

ITFL/SEC/2022-2023/AUG/03

18th August 2022

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

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400 051

Scrip Code - 533329

NSE Symbol: INDTERRAIN

Dear Sir/Madam,

Sub.: Annual Report for FY 2021-2022 & Notice convening 13th Annual General Meeting
Ref.: Reg.30 and 34 of SEBI (LODR) Regulations, 2015

This is to inform that the 13th Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, 9th September 2022 at 11.00 A.M. IST through video conferencing/ other audio-visual means.

The Annual Report for the financial year 2021-2022 along with Notice convening the 13th AGM of the Company is enclosed. The Annual Report along with the Notice of AGM has been dispatched to all the eligible shareholders as on the cut-off date 12th August 2022 through e-mail mode only and will be available in the website of the Company www.indianterrain.com

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

Thanking you,

Yours faithfully,

For **INDIAN TERRAIN FASHIONS LIMITED**



E. Elamugilan
Company Secretary & Compliance Officer

Encl.: As above



INDIAN
TERRAIN



ANNUAL REPORT
2021-22



NOTE FROM THE CHAIRMAN

Dear Shareholders,

I write to you in the backdrop of an interesting period in our history as a nation and a very exciting future for our industry. The last 24 months were something none of us had ever seen ever before but if there is one thing that stood out it was the resilience of India, its people, its scientists, technologists, administrators and the citizens at large. From a devastating April – May in the second wave of COVID to vaccinating 100 Billion People within 12 months and then exporting some more we demonstrated to the world how to efficiently and adeptly manage a pandemic and manage both the economy and the healthcare of our citizens. It is this management that helped us tide over this pandemic and create the foundation for a strong 2023.

Even as we dealt with one challenge we are faced with another one in terms of inflation, commodity price surges, supply chain instability and high interest rates. This multi pronged challenge is going to test businesses across the spectrum and only the most resilient, nimble, well capitalized businesses which have built a unique franchise will stand these strong winds and emerge stronger.

It is in against this interesting and yet daunting backdrop that I bring to you the performance of your company in the past year. In the past year Your company recorded revenues of ₹336 Cr which was a 50% growth over FY 2021 and achieved an EBIDTA of ₹34.18 Cr. If not for the first quarter of the year which was hugely impacted by COVID second wave your company was well on track to exceed its revenues of the Pre COVID period. The Strong showing in the second half of the year was especially heartening and driven by the premiumization drive undertaken and led by exclusive retail which has been a strategic thrust over the years.

At the beginning of the last year we had set ourselves four major levers to grow the business namely Direct to Consumer Retail, Sustainability, expansion into the Hinterland of India (Bharat) and expansion of our Childrenswear Business. I am pleased to state that despite all the challenges faced we have made progress on all these areas. Our Direct to Consumer Business (consisting of our own exclusive stores and our webstore business) now accounts for almost 40% of our revenues and is well poised to reach 50% in the next few years. This is particularly significant since it gives us a direct access to a vast and loyal set of customers and help build



a deeper engagement with them as a brand and company. Your company added 33,000 Sqft of retail space and today has a presence of 240 stores across 90 towns and covering 200,000 sqft of exclusive retail space. This in addition to the presence in over 1800 points of sales in wholesale gives a wide reach to the brand. Two - third of our retail network is now in Bharat (outside the top 8 cities) where retail is growing rapidly and aspirations even faster.

We have further strengthened our commitment to building a sustainable planet with a deeper engagement through our partner FAIRTRADE and expanding the product portfolio. In addition through use of a number of other sustainable raw materials, 5% our product range is now fully sustainable and in the years to come we will continuously be increasing this share. In addition I am proud to state that your company has almost completely eliminated the use of virgin plastic in any of its products and packaging materials.

If 2022 was the year of consolidation and strengthening our core operations, 2023 will be year of normalcy and accelerated growth. With a stable macroeconomic environment and deft administrative handling India will continue to be one of the few bright spots In the global economy and Consumption is all set to grow as was evident briefly in the festive period of 2022. As offices and schools open fully and mobility increases, clothing spends and in particular smart casuals and childrenswear will see increased demand and your company is well poised to participate in that growth. We will continue to push on the strategic levers identified and seed new categories to build for the future which appears promising. Your company is now adequately capitalized and well funded to drive this growth albeit with caution and a strong focus on the balance sheet.

As I conclude I must say that the best of intentions will come undone if not executed seamlessly and with velocity and for both of this to happen needs a committed, passionate and energized team. I am indeed proud of the more than "700 Terrainers" who have not only withstood the toughest period of the last two years but emerged stronger and ready to lead your company to the next phase of growth. The world and India is changing and so must we. As we enter 2023 we are at the beginning of a strong consumption cycle which will be led by increased digitization and an ever expanding reach and with a history of 20 years your company is ready to ride this wave.

We are here today because of your unwavering support as shareholders and for that I am immensely grateful and as we look ahead to a brighter future I look forward to your presence in this exciting journey.

Sincerely,

Venky Rajgopal
Executive Chairman and Whole Time Director



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FINANCIAL
STATEMENTS



Board of Directors

Mr. Venkatesh Rajagopal	Chairman & Whole Time Director
Mrs. Rama Rajagopal	Non-Executive Director
(w.e.f. 10 th November, 2021)	
Mr. Charath Ram Narsimhan	Managing Director & CEO
Mr. Vidyuth Venkatesh Rajagopal	Joint Managing Director
Mr. N.K. Ranganath	Independent Director
Mr. Harsh Bahadur	Independent Director
Mr. Manoj Mohanka	Independent Director
Mr. Kalpathi S.Suresh	Independent Director
Mrs. Nidhi Reddy	Independent Director

Audit Committee

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

Stakeholders Relationship Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Chief Financial Officer

Mr. M. Thiyagarajan
(Appointed w.e.f. 10th November, 2021)

Company Secretary & Compliance Officer

Mr. E. Elamugilan

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

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

Banker

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

Registered Office

No. 208, Velachery Tambaram Road,
Narayanapuram,
Pallikaranai, Chennai - 600 100.
Tel : 044-42279100
CIN : L18101TN2009PLC073017
www.indianterrain.com

Registrar and Share Transfer Agent

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



NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of the shareholders of Indian Terrain Fashions Limited will be held on Friday, 09th September, 2022 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2022 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Rama Rajagopal (DIN: 00003565), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. TO APPROVE THE WAIVER OF RECOVERY OF EXCESS REMUNERATION PAID TO MR. VENKATESH RAJAGOPAL (DIN: 00003625), WHOLE TIME DIRECTOR OF THE COMPANY DURING THE FY 2021-2022.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT further to the approval by the members for the payment of remuneration to Mr. Venkatesh Rajagopal (DIN: 00003625), Whole Time Director, at the Company's 09th Annual General Meeting held on 25th September, 2018 and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the approval of the members of the Company be and is hereby accorded to ratify and confirm waiver of recovery of excess managerial remuneration of ₹25,34,472/- (Rupees Twenty Five Lakhs Thirty Four Thousand Four Hundred and Seventy Two Only) during the financial year 2021-22 as per the details annexed hereto in the explanatory statement, paid to Mr. Venkatesh Rajagopal (DIN: 00003625), Whole Time Director of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Nomination and Remuneration Committee be and is hereby authorized to finalize, sