onkar Singh Pasricha (DIN 00032290) as the Executive Director of the Company and to fix the terms of his appointment.</li> <li>Approval for fixation of remuneration of Mr. Onkar Singh Pasricha (DIN 00032290), Chairman and Executive Director of the Company.</li> <li>Approval for Remuneration of Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company.</li> </ul>
24 <sup>th</sup> Annual General Meeting	Friday, September 17, 2021 at 02:30 P.M. (IST)	Held through Video Conferencing Mode (deemed venue was W-House, 119, Neelgagan towers, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030)	<ul style="list-style-type: none"> <li>Approval for Remuneration of Mr. Onkar Singh Pasricha (DIN: 00032290), Chairman and Executive Director.</li> <li>Re-Appointment of Mr. Anant Kumar Daga (DIN: 07604184) as the Managing Director of Company and fixation of his remuneration.</li> </ul>
23 <sup>rd</sup> Annual General Meeting	Thursday, September 24, 2020 at 2:00 P.M.(IST))	Held through Video Conferencing Mode (deemed venue was W-House, 119, Neelgagan towers, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030)	<ul style="list-style-type: none"> <li>Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the Company.</li> <li>Approval for Remuneration of Mr. Onkar Singh Pasricha (DIN: 00032290), Chairman and Executive Director of the Company.</li> <li>To approve the alteration of the Object clause of the Memorandum of Association of the Company.</li> </ul>

**Extraordinary General Meeting:** No Extraordinary General Meeting was held during the FY23.

**Postal Ballot**

During the period under review the below matters were passed through Postal Ballot:

Date of Notice	Deemed date of Approval of Matter	Matter	Type of Resolution
		Appointment of Mr. Suresh Jayaraman (DIN: 03033110) as an Independent Director of the Company.	Special Resolution
April 05, 2022	May 05, 2022	Appointment of Mr. Arvinder Singh Pasricha (DIN: 00032420) as Non-Executive Director of the Company liable to retire by rotation.	Ordinary Resolution
		Appointment of Mr. Naveen Wadhwa (DIN: 02503164) as Non-Executive Director of the Company liable to retire by rotation.	Ordinary Resolution
June 27, 2022	July 30, 2022	Amendment in TCNS ESOP Scheme 2018-23.	Special Resolution

**Details of voting pattern for the Special Resolution:**

Sr. No.	Resolution	No. of Votes Polled	No. of Votes in favour	% of votes in favour on votes polled	No. of Votes Against	% of votes in favour on votes polled
1.	Appointment of Mr. Suresh Jayaraman (DIN: 03033110) as an Independent Director of the Company.	5,44,49,866	5,37,38,854	98.6942	7,11,012	1.3058
2.	Amendment in TCNS ESOP Scheme 2018-23:	5,34,57,242	5,14,14,612	96.1789	20,42,630	3.8211

The procedure as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 was followed. The results of the postal ballot were declared by hosting it, along with the scrutinizer's report, on the website of the Company at <https://wforwoman.com/content/report/other-general-meeting-disclosures-22-23>

The Company had appointed M/s. Sanjay Grover & Associates, Practicing Company Secretaries, to act as the Scrutinizer, for conducting the aforesaid Postal Ballot process of both the postal ballots, in a fair and transparent manner.

As on date of this report there is no special resolution proposed to be conducted through Postal Ballot.

#### Related Party Disclosures

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

There was 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/report/related-party-transactions-policy>.

#### Risk Management Policy

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

#### 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's Code of Fair Disclosure is also placed on the website of the Company at <https://wforwoman.com/content/report/insider-trading-policy>.

The Company is maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Also, time to time internal training and awareness programmes were conducted during the year to make the employees familiar with Insider Trading Policy of the Company formulated as per SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company monitors its Designated Person through TCNS INSIDERS MONITORING PORTAL ("TIMP") a web-based comprehensive solution especially designed for catering all the requirements arising under SEBI (Prohibition of Insider Trading) Regulations, 2015 viz. applying pre-clearance and approval thereof, recording of trades, disclosure under Reg 7(2), recording of UPSI etc. The Designated Personnel are being monitored regularly with respect to their dealing in securities of the Company.

#### Vigil mechanism and Whistle blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. 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/report/lodr-policies>. There is no case of violation reported to the Company during the Financial Year

During the year under review, no person has been denied access to the Audit Committee.

#### Means of Communication

- i. The quarterly/half yearly/annual results are published in the leading English and Hindi Newspapers (normally Business Standard (Hindi and English) ) and also available 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.
- ii. 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 available on the Company's afore mentioned website in the "Investors Relation" section.
- iii. The Management Discussion and Analysis and Financial Highlights are part of the Annual Report.
- iv. All material information about the Company is promptly uploaded on the websites of the Stock Exchanges and also sent through e-mail to the Stock Exchanges where the shares of the Company are listed.
- v. The Company has created a separate e-mail address viz.: [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com) to receive complaints and grievances of the investors.

## GENERAL SHAREHOLDERS INFORMATION

**a. 26<sup>th</sup> Annual General Meeting** through Video Conferencing (VC)/Other Audio-Visual Mode (OAVM).

Date: September 11, 2023.

Time: 11:30 a.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, 2022 to March 31, 2023

**c.** Financial Calendar for 2023-24 (Tentative)

Financial reporting for the first Quarter ending June 30, 2023	2 <sup>nd</sup> week of August, 2023
Financial reporting for the second Quarter ending September 30, 2023	2 <sup>nd</sup> week of November, 2023
Financial reporting for the third Quarter ending December 31, 2023	2 <sup>nd</sup> week of February, 2024
Financial reporting for the year ending March 31, 2024	4 <sup>th</sup> week of May, 2024
Annual General Meeting for the year ended March 31, 2024	September 2024

**d. Dividend payment date:** No Dividend is recommended to be paid for the FY23.

**e. Listing of Shares**

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

**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-400051

Scrip Code: TCNS BRANDS

ISIN No. INE778U01029

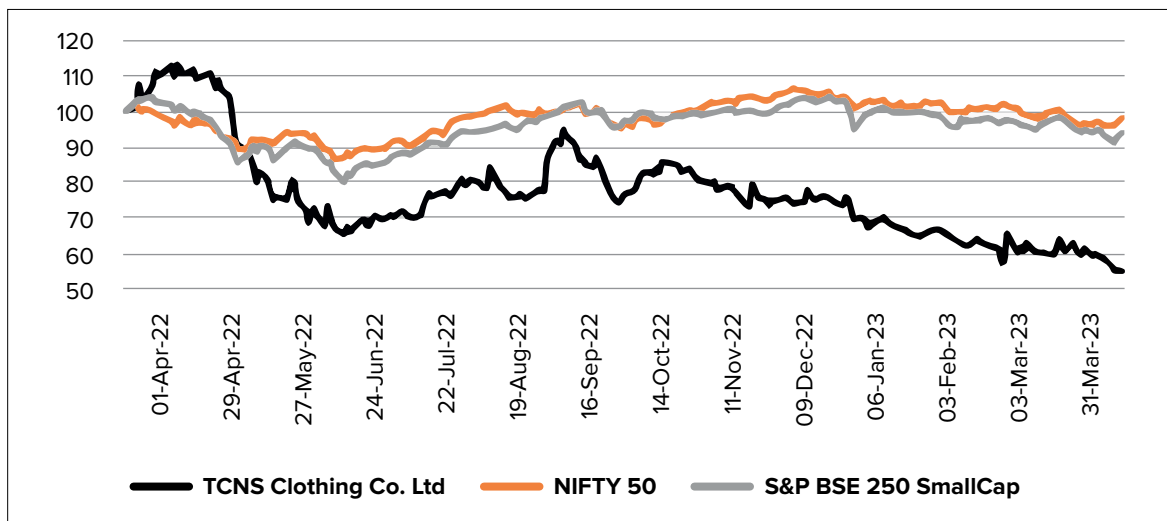
It is hereby confirmed that the Annual Listing fees for the period April 01, 2023 to March 31, 2024 has been paid to both the Stock Exchanges.

**f. Stock Market Data:**

Stock Exchange	BSE Limited		National Stock Exchange of India Limited	
	Highest (in ₹)	Lowest (in ₹)	Highest (in ₹)	Lowest (in ₹)
April 2022	876	757	889	756
May 2022	865	551	866	551
June 2022	647	494	648	494
July 2022	602	522	599	602
August 2022	651	564	650	560
September 2022	729	563	730	563
October 2022	673	576	673	576
November 2022	630	555	632	555
December 2022	624	509	624	507
January 2023	545	474	540	474
February 2023	531	432	530	431
March 2023	517	415	517	416

**g. Performance in comparison to the Broad-based indices:**

**TCNS v/s NIFTY 50 Vs BSE Small Cap 250**



**h. Information regarding Dividend Payment**

The Company has not paid any dividend in previous 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 Limited (erstwhile Kfin Technologies Private Limited) as per address given below:

Kfin Technologies Limited  
Selenium Tower B,  
Plot No. 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500032\

Tel: +91-40-67162222  
Toll Free No. + 1800-309-4001, Fax: +91-40-6161500  
E-Mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://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 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.

Further as per the requirement of SEBI circular dated January 25, 2022 for issuance of Securities in dematerialized form in case of Investor Service Requests the Company issues the securities in dematerialized form only while processing the service requests viz. Issuance of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed:

- Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms from <https://ris.kfintech.com/clientservices/isc/default.aspx>
- eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link: <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDN%3d>
- KYC Status: Shareholders can access the requisite information regarding their folios at: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>
- KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services at: <https://kprism.kfintech.com/signin.aspx>

**I. Distribution of shareholding of shares of the Company as on March 31, 2023:**

Name of the Policy	Number of Holders	% To Holders	Amount (₹)	% To Equity
1 - 5000	20,235	98.89	33,90,058	2.75
5001 - 10000	108	0.53	7,58,404	0.61
10001 - 20000	40	0.20	6,10,240	0.49
20001 - 30000	17	0.08	4,26,908	0.35
30001 - 40000	8	0.04	2,67,138	0.22
40001 - 50000	3	0.01	1,39,456	0.11
50001 - 100000	13	0.06	9,59,398	0.78
100001 & Above	39	0.19	11,68,95,734	94.69
<b>Total</b>	<b>20,463</b>	<b>100.00</b>	<b>12,34,47,336</b>	<b>100.00</b>

**m. Dematerialisation of shares**

As on March 31, 2023, the issued equity capital of the Company comprises of 6,17,23,668 equity shares, out of which five (5) shares comprising 0.00% of the issued equity capital is in physical form. Out of five (5) 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.

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>.

Also, a communication dated January 17, 2023, was sent to the shareholders for providing information as per the requirement of SEBI circular dated November 03, 2021.

**n. Disclosures with respect to demat suspense Account/unclaimed suspense account/suspense escrow demat account**

There are no shares in the demat suspense account/unclaimed suspense account/suspense escrow demat account at the beginning and at the end of the FY 2022-23.

**o. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.**

The Company has not made any loans and advances in the nature of loans to firms/companies in which directors are interested during the financial year.

**p. Recommendations of the Committees**

During the year under review, there have been no instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee, Nominations and Remuneration Committee, Risk Management Committee or Corporate Social Responsibility Committee on any matter which is mandatorily required.

**q. 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.

**r. 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 23.

**s. Plant/Warehouse locations**

Serial Number	Address of Location
1.	Khasra No. 45//16 Min, 46//11 Min, 12, 19, 20 Min, Village Chhawan, Tehsil Pataudi District Gurugram, Haryana- 122503.
2.	234, Udyog Vihar, Phase 1, Gurugram -122016.

**t. 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

**u. 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](mailto:investors@tcnsclothing.com)

Company's website address: [www.wforwoman.com](http://www.wforwoman.com)

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

**v. Credit Rating**

The Company has obtained a credit rating from Crisil on 16<sup>th</sup> May, 2023 which is as follows:

Total Bank Loan Facilities Rated	₹ 75 Crs.
Long Term Rating	CRISIL A+/Watch Positive (Place on 'rating watch with positive Implications')
Short Term Rating	CRISIL A1+/Watch Positive (Place on 'rating watch with positive Implications')

Details of the Credit Ratings obtained during the FY 2022-2023 can be accessed from the website of CRISIL and the Company at <https://wforwoman.com/content/report/credit-rating-2>



**w. Other Disclosures**

i. During FY23, there was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.

ii. There were no non-compliances 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.

iii. 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. There is no case of violation reported to the Company during the Financial Year. The Whistle Blower Policy has is available the website of the Company at <https://wforwoman.com/content/report/lodr-policies>.

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

- **Mandatory Requirements**

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

- **Non-mandatory Requirements**

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

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

v. Policy on related party transactions

To comply with the provisions of Section 177 and 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 FY23 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 available on the website of the Company at <https://wforwoman.com/content/report/related-party-transactions-policy>.

Policy on dealing with Related Party Transactions 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 'I'**.

vi. Policy for Determination of Material Subsidiary and Governance of Subsidiaries is available on the website of the Company at <https://wforwoman.com/content/report/material-subsidiaries-policy>. There is no subsidiary/material Subsidiary of the Company hence requirements as mentioned under Schedule (V) C. (10) (n) does not apply.

vii. During the FY23, the Company had no exposure to foreign exchange risk.

viii. 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.

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

- Statutory Audit Fee of ₹ 8.25 Mn.
- Other services (other than Statutory Audit Fee) ₹ 2.81 Mn.

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

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has duly constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As on March 31, 2023 the Internal Complaints Committee constitutes of the following members:

<b>S. No.</b>	<b>Name of the Committee Member</b>	<b>Designation</b>
1.	Ms. Nidhi Vohra	Chairperson
2.	Mr. Somdeb Basu	Member
3.	Ms. Sarmistha Patel	Member
4.	Mr. Anuj Sharma	Member (External NGO –Legal)

- Number of complaints filed during the Financial Year: Six (6)
- Number of complaints disposed of during the Financial Year: Six (6)
- Number of complaints pending as on end of the Financial Year: 0

Note: There is one case of alleged discrimination

pertaining to previous year which is pending resolution as on March 31, 2023 before the National Commission of Women.

- xi. 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. All the mandatory requirements of regulations 17 to 27 of the Listing Regulations have been complied with by the Company.

#### **Secretarial Audit**

During the year, the Board of Directors of the Company had appointed M/s 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 FY23. The report is forming part of the Annual Report as **Annexure 'H'**.

There are no instances of loans and advances by the Company and its subsidiaries in the nature of loans to firms/companies in which directors are interested.

#### **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 M/s 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 M/s 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 FY23. 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 Directors and Senior Management of the Company for the FY23.

Sd/-

**ANANT KUMAR DAGA**

Managing Director

DIN: 07604184

Sd/-

**ONKAR SINGH PASRICHA**

Chairman & Executive Director

DIN: 00032290

Place: New Delhi

Date: 29<sup>th</sup> May 2023

**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**

(CIN: L99999DL1997PLC090978)

119, New Manglapuri, W House Mandi Road,

Sultanpur, Mehrauli, New Delhi - 110030

1. That the equity shares of TCNS Clothing Co. Limited (hereinafter referred as “the Company”) are listed on BSE Limited and National Stock Exchange of India Limited.
2. 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.
3. 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) and Director Identification Number (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, 2022 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:

<b>S. No.</b>	<b>Name of Director</b>	<b>Director Identification Number</b>	<b>Date of Appointment</b>
1.	Mr. Onkar Singh Pasricha	00032290	03/12/1997
2.	Ms. Sangeeta Talwar	00062478	14/12/2017
3.	Mr. Bhaskar Pramanik	00316650	14/12/2017
4.	Ms. Neeru Abrol	01279485	14/12/2017
5.	Mr. Naveen Wadhwa	02503164	11/02/2022
6.	Mr. Anant Kumar Daga	07604184	07/09/2016
7.	Mr. Suresh Jayaraman	03033110	30/12/2021
8.	Mr. Arvinder Singh Pasricha	00032420	30/12/2021

4. 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.
5. 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/-

**Vijay K. Singhal**

Partner

CP No.: 10385, M. No.: A21089

UDIN: A021089E000406793

Place: New Delhi

Date: May 29, 2023

## 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, 2023 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 ("LODR 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 LODR Regulations to the extent applicable on the Company.

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/-

**Vijay K. Singhal**

Partner

CP No.: 10385, M. No.: A21089

UDIN: A021089E000406793

Place: New Delhi

Date: May 29, 2023

**Annexure-(iii)****MD and CFO Certification**

To  
The Board of Directors of TCNS Clothing Co. Limited

- A. We have reviewed the financial statements and cash flow statement for the Financial Year ended on March 31, 2023 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 Financial Year ended March 31, 2023, 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 year;
  - ii) There has not been any significant change in accounting policies during the year 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

Place: New Delhi  
Date: May 29, 2023

## ANNEXURE 'H' TO THE BOARD'S REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 [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 records 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 authorized 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, 2023, ("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, 2023 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, wherever applicable;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (not applicable during the audit period);

- (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 (not applicable during the audit period);
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the audit period);
- (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR Regulations).
- (vi)i The Company is engaged in the business of designing, manufacturing, branding and retailing of women apparel and accessories in India. As informed by the Management, there is no sector specific law applicable to the Company.

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, which has been generally complied with.

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 and the Company was generally regular in compliance of the provisions of LODR Regulations.

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. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

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.

**For Sanjay Grover & Associates**

Company Secretaries

Firm Registration No.: P2001DE052900

Sd/-

**Vijay K. Singhal**

Partner

CP No.: 10385, M. No.: A21089

UDIN: A021089E000406793

Place: New Delhi

Date: May 29, 2023

**ANNEXURE 'I' 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 provisions thereto:

Sr. No.	Particulars	Information
(a)	Name(s) of the related party and nature of relationship	Mr. Saranpreet Pasricha Relative (son) of Chairman and Executive Director.
(b)	Nature of contracts/arrangements/transactions	Employment Agreement as Head-International Business
(c)	Duration of the contracts/arrangements/transactions	As per the terms of his appointment.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per shareholders' approval, eligible for a maximum remuneration of ₹ 1.0 Mn. per month.
(e)	Justification for entering into such contracts or arrangements or transactions	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:	February 11, 2022 (approved by the shareholders on August 26, 2019)
(g)	Amount i. paid as advances, if any: ii. transaction during the year	NIL ₹ 4.40 Mn.
(h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to Section 188	Not Applicable

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

(a) Name(s) of the related party and nature of relationship:	
(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	<b>Not Applicable</b>
(f) Date(s) of approval by the Board, if any:	
(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.	

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

(a) Name(s) of the related party and nature of relationship:	
(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:	<b>Not Applicable</b>
(f) Amount paid as advances, if any:	

All related party transactions are in the ordinary course of business, 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 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: May 29, 2023



# Financial Statements





# Independent Auditor's report

To the Members of TCNS Clothing Co. Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of TCNS Clothing Co. Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 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, 2023, 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 (SAs) specified under section 143(10) of the Act. 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.

### Key Audit Matter

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

Key Audit Matter	Auditor's Response
<p><b>Determination of provision for obsolescence and Net Realisable Value (NRV) for old inventories (refer note 2.16 and 10 to the Financial Statements)</b></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, 2023, the Company held inventories of ₹ 4,942.40 million net of provision of ₹ 658.93 million.</p> <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 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.</p> <p>We identified such estimation process for old inventories as key audit matter due to material account balance.</p>	<p><b>Principal audit procedures:</b></p> <p>We have:</p> <ul style="list-style-type: none"> <li>• Obtained understanding and evaluated the design and implementation of controls that the Company has established for determining the net realisable value of old inventories;</li> <li>• On sample basis, verified that the inventory is 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;</li> <li>• Obtained the working for the provision on slow moving/obsolete inventory and re-performed the calculation for the provision computed by the management;</li> <li>• Evaluated the historical accuracy of the management's estimations; and</li> <li>• Tested appropriateness of the disclosures in the financial statements in respect of such provision created by the Company.</li> </ul>

### 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 the Board 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 that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### 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 with reference to financial statements 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.

### 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 Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 with reference to financial statements 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 with reference to financial statements.
  - 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 (iii) 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 (iv) to the financial statements).
  - iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 41 (c) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41 (c) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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. 23098564BGVUWY9729

New Delhi  
May 29, 2023

## Annexure 'A' to the Independent Auditor's 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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **TCNS Clothing Co. Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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. 23098564BGVUWY9729

New Delhi  
May 29, 2023

## Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
  - (a)
    - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
    - B. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
  - (d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.
  - (e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
  - (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, physical verification have been performed or written confirmations have been obtained and in respect of goods in- transit, the goods have been received subsequent to the year-end or were verified by the management based on the subsequent delivery challans. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
  - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time of the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising of stock statements filled by the Company with such banks till the date of this report are in agreement with unaudited books of account of the Company of the respective quarters June 30, 2022, September 30, 2022 and December 31, 2022. The Company is yet to submit the return/statement for the quarter ended March 31, 2023 with the banks.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company 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) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. The operations of the Company during the year did not give rise to Sales Tax, Service Tax, duty of Excise, duty of Custom and Value Added Tax.

There are no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.



- (b) Details of dues of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 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 million)*
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010 - 2011 2011 - 2012	2.70
Income Tax Act, 1961	Income Tax	Assessing officer	2012 - 2013 2013 - 2014	6.89
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2014 - 2015 2015 - 2016	7.00
The Central Excise Act, 1944	Excise Duty	Customs Excise and Service Tax Appellate Tribunal	March '16- June '17	10.61
Sales Tax/Value Added Tax laws	Entry Tax	Assessing Officer	2015 - 2016 2017 - 2018	1.74
Sales Tax/Value Added Tax laws	Sales Tax	At various Appellate authorities	2006 - 2007 2007 - 2008 2008 - 2009 2009 - 2010 2010 - 2011 2013 - 2014 2014 - 2015 2015 - 2016 2016 - 2017	6.89

\*Net of ₹ 2.64 million paid under protest.

We have been informed that there are no dues of Goods and Services Tax and duties of Custom which have not been deposited as on March 31, 2023 on account of disputes.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, Company has not raised any funds during the year hence, reporting under clause (ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year covering specific processes scoped in the review as per the Internal Audit Plan covering period upto March 2023 for the period under audit.
- (xv) In our opinion and according to the information and explanation given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

**For DELOITTE HASKINS & SELLS LLP**

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

UDIN No. 23098564BGVUWY9729

New Delhi  
May 29, 2023

# Balance Sheet

as at March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	4(a)	677.48	435.70
(b) Capital work-in-progress	4(b)	1.20	16.17
(c) Right-of-use assets	4(c)	4,496.35	3,566.12
(d) Intangible assets	5	21.28	31.02
(e) Financial assets			
Other financial assets	6	566.40	511.59
(f) Deferred tax assets (net)	7	633.98	560.63
(g) Non-current tax assets (net)	8	54.93	109.21
(h) Other non-current assets	9	24.75	66.13
<b>Total non-current assets</b>		<b>6,476.37</b>	<b>5,296.57</b>
<b>2. Current assets</b>			
(a) Inventories	10	4,942.40	3,608.85
(b) Financial assets			
(i) Investments	11	21.25	1,455.94
(ii) Trade receivables	12	2,582.41	1,738.13
(iii) Cash and cash equivalents	13	226.07	104.08
(iv) Bank balances other than (iii) above	14	2.79	2.91
(v) Other financial assets	6	4.49	4.53
(c) Other current assets	9	607.00	396.08
<b>Total current assets</b>		<b>8,386.41</b>	<b>7,310.52</b>
<b>Total assets</b>		<b>14,862.78</b>	<b>12,607.09</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	15	123.45	123.23
(b) Other equity	16	5,993.58	6,075.42
<b>Total equity</b>		<b>6,117.03</b>	<b>6,198.65</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	4(c)	4,232.40	3,394.11
(ii) Other financial liabilities	17	67.05	109.06
(b) Provisions	18	159.31	140.48
(c) Other non-current liabilities	19	7.19	14.09
<b>Total non-current liabilities</b>		<b>4,465.95</b>	<b>3,657.74</b>

# Balance Sheet

as at March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>3. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	395.02	-
(ii) Lease liabilities	4(c)	840.68	739.31
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	21	1,757.08	670.19
(b) total outstanding dues of other than micro enterprises and small enterprises	21	841.77	1,045.34
(iv) Other financial liabilities	17	123.65	116.44
(b) Provisions	18	5.82	4.80
(c) Current tax liabilities (net)	22	-	42.74
(d) Other current liabilities	19	315.78	131.88
<b>Total current liabilities</b>		<b>4,279.80</b>	<b>2,750.70</b>
<b>Total liabilities</b>		<b>8,745.75</b>	<b>6,408.44</b>
<b>Total equity and liabilities</b>		<b>14,862.78</b>	<b>12,607.09</b>
See accompanying notes forming part of these financial statements	1-43		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

Place : New Delhi

Date : May 29, 2023

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

**Onkar Singh Pasricha**

Chairman

DIN : 00032290

**Amit Chand**

Chief Financial Officer

Place : New Delhi

Date : May 29, 2023

**Anant Kumar Daga**

Managing Director

DIN : 07604184

**Piyush Asija**

Company Secretary

ICSI M. No. 21328

# Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1. Revenue from operations</b>	23	12,015.89	8,960.52
<b>2. Other income</b>	24	160.09	346.91
<b>3. Total income (1+2)</b>		<b>12,175.98</b>	<b>9,307.43</b>
<b>4. Expenses</b>			
(a) Cost of materials consumed	25(a)	5,007.69	3,717.88
(b) Purchases of stock-in-trade	25(b)	251.83	147.57
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(1,255.23)	(769.87)
(d) Employee benefits expense	27	1,867.30	1,502.37
(e) Finance costs	28	520.20	371.70
(f) Depreciation and amortisation expense	29	1,208.18	943.84
(g) Other expenses	30	4,888.15	3,466.13
<b>Total expenses</b>		<b>12,488.12</b>	<b>9,379.62</b>
<b>5. Loss before tax (3-4)</b>		<b>(312.14)</b>	<b>(72.19)</b>
<b>6. Tax expense:</b>			
- Current tax	31	-	-
- Adjustment for tax related to earlier years	31	(60.47)	-
- Deferred tax expense/(credit)	7	(76.20)	(14.90)
<b>Total tax expense</b>		<b>(136.67)</b>	<b>(14.90)</b>
<b>7. Loss for the year (5-6)</b>		<b>(175.47)</b>	<b>(57.29)</b>
<b>8. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(a) Re-measurement gain on the defined benefit liability		11.33	16.21
b) Tax related to above item	31	(2.85)	(4.08)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>8.48</b>	<b>12.13</b>
<b>9. Total comprehensive loss for the year (7+8)</b>		<b>(166.99)</b>	<b>(45.16)</b>
<b>Earnings per equity share (Face value of ₹2 each):</b>			
Basic (In ₹)	34	(2.75)	(0.90)
Diluted (In ₹)	34	(2.75)	(0.90)
See accompanying notes forming part of these financial statements	1-43		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

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

**TCNS Clothing Co. Limited**

**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 : May 29, 2023

Place : New Delhi

Date : May 29, 2023

# Cash Flow Statement

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	<b>(312.14)</b>	<b>(72.19)</b>
<b>Adjustments for</b>		
Depreciation and amortisation expense	1,208.18	943.84
Re-measurement of defined benefit liability	11.33	16.21
Interest income on demand deposits with bank	(0.86)	(3.71)
Interest on income tax refund	(8.46)	-
Gain on sale of financial assets	(15.93)	(24.69)
Finance costs	520.20	371.70
(Gain)/Loss on plant and equipment sold/scrapped/written off	(3.67)	4.64
Allowance for expected credit loss and doubtful security deposits (net)	36.36	26.29
Net gain on write back of lease liabilities	(72.82)	(59.59)
Gain on fair valuation of financial assets	(1.17)	(37.50)
Share based payments to employees	54.89	96.19
<b>Operating profit before working capital changes</b>	<b>1,415.90</b>	<b>1,261.19</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Inventories	(1,333.54)	(828.41)
Trade receivables	(844.00)	(116.02)
Other financial assets	(161.00)	(67.11)
Other assets	(182.54)	(131.21)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Other financial liabilities	(47.49)	70.06
Other liabilities	177.00	33.33
Provisions	19.85	17.30
Trade payables	883.31	803.78
<b>Cash (used in)/generated from operations</b>	<b>(72.50)</b>	<b>1,042.91</b>
Income tax refunds/(paid) (including tax deducted at source)	72.01	(6.21)
<b>NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>(0.49)</b>	<b>1,036.70</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment (including capital work-in-progress and capital advances)	(407.18)	(297.72)
Capital expenditure on intangible assets	(1.41)	(24.66)
Proceeds from sale of property, plant and equipment	33.31	5.35
Purchase of current investments	-	(1,274.78)
Proceeds from sale of current investments	1,451.80	1,580.00
Interest on income tax refund	8.46	-
Interest and dividend received	1.01	27.41
<b>NET CASH FLOW GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>1,085.99</b>	<b>15.60</b>

# Cash Flow Statement

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(repayments) of current borrowings (net)	395.02	(53.58)
Shares issued on exercise of employee stock options	30.49	27.79
Payment on account of lease liabilities (including interest on lease liabilities)	(1,315.58)	(1,057.54)
Interest paid	(73.44)	(11.37)
<b>NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(963.51)</b>	<b>(1,094.70)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	121.99	(42.40)
Cash and cash equivalents at the beginning of the year	104.08	146.48
<b>Cash and cash equivalents as at the year-end*</b>	<b>226.07</b>	<b>104.08</b>
* Cash and cash equivalents at the end of the year comprises		
- Cash on hand	3.06	3.70
- Balances with banks		
In current accounts	202.22	80.48
In demand deposit accounts	20.79	19.90
	<b>226.07</b>	<b>104.08</b>
See accompanying notes forming part of these financial statements	1-43	

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

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

**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 : May 29, 2023

Place : New Delhi

Date : May 29, 2023

# Statement for Changes in the Equity

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## a. Equity share capital (refer note 15)

Particulars	Amount
<b>Balance as at March 31, 2021</b>	<b>123.05</b>
Changes in equity share capital during the year	0.18
<b>Balance as at March 31, 2022</b>	<b>123.23</b>
Changes in equity share capital during the year	0.22
<b>Balance as at March 31, 2023</b>	<b>123.45</b>

## b. Other equity (refer note 16)

Particulars	Reserves and surplus				Total
	General reserve	Securities premium	Share option outstanding account	Retained earnings	
<b>Balance as at March 31, 2021</b>	<b>29.60</b>	<b>3,312.37</b>	<b>610.07</b>	<b>2,044.75</b>	<b>5,996.79</b>
Recognition of share based payments	-	-	96.19	-	96.19
Additions during the year	-	27.60	-	-	27.60
Transfer in respect to share option exercised during the year	-	10.19	(10.19)	-	-
Loss for the year	-	-	-	(57.29)	(57.29)
Re-measurement of defined benefit plan (net of tax)	-	-	-	12.13	12.13
<b>Balance as at March 31, 2022</b>	<b>29.60</b>	<b>3,350.16</b>	<b>696.07</b>	<b>1,999.59</b>	<b>6,075.42</b>
Recognition of share based payments	-	-	54.89	-	54.89
Additions during the year	-	30.26	-	-	30.26
Transfer in respect to share option exercised during the year	-	13.78	(13.78)	-	-
Loss for the year	-	-	-	(175.47)	(175.47)
Re-measurement of defined benefit plan (net of tax)	-	-	-	8.48	8.48
<b>Balance as at March 31, 2023</b>	<b>29.60</b>	<b>3,394.20</b>	<b>737.18</b>	<b>1,832.60</b>	<b>5,993.58</b>

See accompanying notes forming part of the financial statements

1-43

In terms of our report attached

### For Deloitte Haskins & Sells LLP

Chartered Accountants

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

### Satpal Singh Arora

Partner

(Membership No. 098564)

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

TCNS Clothing Co. Limited

### 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 : May 29, 2023

Place : New Delhi

Date : May 29, 2023



# Notes forming part of the Financial Statements

for the year ended March 31, 2023

## 1. General information

TCNS Clothing Co. Limited ("the Company") is a public limited Company incorporated in India having its registered office at, 119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030. The Company's share are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE").

The Company is primarily engaged in the business of women apparels and accessories under the brand name "W", "Aurelia", "Wishful" and "Elleven".

## 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, 2015 as amended from time to time.

### 2.2. 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.

### 2.3. 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.

### 2.4. 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.

### 2.5. Offsetting financial instruments

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

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

### 2.6. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, rebates, schemes and similar allowances offered by the Company as part of the contract including estimated customer returns

#### 2.6.1 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. Recognize 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 principal 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-retained-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.

#### 2.6.2 Interest income

Interest income from 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 asset to that asset's net carrying amount on initial recognition.

#### 2.6.3 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

### 2.7. 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:

1. The contract involves the use of an identified asset

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

2. The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
3. 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 amortized 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.

### 2.7.1 Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The Company had adopted the amendments to Ind AS 116. 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 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 June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and
- c. There is no substantive change to other terms and conditions of the lease.

The Company had applied the practical expedient retrospectively to all eligible rent concessions.

### 2.8. 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 statement of profit and loss and reported within foreign exchange gains/(losses).

### 2.9. 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.

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

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 statement of profit and loss in the period in which they are incurred.

### 2.10. 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.

#### 2.10.1. 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.

#### 2.10.2. Other long term employee benefits obligation - Compensated absences

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 statement of profit and loss.

#### 2.10.3. Post-employment obligations

##### Defined benefit plans

The Company has defined benefit plan namely gratuity. The liability 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. 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. This cost is included in employee benefit expense in the statement of profit and loss.

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 statement of profit and loss as past service cost.

##### Defined contribution plans

The Company has defined contribution plans for post-employment benefit 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.

### 2.11. 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 38.

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 statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

### 2.12. Taxation

Income tax expense represents the sum of the current tax, adjustment for taxes related to earlier years and deferred tax.

#### 2.12.1. 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 that have been enacted or substantively enacted by the end of the reporting period.

#### 2.12.2. 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.

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.

#### 2.12.3. 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.

### 2.13. 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 are 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 statement of profit and 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.

#### 2.13.1. 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

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

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
Vehicles	5 years
Office Equipment	3 years
Computers	3 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.

### 2.13.2. 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 and loss.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains/(losses).

### 2.14. Intangible assets

#### 2.14.1. 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.

#### 2.14.2. 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 statement of profit and loss when the asset is derecognised.

#### 2.14.3. 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.

### 2.15. 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 statement of profit and loss.

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

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 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 statement of profit and loss.

### 2.16. Inventories

Inventories of raw materials 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. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition.

Inventories of work-in-progress, 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 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.

### 2.17. 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.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### 2.18. 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 statement of profit and loss.

### 2.19. 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, 2023

### 2.19.1. 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.

### 2.19.2. Impairment of financial assets

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

1. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
2. 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.

### 2.19.3. 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.

## 2.20. Financial liabilities and equity instruments

### 2.20.1. 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.

### 2.20.2. 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 recognized as a liability on an amortized 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 recognized 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 recognized 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 recognized in equity will be transferred to retained earnings. No gain or loss is recognized in statement of profit and loss upon conversion or expiration of the conversion option.

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 recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.



# Notes forming part of the Financial Statements

for the year ended March 31, 2023

## 2.20.3. 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.

## 2.20.4. 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.

## 2.20.5. 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 statement of profit and loss.

## 2.20.6. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

## 2.21. 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.

## 2.22. 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 maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. 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.

## 2.23. Segment information

The Company is primarily engaged in the business of women apparel 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".

# Notes forming part of the Financial Statements

## for the year ended March 31, 2023

### 2.24. 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.

#### 2.24.1 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.

#### 2.24.2. 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.

#### 2.24.3 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.

#### 2.24.4 Employee benefits

Provision for employee benefits in the nature of gratuity and compensated absences 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 35.

#### 2.24.5 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 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 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 38.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

## 2.24.6 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.

## 3. Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a. Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.
- b. Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- c. Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.
- d. Other amendments - Other amendments includes amendments in Ind AS 102, Share-based payments, Ind AS 103, Business Combination, Ind AS 115, Revenue from contract with customers are mainly editorial in nature in order to provide better clarification of respective Ind AS. The Company does not expect to have any significant impact in its financial statements due to these amendments.

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, 2023

(All amounts in ₹ million except otherwise specified)

## 4(a). Property, Plant and equipment

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of :</b>		
Plant and equipment	3.71	4.02
Furniture and fixtures	153.33	103.04
Vehicles	13.18	17.85
Office equipment	84.98	39.66
Computers	19.09	17.46
Leasehold improvements	403.19	253.67
	<b>677.48</b>	<b>435.70</b>

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvements	Total
<b>Deemed cost</b>							
<b>Balance as at March 31, 2021</b>	<b>8.95</b>	<b>190.21</b>	<b>23.36</b>	<b>107.28</b>	<b>39.28</b>	<b>416.66</b>	<b>785.74</b>
Additions	0.90	47.73	16.10	32.96	13.38	168.92	279.99
Disposals/adjustments	-	(20.17)	(5.29)	(10.42)	(0.21)	(62.11)	(98.20)
<b>Balance as at March 31, 2022</b>	<b>9.85</b>	<b>217.77</b>	<b>34.17</b>	<b>129.82</b>	<b>52.45</b>	<b>523.47</b>	<b>967.53</b>
Additions	1.59	96.00	-	74.83	10.31	265.09	447.82
Disposals/adjustments	-	(21.54)	(18.99)	(11.32)	(0.29)	(80.07)	(132.21)
<b>Balance as at March 31, 2023</b>	<b>11.44</b>	<b>292.23</b>	<b>15.18</b>	<b>193.33</b>	<b>62.47</b>	<b>708.49</b>	<b>1,283.14</b>
<b>Accumulated depreciation</b>							
<b>Balance as at March 31, 2021</b>	<b>4.39</b>	<b>98.04</b>	<b>19.77</b>	<b>85.19</b>	<b>29.41</b>	<b>241.52</b>	<b>478.32</b>
Depreciation expense	1.44	32.77	1.57	14.70	5.76	79.40	135.64
Disposals/adjustments	-	(16.08)	(5.02)	(9.73)	(0.18)	(51.12)	(82.13)
<b>Balance as at March 31, 2022</b>	<b>5.83</b>	<b>114.73</b>	<b>16.32</b>	<b>90.16</b>	<b>34.99</b>	<b>269.80</b>	<b>531.83</b>
Depreciation expense	1.90	39.73	3.38	27.39	8.62	95.38	176.40
Disposals/adjustments	-	(15.56)	(17.70)	(9.20)	(0.23)	(59.88)	(102.57)
<b>Balance as at March 31, 2023</b>	<b>7.73</b>	<b>138.90</b>	<b>2.00</b>	<b>108.35</b>	<b>43.38</b>	<b>305.30</b>	<b>605.66</b>
<b>Net carrying value</b>							
<b>As at March 31, 2023</b>	<b>3.71</b>	<b>153.33</b>	<b>13.18</b>	<b>84.98</b>	<b>19.09</b>	<b>403.19</b>	<b>677.48</b>
<b>As at March 31, 2022</b>	<b>4.02</b>	<b>103.04</b>	<b>17.85</b>	<b>39.66</b>	<b>17.46</b>	<b>253.67</b>	<b>435.70</b>

**Note:**

Property, Plant and equipment have been pledged as security against borrowings (Refer note 20)

## 4(b). Capital work-in-progress

Particulars	Furniture and fixtures	Office equipment	Computers	Leasehold improvements	Total
<b>Balance as at March 31, 2021</b>	<b>0.65</b>	<b>0.35</b>	<b>0.03</b>	<b>4.09</b>	<b>5.12</b>
Additions	7.86	6.16	0.60	18.16	32.78
Transfer to Property, plant and equipment	(3.35)	(3.38)	(0.28)	(14.73)	(21.73)
<b>Balance as at March 31, 2022</b>	<b>5.16</b>	<b>3.13</b>	<b>0.35</b>	<b>7.52</b>	<b>16.17</b>
Additions	4.52	4.09	0.52	13.12	22.25
Transfer to Property, plant and equipment	(9.68)	(6.86)	(0.71)	(19.96)	(37.22)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>0.36</b>	<b>0.16</b>	<b>0.68</b>	<b>1.20</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Capital work-in-progress ageing schedule for the year ended March 31, 2023 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.20	-	-	-	1.20
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.20</b>

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.17	-	-	-	16.17
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>16.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.17</b>

#### 4(c). Right-of-use asset (ROU) and lease liabilities

Particulars	Buildings
<b>Carrying value</b>	
<b>Balance as at March 31, 2021</b>	<b>4,025.43</b>
Additions	1,843.64
Disposals	(313.98)
<b>Balance as at March 31, 2022</b>	<b>5,555.09</b>
Additions	2,261.16
Disposals	(707.01)
<b>Balance as at March 31, 2023</b>	<b>7,109.24</b>
<b>Accumulated amortisation</b>	
<b>Balance as at March 31, 2021</b>	<b>1,339.04</b>
Amortisation expense	793.60
Disposals	(143.67)
<b>Balance as at March 31, 2022</b>	<b>1,988.97</b>
Amortisation expense	1,020.63
Disposals	(396.71)
<b>Balance as at March 31, 2023</b>	<b>2,612.89</b>
<b>Net carrying value</b>	
<b>As at March 31, 2023</b>	<b>4,496.35</b>
<b>As at March 31, 2022</b>	<b>3,566.12</b>

#### Notes :

- i) 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.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

- ii) The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 :

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liability	840.68	739.31
Non Current lease liability	4,232.40	3,394.11
<b>Total</b>	<b>5,073.08</b>	<b>4,133.42</b>

- iii) The following is the movement in lease liabilities during the year :

Particulars	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>4,133.42</b>	<b>3,250.89</b>
Addition for new leases	2,183.20	1,800.38
Deletions for terminated leases	(374.72)	(220.64)
Interest expense on lease liabilities (Refer note 28)	446.76	360.33
Payment of lease liabilities	(1,315.58)	(1,057.54)
<b>Balance as at the year end</b>	<b>5,073.08</b>	<b>4,133.42</b>

- iv) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	1,520.34	1,412.54
One to five years	4,474.47	3,682.64
More than five years	2,023.57	1,525.57
<b>Total</b>	<b>8,018.38</b>	<b>6,620.75</b>

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.

- v) Rental expenses recorded towards short term and variable lease payments amounts to ₹ 139.31 (Refer note 30) [March 31, 2022 : ₹ 214.19 (Refer note 24 and 30)]

## 5. Intangible assets

Particulars	Computer Software
<b>Carrying value</b>	
<b>Balance as at March 31, 2021</b>	<b>77.52</b>
Additions	24.66
Disposals/adjustments	-
<b>Balance as at March 31, 2022</b>	<b>102.18</b>
Additions	1.41
Disposals/adjustments	-
<b>Balance as at March 31, 2023</b>	<b>103.59</b>
<b>Accumulated amortisation</b>	
<b>Balance as at March 31, 2021</b>	<b>56.56</b>
Amortisation expense	14.60
Disposals/adjustments	-
<b>Balance as at March 31, 2022</b>	<b>71.16</b>
Amortisation expense	11.15

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	Computer Software
Disposals/adjustments	-
<b>Balance as at March 31, 2023</b>	<b>82.31</b>
<b>Net carrying value</b>	
<b>As at March 31, 2023</b>	<b>21.28</b>
<b>As at March 31, 2022</b>	<b>31.02</b>

## 6. Other financial assets

(Unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Security deposits		
Unsecured, considered good	566.40	511.59
Unsecured, considered doubtful	36.63	-
	<b>603.03</b>	<b>511.59</b>
Less: Allowance for doubtful security deposits	36.63	-
<b>Total</b>	<b>566.40</b>	<b>511.59</b>
<b>Current</b>		
Accrued interest on bank deposits	4.49	4.53
<b>Total</b>	<b>4.49</b>	<b>4.53</b>

### Note:

Other financial assets have been pledged as security against borrowings (Refer note 20).

## 7. Deferred tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (a)	678.64	609.94
Deferred tax liabilities (b)	44.66	49.31
<b>Deferred tax assets (net) (a-b)</b>	<b>633.98</b>	<b>560.63</b>

### Deferred tax assets/(liabilities) in relation to:

Particulars	As at April 1, 2022	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2023
<b>a. Deferred tax assets in relation to:</b>				
Provision for employee benefits	36.56	7.85	(2.85)	41.56
Property, plant and equipment and intangible assets	144.09	4.57	-	148.66
Fair value of security deposits given	8.33	3.25	-	11.58
Difference between ROU assets and lease liabilities	194.31	19.88	-	214.19
Loss as per income tax computations available for offsetting against future taxable income (Refer note 39.2)	183.14	26.85	-	209.99

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	As at April 1, 2022	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2023
Others	43.51	9.15	-	52.66
<b>Total</b>	<b>609.94</b>	<b>71.55</b>	<b>(2.85)</b>	<b>678.64</b>
<b>b. Deferred tax liabilities in relation to:</b>				
Others	49.31	(4.65)	-	44.66
<b>Total</b>	<b>49.31</b>	<b>(4.65)</b>	<b>-</b>	<b>44.66</b>
<b>Net Deferred tax assets</b>	<b>560.63</b>	<b>76.20</b>	<b>(2.85)</b>	<b>633.98</b>

Particulars	As at April 1, 2021	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2022
<b>a. Deferred tax assets in relation to:</b>				
Provision for employee benefits	32.21	8.44	(4.08)	36.56
Property, plant and equipment and intangible assets	143.51	0.58	-	144.09
Fair value of security deposits given	5.38	2.95	-	8.33
Difference between ROU assets and lease liabilities	185.05	9.26	-	194.31
Loss as per income tax computations available for offsetting against future taxable income (Refer note 39.2)	168.66	14.48	-	183.14
Others	44.43	(0.92)	-	43.51
<b>Total</b>	<b>579.23</b>	<b>34.79</b>	<b>(4.08)</b>	<b>609.94</b>
<b>b. Deferred tax liabilities in relation to:</b>				
Others	29.42	19.89	-	49.31
<b>Total</b>	<b>29.42</b>	<b>19.89</b>	<b>-</b>	<b>49.31</b>
<b>Net Deferred tax assets</b>	<b>549.81</b>	<b>14.90</b>	<b>(4.08)</b>	<b>560.63</b>

## 8. Income tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current income tax assets (net of provision for tax of ₹ 647.80 ; March 31, 2022: ₹ 664.37)	54.93	109.21
<b>Total</b>	<b>54.93</b>	<b>109.21</b>

## 9. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
(a) Capital advances	3.36	16.35
(b) Prepayments	21.39	49.78
<b>Total</b>	<b>24.75</b>	<b>66.13</b>
<b>Current</b>		
(a) Advances to suppliers	3.00	23.19
(b) Balance with government authorities (Goods and services tax input receivable)	483.25	311.51



# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	As at March 31, 2023	As at March 31, 2022
(c) Prepayments	38.21	29.56
(d) Advances to employees	1.76	2.82
(e) Right to return good assets (Refer note (ii))	78.75	27.66
(f) Other advances	2.03	1.34
<b>Total</b>	<b>607.00</b>	<b>396.08</b>

## Notes:

- Other assets have been pledged as security against borrowings (Refer note 20).
- 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, 2023	As at March 31, 2022
Raw materials	327.51	249.20
Work-in-progress	256.87	707.84
Finished goods (including in-transit)	4,239.31	2,590.80
Stock-in-trade	118.71	61.01
<b>Total</b>	<b>4,942.40</b>	<b>3,608.85</b>

## Notes:

- The cost of inventories recognised as an expense during the year ended March 31, 2023 is ₹ 4,004.29 (March 31, 2022: ₹ 3,095.58).
- The cost of inventories includes adjustment of ₹ 40.38 (March 31, 2022: ₹ (300.16)) in respect of obsolescence of inventories.
- Inventories amounting to ₹ 1,120.66 (As at March 31, 2022: ₹ 1,304.66) are lying with third parties as at the year-end.
- Finished goods includes goods-in-transit amounting to ₹ 426.82 (as at March 31, 2022: ₹ 146.73).
- The mode of valuation of inventory has been stated in note 2.16.
- Inventories have been pledged as security against borrowings (Refer note 20).

## 11. Investments

### Current

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unquoted Investments (measured at fair value through profit and loss account) (FVTPL)</b>		
SBI Liquid Fund Direct Plan - Growth (Erstwhile SBI Premier Liquid) (March 31, 2023: 6,030.43 units, March 31, 2022: 33,537.43 units)	21.25	111.78
ICICI Prudential Equity Arbitrage Fund - Growth (March 31, 2023: Nil units, March 31, 2022: 3,749,681.27 units)	-	104.36
Kotak Equity Arbitrage Fund Regular Plan - Growth (March 31, 2023: Nil Units, March 31, 2022: 3,458,610.48 units)	-	104.48
Tata Arbitrage Fund Regular Plan - Growth (March 31, 2023: Nil units, March 31, 2022: 8,914,673.42 units)	-	104.21
ICICI Prudential Liquid Fund Direct Plan - Growth (Erstwhile ICICI Prudential Liquid) (March 31, 2023: Nil units, March 31, 2022: 1,190,691.07 units)	-	375.37

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	As at March 31, 2023	As at March 31, 2022
Kotak Liquid Fund Direct Plan - Growth (Erstwhile Kotak Liquid - Direct Plan Growth) (March 31, 2023: Nil units, March 31, 2022: 61,997.62 units)	-	266.78
Aditya Birla Sun Life Savings Fund Direct Plan - Growth (March 31, 2023: Nil units, March 31, 2022: 645,843.55 units)	-	287.61
Aseem Infrastructure Finance Limited (March 31, 2023: Nil units, March 31, 2022: 100 units)	-	101.35
<b>Total</b>	<b>21.25</b>	<b>1,455.94</b>
Aggregate value of unquoted investments	21.25	1,455.94

**Note:**

Investments have been pledged as security/lien towards borrowings from banks (Refer note 20).

## 12. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Unsecured, considered good	2,582.41	1,738.13
Unsecured, considered doubtful	165.08	165.35
	<b>2,747.49</b>	<b>1,903.48</b>
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	165.08	165.35
<b>Total</b>	<b>2,582.41</b>	<b>1,738.13</b>

**Notes:**

- The average credit period on sale of products is 30 to 90 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.

Ageing wise % of expected credit loss allowance

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 180 days	0% to 2%	0% to 7%
More than 180 days (net of allowance for doubtful trade receivable)	0% to 100%	100%

- Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at the beginning of the year	165.35	139.06
(Less)/add: expected credit loss allowance on trade receivables (utilised)/created during the year	(0.27)	26.29
<b>Balance as at the end of the year</b>	<b>165.08</b>	<b>165.35</b>

- There are 5 customers (March 31, 2022: 2 customers) 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.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

vi) Trade receivables have been pledged as security against borrowings (Refer note 20).

vii) Ageing of trade receivables and credit risk arising there from is as below:

## (1) Ageing of trade receivables as at March 31, 2023

Particulars	Outstanding for following periods from date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,524.56	55.94	1.91	-	-	2,582.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	38.55	17.60	63.64	45.29	-	165.08
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	2,563.11	73.54	65.55	45.29	-	2,747.49
Less: Allowance for doubtful trade receivables (expected credit loss allowance)						165.08
<b>Total</b>						<b>2,582.41</b>

## (2) Ageing of trade receivables as at March 31, 2022

Particulars	Outstanding for following periods from date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,721.01	17.12	-	-	-	1,738.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	116.89	3.56	31.99	12.91	-	165.35
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	1,837.89	20.68	31.99	12.91	-	1,903.48
Less: Allowance for doubtful trade receivables (expected credit loss allowance)						165.35
<b>Total</b>						<b>1,738.13</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 13. Cash and cash equivalents

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash on hand	3.06	3.70
Balance with Banks		
- In current accounts	202.22	80.48
- In demand deposit accounts	20.79	19.90
<b>Total</b>	<b>226.07</b>	<b>104.08</b>

**Note:**

Cash and cash equivalents have been pledged as security against borrowings (Refer note 20).

## 14. Other bank balances

Particulars	As at	
	March 31, 2023	March 31, 2022
Balances with banks		
- In earmarked deposit accounts against borrowings and guarantees	2.79	2.91
<b>Total</b>	<b>2.79</b>	<b>2.91</b>

**Note:**

Other bank balances have been pledged as security against borrowings (Refer note 20).

## 15. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Authorised share capital:</b>				
<b>Equity share capital</b>				
Equity Shares of ₹ 2 each (March 31, 2022: ₹ 2 each) with voting rights	18,00,00,000	360.00	18,00,00,000	360.00
<b>Preference share capital</b>				
Preference shares of ₹ 1 each (March 31, 2022: ₹ 1 each)	2,00,00,000	20.00	2,00,00,000	20.00
	<b>20,00,00,000</b>	<b>380.00</b>	<b>20,00,00,000</b>	<b>380.00</b>
<b>Issued share capital:</b>				
Equity Shares of ₹ 2 each (March 31, 2022: ₹ 2 each) with voting rights	6,17,23,668	123.45	6,16,12,674	123.23
	<b>6,17,23,668</b>	<b>123.45</b>	<b>6,16,12,674</b>	<b>123.23</b>
<b>Subscribed and Paid-up share capital</b>				
Equity Shares of ₹ 2 each (March 31, 2022: ₹ 2 each) with voting rights	6,17,23,668	123.45	6,16,12,674	123.23
<b>Total</b>	<b>6,17,23,668</b>	<b>123.45</b>	<b>6,16,12,674</b>	<b>123.23</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year:**

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number	Amount	Number	Amount
<b>Equity shares with voting rights</b>				
At the beginning of the year	6,16,12,674	123.23	6,15,22,499	123.05
Shares issued during the year	1,10,994	0.22	90,175	0.18
<b>At the end of the year</b>	<b>6,17,23,668</b>	<b>123.45</b>	<b>6,16,12,674</b>	<b>123.23</b>

**b. Details of shares held by each shareholder holding more than 5% shares**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Wagner Limited	1,80,20,119	29.19%	1,80,20,119	29.25%
Arvinder Singh Pasricha	94,70,671	15.34%	94,70,671	15.37%
Onkar Singh Pasricha	67,52,681	10.94%	67,52,681	10.96%
Nalanda Equity Fund Limited	43,20,661	7.00%	43,20,661	7.01%
Anant Daga	36,05,124	5.84%	36,05,124	5.85%
Elevation Capital VI FII Holdings Limited	33,16,180	5.37%	33,16,180	5.38%
Parmeet Pasricha	32,03,405	5.19%	32,03,405	5.20%

**c. Details of shares held by promoters at the end of the year \***

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
<b>Promoter</b>				
Arvinder Singh Pasricha	94,70,671	15.34%	94,70,671	15.37%
Onkar Singh Pasricha	67,52,681	10.94%	67,52,681	10.96%
Parmeet Pasricha (Promoter Group)	32,03,405	5.19%	32,03,405	5.20%
Saranpreet Singh Pasricha (Promoter Group)	4,50,000	0.73%	4,50,000	0.73%

\* Promoters are as defined in Companies Act, 2013.

**d. Changes in shares held by promoters during the current year and previous year**

Name of Shareholder	Increase/(decrease) in shareholding	
	As at March 31, 2023	As at March 31, 2022
	% change in holding	% change in holding
Arvinder Singh Pasricha	(0.03)%	(0.02)%
Onkar Singh Pasricha	(0.02)%	(0.02)%
Parmeet Pasricha (Promoter Group)	(0.01)%	(0.01)%
Saranpreet Singh Pasricha (Promoter Group)	(0.00)%	(0.00)%

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

**e. Shares reserved for issuance towards outstanding employee stock options granted/available for grant (Refer note 38):**

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares of ₹ 2 each (March 31, 2022: ₹ 2 each) (No. in Millions)	6.99	7.10

**f. 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, 2023 (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
General reserve	29.60	29.60
Securities Premium	3,394.20	3,350.16
Share options outstanding account	737.18	696.07
Retained earnings	1,832.60	1,999.59
<b>Total</b>	<b>5,993.58</b>	<b>6,075.42</b>

**i) General reserve**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	29.60	29.60
Addition during the year	-	-
<b>Balance as at end of the year</b>	<b>29.60</b>	<b>29.60</b>

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, 2023	As at March 31, 2022
Balance as at beginning of the year	3,350.16	3,312.37
Premium on exercise of options	30.26	27.60
Transfer from share option outstanding account	13.78	10.19
<b>Balance as at end of the year</b>	<b>3,394.20</b>	<b>3,350.16</b>

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, 2023

(All amounts in ₹ million except otherwise specified)

## iii) Share Option outstanding account

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	696.07	610.07
Recognition of share based payments	54.89	96.19
Transfer to securities premium reserve	(13.78)	(10.19)
<b>Balance as at end of the year</b>	<b>737.18</b>	<b>696.07</b>

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 38).

## iv) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	1,999.59	2,044.75
Loss for the year	(175.47)	(57.29)
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	8.48	12.13
<b>Balance as at end of the year</b>	<b>1,832.60</b>	<b>1,999.59</b>

Retained earnings reflect surplus/(deficit) after taxes in the statement of profit and 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. Other financial liabilities (carried at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
Security deposits received	67.05	109.06
<b>Total</b>	<b>67.05</b>	<b>109.06</b>
<b>Current</b>		
(a) Creditors for capital goods	58.43	45.75
(b) Security deposits received	57.40	67.23
(c) Interest accrued on trade payables (Refer note 21)	7.82	3.46
<b>Total</b>	<b>123.65</b>	<b>116.44</b>

## 18. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
<b>Provision for employee benefits:</b>		
(a) Provision for compensated absences	18.23	15.25
(b) Provision for gratuity (Refer note 35)	141.08	125.23
<b>Total</b>	<b>159.31</b>	<b>140.48</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Provision for employee benefits:</b>		
(a) Provision for compensated absences	1.60	1.28
(b) Provision for gratuity (Refer note 35)	4.22	3.52
<b>Total</b>	<b>5.82</b>	<b>4.80</b>

## 19. Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
Deferred income	7.19	14.09
<b>Total</b>	<b>7.19</b>	<b>14.09</b>
<b>Current</b>		
(a) Deferred income	6.41	10.16
(b) Advances from customers	45.19	4.82
(c) Statutory dues	82.95	58.75
(d) Refund liability for expected sales return (Refer note below)	181.23	58.15
<b>Total</b>	<b>315.78</b>	<b>131.88</b>

### Notes :

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.

## 20. Borrowings (Current)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>From banks (secured)</b>		
a) Cash credit (Refer note (i) below)	135.02	-
b) Working capital demand loans (Refer note (i) and (ii) below)	260.00	-
<b>Total</b>	<b>395.02</b>	<b>-</b>

### Notes :

- (i) Cash Credit and working capital demand loans are secured by hypothecation of entire current assets, non-current assets, movable and immovable assets (Refer note 37).
- (ii) Working capital demand loans are repayable within 35 to 105 days and carries rate of interest of 7.75% to 8.50% (refer note 37).
- (iii) The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.



# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 21. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Trade Payables (including acceptances)*</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (MSME)	1,757.08	670.19
(b) Total outstanding dues other than micro enterprises and small enterprises	841.77	1,045.34
<b>Total</b>	<b>2,598.85</b>	<b>1,715.53</b>

\* 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 ₹ 1,281.64 (March 31, 2022 : ₹ 300.30).

### Notes:

- The average credit period on purchases of goods and services are within 30 to 90 days.
- Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount remaining unpaid to supplier as at the end of the year	1,757.08	670.19
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	7.82	3.46
(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	1.90	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	6.26	3.46
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	7.82	3.46

Dues to Micro and Small Enterprises ("MSME") 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.

### (iii) Ageing of trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,757.08	-	-	-	1,757.08
(ii) Others	237.92	603.85	-	-	-	841.77
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>237.92</b>	<b>2,360.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,598.85</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## Ageing of trade payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	670.19	-	-	-	670.19
(ii) Others	244.67	800.67	-	-	-	1,045.34
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>244.67</b>	<b>1,470.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,715.53</b>

## 22. Income tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax liability (net of advance tax and tax deducted at source of ₹ Nil; March 31, 2022: ₹ 322.75)	-	42.74
<b>Total</b>	<b>-</b>	<b>42.74</b>

## 23. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sale of products (refer note below)	12,010.50	8,959.84
(b) Other operating revenue		
- Duty drawback and export scheme license	5.39	0.68
<b>Total</b>	<b>12,015.89</b>	<b>8,960.52</b>

Note :

Reconciliation of revenue recognised with contract price :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from sale of products (gross) at contract price	12,761.07	9,284.27
Adjustments for:-		
Discount, incentives and refund liabilities as per contract/schemes	(750.57)	(324.43)
<b>Net revenue for sale of products</b>	<b>12,010.50</b>	<b>8,959.84</b>

## 24. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(a) Interest income earned on financial assets that are measured at amortised cost</b>		
- Demand deposits with banks	0.86	3.71
- Security deposits	46.58	41.64
<b>(b) Others</b>		
- Interest on income tax refund	8.46	-

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Net gain arising on financial assets designated as at fair value through profit and loss	1.17	37.50
- Net gain on sale of financial assets	15.93	24.69
- Net gain on write back of lease liability	72.82	59.59
- Variable lease rent income (Refer note below)	-	164.37
- Gain on plant and equipment sold/scrapped/written off	3.67	-
- Miscellaneous income	10.60	15.41
<b>Total</b>	<b>160.09</b>	<b>346.91</b>

**Note :**

The Company has benefited from waiver of lease payments on buildings. The waiver of lease payments of ₹ Nil (March 31, 2022 ₹ 378.56) has been adjusted against rent expense of ₹ Nil (March 31, 2022 ₹ 214.19) (to the extent available) and the net balance amounting to ₹ Nil (March 31, 2022 ₹ 164.37) has been disclosed as variable lease rent income.

## 25. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Raw materials at the beginning of the year	249.20	190.74
Add: Purchases*	5,086.00	3,776.34
	<b>5,335.20</b>	<b>3,967.08</b>
Less: Raw materials at the end of the year	327.51	249.20
<b>Total</b>	<b>5,007.69</b>	<b>3,717.88</b>
*Including job-work charges	2,306.89	1,389.60
(b) <b>Purchase of stock-in-trade</b>		
Purchase of stock-in-trade	251.83	147.57
<b>Total</b>	<b>251.83</b>	<b>147.57</b>

## 26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) <b>Closing stock</b>		
- Work-in-progress	256.87	707.84
- Finished goods	4,239.31	2,590.80
- Stock-in-trade	118.71	61.01
	<b>4,614.89</b>	<b>3,359.65</b>
(b) <b>Opening stock</b>		
- Work-in-progress	707.84	213.81
- Finished goods	2590.80	2,314.54
- Stock-in-trade	61.01	61.44
	<b>3,359.65</b>	<b>2,589.79</b>
	<b>(1,255.23)</b>	<b>(769.87)</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 27. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries and wages	1,629.30	1,258.85
(b) Share based payments to employees (refer note 38)	54.89	96.19
(c) Contribution to provident fund (refer note 35)	101.20	81.55
(d) Gratuity expense (refer note 35)	41.15	36.50
(e) Staff welfare expenses	40.76	29.28
<b>Total</b>	<b>1,867.30</b>	<b>1,502.37</b>

## 28. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest expenses for financial liabilities (classified at amortised cost)		
- Borrowings	65.84	7.06
- Trade payables	6.26	2.63
- Security deposits	0.78	0.92
(b) Other borrowing costs	0.56	0.76
(c) Interest on lease liabilities (Refer note 4(c)(iii))	446.76	360.33
<b>Total</b>	<b>520.20</b>	<b>371.70</b>

## 29. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Depreciation of property, plant and equipment (Refer note 4(a))	176.40	135.64
(b) Depreciation of right-of-use asset (Refer note 4(c))	1,020.63	793.60
(c) Amortisation of intangible assets (Refer note 5)	11.15	14.60
<b>Total</b>	<b>1,208.18</b>	<b>943.84</b>

## 30. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Power and fuel	109.03	64.68
(b) Rent	139.31	41.88
(c) Repair and maintenance	354.32	290.83
(d) Insurance expenses	7.92	8.35
(e) Rates and taxes	5.55	2.63
(f) Communication expenses	12.07	8.56
(g) Travelling and conveyance	41.83	16.38
(h) Printing and stationery	8.72	6.08
(i) Freight charges	158.10	139.70
(j) Advertisement and sales promotion	680.54	412.06

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(k) Legal and professional expenses	105.86	70.09
(l) Payments to auditors (Refer note below)	11.06	11.54
(m) Expenditure on corporate social responsibility (Refer note 40)	3.00	10.05
(n) Loss on plant and equipment sold/scrapped/written off	-	4.64
(o) Selling and distribution expenses	3,173.96	2,326.27
(p) Allowance for expected credit loss and doubtful security deposits (net)	36.36	26.29
(q) Miscellaneous expenses	40.52	26.10
<b>Total</b>	<b>4,888.15</b>	<b>3,466.13</b>

**Note: Payment to auditors comprise (net of tax input credit, where applicable):**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
To statutory auditors :		
(a) For audit (including Limited review)	8.25	7.00
(b) For taxation matters	2.47	3.26
(c) For other services (including certification)	-	1.00
(d) Reimbursement of expenses	0.34	0.28
<b>Total</b>	<b>11.06</b>	<b>11.54</b>

## 31. Tax expense

(i) Income tax recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Current tax	-	-
(b) Adjustment for tax related to earlier years (Refer note 39.1)	(60.47)	-
(c) Deferred tax (Refer note 7 and 39.2)	(76.20)	(14.90)
<b>Total</b>	<b>(136.67)</b>	<b>(14.90)</b>

(ii) Income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Loss before tax</b>	(312.14)	(72.19)
(a) Income tax expense calculated at 25.168% (For the year ended March 31, 2022: 25.168%)	(78.56)	(18.17)
(b) Effect of expenses that are not deductible in determining taxable profit		
- Corporate social responsibility expenses	0.76	2.53
- Others	1.60	0.74
	<b>2.36</b>	<b>3.27</b>
<b>Income tax recognised in statement of profit and loss (a+b)</b>	<b>(76.20)</b>	<b>(14.90)</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## (iii) Income tax recognised in other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to statement of profit and loss		
- Re-measurement gain on the defined benefit liability	(2.85)	(4.08)
<b>Total</b>	<b>(2.85)</b>	<b>(4.08)</b>

## 32. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Contingent Liabilities (for pending litigations)</b>		
Claims against the Company not acknowledged as debts (Refer note (i) below)		
- Demand raised by sales tax authorities*	28.70	10.30
- Demand raised by income tax authorities	16.59	12.93
*Net of Provisions	4.92	4.79
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) (Refer note (ii) below)	19.45	19.11

### Notes:

- (i) No provision is considered necessary since the Company expects favourable decisions.
- (ii) Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.
- (iii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iv) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

## 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, 2023	For the year ended March 31, 2022
Within India	11,969.57	8,945.48
Outside India	40.93	14.35

Geographic wise details of non-current assets\*:

Particulars	As at March 31, 2023	As at March 31, 2022
Within India	5,221.07	4,115.13
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, 2023 and March 31, 2022.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 34. Earnings per share ('EPS')

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic earnings per share</b>		
Loss for the year (A)	(175.47)	(57.29)
Weighted average number of equity shares of ₹ 2 each (No. in millions)	61.67	61.52
Add: Effect of share based payment - Stock options Vested (No. in millions)	2.16	2.22
Weighted average number of equity shares of ₹ 2 each - for Basic EPS (No. in millions) (B)	<b>63.83</b>	<b>63.75</b>
<b>Basic earnings per share (C=A/B)</b>	<b>(2.75)</b>	<b>(0.90)</b>
<b>Diluted earnings per share</b>		
Loss for the year (A)	(175.47)	(57.29)
Weighted average number of equity shares of ₹ 2 each for Basic EPS (No. in millions)	63.83	63.75
Add: Weighted average number of potential equity shares (No. in millions)	1.24*	1.28*
Weighted average number of equity shares of ₹ 2 each - for Diluted EPS (No. in millions) (B)	<b>65.07</b>	<b>65.03</b>
<b>Diluted earnings per share (C=A/B)*</b>	<b>(2.75)</b>	<b>(0.90)</b>

\*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. Employee benefit plans

### i) Defined Contribution Plan

The Company's contribution to Provident Fund for the year ended March 31, 2023 ₹ 101.20 (for the year ended March 31, 2022: ₹ 81.55) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

### ii) Defined Benefit Plan:

#### Gratuity

- 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.
- 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.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 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.

## 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, 2023	As at March 31, 2022
a) Discount rate(s)	7.45% p.a.	7.25% 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	8.00%	8.00%
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, 2023	As at March 31, 2022
<b>I. Amounts recognised in profit or loss in respect of gratuity are as follows:</b>		
a) Current service cost	31.82	28.68
b) Past service cost and (gains)/losses from settlements	-	-
c) Net interest expense	9.33	7.82
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>41.15</b>	<b>36.50</b>
Remeasurement on the net defined benefit liability		
a) Actuarial (gains)/loss arising form changes in financial assumptions	(4.63)	(8.75)
b) Actuarial (gains)/loss arising form changes in demographic assumptions	-	-
c) Actuarial (gains)/loss arising form experience adjustments	(6.70)	(7.46)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(11.33)</b>	<b>(16.21)</b>
<b>Total</b>	<b>29.82</b>	<b>20.30</b>



# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

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'.

## II. Net Liability recognised in the Balance Sheet

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	145.30	128.83
<b>Total</b>	<b>145.30</b>	<b>128.83</b>
a) Current portion of the above	4.22	3.52
b) Non current portion of the above	141.08	125.31

## III. Change in the obligation during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	128.75	114.17
Expenses recognised in Profit and Loss Account		
- Current service cost	31.82	28.68
- Past service cost	-	-
- Interest expense (income)	9.33	7.82
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(4.63)	(8.75)
ii. Demographic Assumptions	-	-
iii. Experience Adjustments	(6.70)	(7.46)
Benefit payments	(13.26)	(5.72)
<b>Present value of defined benefit obligations at the end of the year</b>	<b>145.30</b>	<b>128.75</b>

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
<b>i) Discount rate</b>			
As at March 31, 2023	1%	124.95	170.62
As at March 31, 2022	1%	109.99	152.24
<b>ii) Salary growth rate</b>			
As at March 31, 2023	1%	170.22	124.87
As at March 31, 2022	1%	151.82	109.95
<b>iii) Rate of employee turnover</b>			
As at March 31, 2023	50%	142.52	148.65
As at March 31, 2022	50%	125.79	132.32
<b>iv) Mortality Rate</b>			
As at March 31, 2023	10%	145.35	145.41
As at March 31, 2022	10%	128.79	128.86

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## Notes:

- i) 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.
- ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

## 36. 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. Amit Chand, Chief Financial Officer  
 Mr. Piyush Asija, Company Secretary  
 Mr. Saranpreet Singh Pasricha (Son of Mr. Onkar Singh Pasricha)

#### Non-Executive Directors

Mr. Arvinder Singh Pasricha (w.e.f. December 30, 2021)  
 Mr. Naveen Wadhwa (w.e.f. February 11, 2022)  
 Mr. Naresh Patwari (Till February 11, 2022)

#### Independent Directors

Mr. Bhaskar Pramanik  
 Ms. Neeru Abrol  
 Ms. Sangeeta Talwar  
 Mr. Suresh Jayaraman (w.e.f. December 30, 2021)

#### II. Companies under the significant influence of key management personnel

TCNS Limited

#### III. Company having significant influence over the Company

Wagner Limited

### b. Related party outstanding balances

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade payables</b>		
- Key management personnel*	14.18	11.01

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## c. Compensation of key management personnel

The related party transactions with above key management personnel comprising directors, non-executive and independent directors, chief financial officer and relative of key management personnel are as follows :-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term benefits	51.63	46.27
Post-employment benefits (net)*	1.32	0.90
Share-based payments (net)**	22.62	47.83
Sitting fees paid to Non-Executive and Independent Directors	6.70	4.15
<b>Total</b>	<b>82.27</b>	<b>99.15</b>

\* includes expense towards gratuity and compensated absences taken on actuarial basis.

\*\* The amount does not include the perquisite value of stock options exercised during the year.

## 37. Financial instruments

### 37.1 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 20 and 13).

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.

### Gearing Ratio

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Debt [refer note (i)]	395.02	-
Less: cash and bank balances	228.86	106.99
<b>Net Debt (I)</b>	<b>166.17</b>	<b>(106.99)</b>
<b>Total equity (II)</b>	<b>6,117.03</b>	<b>6,198.65</b>
<b>Net debt to equity ratio (I/II) [refer note (ii)]</b>	<b>2.72%</b>	-

#### 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.

### 37.2 Categories of financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Financial assets</b>		
<b>Measured at fair value through profit and loss (FVTPL)</b>		
- Investments in Mutual Funds	21.25	1,455.94
<b>Measured at amortised cost</b>		
(a) Trade receivables	2,582.41	1,738.13
(b) Cash and cash equivalents	226.07	104.08
(c) Other bank balances	2.79	2.91
(d) Other financial assets	570.89	516.12
<b>Financial liabilities</b>		

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Measured at amortised cost</b>		
(a) Borrowings	395.02	-
(b) Lease liabilities	5,073.08	4,133.42
(c) Trade payables	2,598.85	1,715.54
(d) Other financial liabilities	190.70	225.49

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.

### 37.3 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.

#### 37.3.1 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.

##### 37.3.1.1 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.

##### 37.3.1.2 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.

##### 37.3.1.3 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.

##### 37.3.1.4 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.

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	-	-	4.53	5.43

#### Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. 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 INR 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

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

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, 2023		As at March 31, 2022	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Profit or (loss)	(0.45)	0.45	(0.54)	0.54

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.

## 37.3.2 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.

### 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.

## 37.3.3 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 than 1 month	1 month -1 year	1 year - 3 years	More than 3 years	Total	Carrying Amount
<b>As at March 31, 2023</b>							
<b>Non-Interest bearing</b>							
Trade payables	-	982.31	1,616.54	-	-	2,598.85	2,598.85
Other financial liabilities	-	-	52.64	-	-	52.64	52.64
<b>Fixed Interest rate instruments</b>							
Security deposits received	9.68%	-	57.40	80.65	-	138.05	138.05
<b>Total</b>		<b>982.31</b>	<b>1,726.58</b>	<b>80.65</b>	<b>-</b>	<b>2,789.55</b>	<b>2,789.55</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	Weighted average effective interest rate(%)	Less than 1 month	1 month -1 year	1 year - 3 years	More than 3 years	Total	Carrying Amount
<b>As at March 31, 2022</b>							
<b>Non-Interest bearing</b>							
Trade payables	-	970.49	745.05	-	-	1,715.54	1,715.54
Other financial liabilities	-	-	24.96	-	-	24.96	24.96
<b>Fixed Interest rate instruments</b>							
Security deposits received	9.68%	-	67.23	133.31	-	200.54	200.54
<b>Total</b>		<b>970.49</b>	<b>837.24</b>	<b>133.31</b>	<b>-</b>	<b>1,941.03</b>	<b>1,941.03</b>

Further table below set out the detail of additional undrawn facility that the Company has at its disposal to further reduce liquidity risk:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Undrawn cash credit limit	750.99	599.54

## 37.4 Fair value measurement

The following table presents the carrying value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022 :-

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	FTVPL	FTVOCI	Amortized Cost	FTVPL	FTVOCI	Amortized Cost
<b>Financial assets- Non Current</b>						
Security deposits	-	-	566.40	-	-	511.59
<b>Financial assets- Current</b>						
Investments in Mutual Funds	21.25	-	-	1,455.94	-	-
Trade receivables	-	-	2,582.41	-	-	1,738.13
Cash and cash equivalents	-	-	226.07	-	-	104.08
Other bank balances	-	-	2.79	-	-	2.91
Accrued interest on bank deposits	-	-	4.49	-	-	4.53
<b>Total financial assets</b>	<b>21.25</b>	<b>-</b>	<b>3,382.16</b>	<b>1,455.94</b>	<b>-</b>	<b>2,361.24</b>
<b>Financial liabilities- Non Current</b>						
Lease liabilities	-	-	4,232.40	-	-	3,394.11
Security deposits received	-	-	67.05	-	-	109.06
<b>Financial liabilities- Non Current</b>						
Borrowings	-	-	395.02	-	-	-
Lease liabilities	-	-	840.68	-	-	739.31
Trade payables	-	-	2,598.85	-	-	1,715.53
Creditors for capital goods	-	-	58.43	-	-	45.75
Security deposits received	-	-	57.40	-	-	67.23
Interest accrued on trade payables (Refer note 21)	-	-	7.82	-	-	3.46
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>8,257.65</b>	<b>-</b>	<b>-</b>	<b>6,074.45</b>

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 37.5 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 37.3.4 approximate their fair values.

## 37.6 Reconciliation of liabilities arising from financing activities

Particulars	As at April 1, 2022	Net cash flows	Non-cash changes	As at March 31, 2023
Current borrowings	-	395.02	-	395.02
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>395.02</b>	<b>-</b>	<b>395.02</b>

Particulars	As at April 1, 2021	Net cash flows	Non-cash changes	As at March 31, 2022
Current borrowings	53.58	(53.58)	-	-
<b>Total liabilities from financing activities</b>	<b>53.58</b>	<b>(53.58)</b>	<b>-</b>	<b>-</b>

## 38. Share-based payment of the Company

### 38.1 TCNS ESOP Scheme 2014 - 2017 (Refer note below)

#### 38.1.1 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 constituted 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 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 below for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average 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	-	-	-	-
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		4.32 years		5.32 years
Grant date share price (Weighted average)		261.28		261.28
Weighted average fair value of options granted		176.42		176.42

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*	49.26%	49.26%
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# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
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.

## 38.1.2 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 constituted 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 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 below for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	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	0.02	100	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.16	100	0.18	100
- Vested	0.16	100	0.18	100
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		4.47 years		5.47 years
Grant date share price		261.28		261.28
Weighted average fair value of options granted		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 years		1.77 years
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, 2023

(All amounts in ₹ million except otherwise specified)

## 38.1.3 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 constituted 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, 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, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.30	300	0.38	300
Option granted during the year	-	-	-	-
Options exercised during the year	0.09	300	0.08	300
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.21	300	0.30	300
- Vested	0.21	300	0.30	300
- Balance to be vested	-	300	-	300
Weighted average remaining contractual life for options outstanding		6.75 years		7.75 years
Grant date share price		261.28		261.28
Weighted average fair value of options granted		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 years		5.00 years
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.

## 38.1.4 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 constituted 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 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.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	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	0.06	372.00	0.05	372.00
- Balance to be vested	-	372.00	0.01	372.00
Weighted average remaining contractual life for options outstanding		0.16 years		1.16 years
Grant date share price		288.68		288.68
Weighted average fair value of options granted		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 years		5.00 years
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.

## 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 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

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 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

## 38.2 TCNS Employee Stock Option Plan 2018-2023 (Refer note below):

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 constituted 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 of outstanding options as at March 31, 2023	Grant date	Remaining life (in years)	Exercise Price	Fair value at Grant date
Granted on February 2, 2018	47,55,207	February 2, 2018	4.84 years	373.26	76.26
Granted on November 8, 2019	83,800	November 8, 2019	1.61 years	716.00	308.77
Granted on August 18, 2020	1,60,000	August 18, 2020	7.38 Years	500.00	76.67-156.82
Granted on November 10, 2020	1,35,000	November 10, 2020	7.61 Years	500.00	93.96-170.40
Granted on March 2, 2021	30,000	March 2, 2021	7.92 years	500.00	173.45-256.70
Granted on October 1, 2021	85,000	October 1, 2021	8.50 years	605.50	335.17-376.99

## Movements in share options during the year

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	5.26	373.26-716	5.18	373.26-716
Option granted during the year	-	605.50	0.09	605.50
Options exercised during the year	0.01	373.26	0.01	373.26
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	5.25	373.26-716	5.26	373.26-716
- Vested	1.04	373.26-716	0.99	373.26-716

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
- Balance to be vested	4.21	373.26-716	4.27	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%		43.94% - 44.48%	
Option life (Expected)	2.74 - 7 years		2.74 - 7 years	
Dividend yield	-		-	
Risk-free interest rate	4.48% - 6.02%		4.48% - 6.02%	

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

## Modification to TCNS Employee Stock Option Plan 2018-2023

As per original terms of TCNS Employee Stock Option Plan 2018-2023, certain unvested options were deemed to lapse on long stop date i.e. 7th August 2022. During the year, on the recommendation of the Nomination and Remuneration Committee, pursuant to Regulation 7(1) read with Regulation 12(2) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SBEB & SE Regulations"), the Board of Directors of the Company on June 27, 2022 approved the amendment in the Scheme and subsequently the shareholders of the Company approved the same vide a postal ballot on 30th July 2022 for extension of long stop date to December 31, 2023. Accordingly, the method and assumptions got changed to the extent as mentioned below. The incremental fair value impact due to modification is ₹ 14.50 (out of which ₹ 6.71 is recognised in the statement of profit and loss and ₹ 7.79 would be recognised over the balance vesting period).

Particulars	Before modification	After modification
Modification date option price	303.80 - 354.99	311.90 - 358.48
Expected volatility	44.39% - 47.35%	44.39% - 46.38%
Option life	3.24 - 5.00 years	3.44 - 5.28 years
Dividend yield	-	-
Risk-free interest rate	6.65% - 6.78%	6.65% - 6.78%
Option pricing model used	Black-Scholes model	Black-Scholes model

**38.3** 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.

## 39. Tax expense

**39.1** During the current year, the Company has written back tax provisions created on the deduction of fair value impact of share based payments to employees claimed in the income tax return filed for Assessment year 2017-18 and 2018-19 amounting to ₹ 17.73 and ₹ 42.74 respectively as the same has been allowed in the assessment order received for assessment year 2017-18 and intimation received u/s 143(1) for assessment year 2018-19 and the time of completion of assessment is now time barred.

**39.2** The Company has recognised deferred tax assets (net) amounting to ₹ 76.20 (March 31, 2022: ₹ 14.90) (including in respect of losses amounting to ₹ 26.85, March 31, 2022 : ₹ 14.48) in the financial statements for the year ended March 31, 2023 consistent with applicable accounting standards as it is considered probable that future taxable profits will be available. As at March 31, 2023, total deferred tax on losses aggregates to ₹ 209.99 (March 31, 2022: ₹ 183.14).

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

## 40. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Amount required to be spent by the Company	-	10.05
(ii) Amount of expenditure incurred	3.00	10.05
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Not Applicable	Not Applicable
(vi) Nature of CSR activities	Eradication of malnutrition, promoting education, art and culture, healthcare, environment sustainability, COVID-19 relief and rural development projects.	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	-	-

## 41. Additional regulatory information

### (a) Financial ratios as per Schedule III requirements

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason of variance
Current ratio	Current assets	Current liabilities	1.96	2.66	(26.27)%	Increase is due to increase in borrowings and increase in current portion of lease liabilities with the opening of new stores in the current year.
Debt-equity ratio	Total debt**	Shareholder's equity	0.02	-	100.00%	The company has taken working capital demand loans and utilised cash credit facilities in current year due to which there is an increase in debt balance.
Debt service coverage ratio	Earnings available for debt service*	Debt Service***	(3.44)	13.90	(124.75)%	There has been increase in finance costs in the current year due to availing of working capital demand loans and utilisation of cash credit facilities.
Return on equity ratio	Net loss after taxes	Average shareholder's equity	(2.85)%	(0.93)%	(206.37)%	The company has incurred losses in the current year due to persisting impact of Covid-19 and subdued consumer demand.
Inventory turnover ratio	Sales	Average Inventory	2.81	2.80	0.16%	No major variance
Trade receivables turnover ratio	Sales	Average Trade Receivables	5.56	5.29	5.07%	No major variance

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason of variance
Trade payables turnover ratio	Purchases	Average Trade Payables	2.47	2.99	(17.16)%	No major variance
Net capital turnover ratio	Sales	Working Capital	2.92	1.96	48.84%	The increase in working capital is due to increase in inventories.
Net profit ratio	Net loss after tax	Sales	(1.46)%	(0.64)%	128.50%	The increase is due to increase in losses in current year owing to increase in corresponding expenses.
Return on capital employed	Earnings before interest and Taxes	Capital employed*****	3.19%	4.83%	(33.88)%	The decrease is due to increase in discounts given to the customers and selling expenses incurred during the current year.
Return on investment	Income generated from invested funds	Average invested funds	2.42%	4.14%	(41.45)%	The decrease is due to redemption of investment in mutual funds in the current year.

\*Earning for Debt Service = Net Profit after taxes\*\*\*\* + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

\*\*Total Debt = Borrowings (excluding lease liabilities accounted as per Ind AS 116) - cash and bank balances (includes fixed deposits) - liquid investments

\*\*\*Debt service = Interest and Lease Payments + Principal Repayments

\*\*\*\* "Net Profit after tax" means reported amount of "Profit/(loss) for the year" and it does not include items of other comprehensive income.

\*\*\*\*\* Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(b) The Company has no transactions with companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(c) Disclosure under Rule 11 (e) (i) and (ii) of the Companies (Audit and Auditors) Rule, 2014:**

No Funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No Funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(d) Details of Benami Property held**

No proceeding has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**(e) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or any lender.

**(f) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts.

# Notes forming part of the Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ million except otherwise specified)

**(g) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(h) Valuation of PP&E, intangible asset**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**(i) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**(j) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.**

## 42. Subsequent event

The Board of Directors at its meeting held on May 5, 2023, approved a draft Scheme of Amalgamation by way of merger by absorption ("Scheme") between TCNS Clothing Co. Limited (Transferor Company) and Aditya Birla Fashion and Retail Limited (Transferee Company) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013. The Amalgamation is conditional upon and subject to Transferor Company and Transferee Company complying with the 'Conditions Precedent to Effectiveness' as stated in clause 31 of the Scheme and receipt of requisite approvals from Statutory and Regulatory authorities, the respective shareholders and creditors, under applicable laws. On the scheme becoming effective, 11 fully paid-up equity shares of the face value of ₹ 10 of Transferee Company will be issued for every 6 fully paid-up equity shares of the face value of ₹ 2 of the Transferor Company.

## 43. Approval of financial statements

These financial statements for the year ended March 31, 2023 were approved by the board of directors on May 29, 2023.

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

**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 : May 29, 2023





# TCNS

**Clothing Co. Limited**



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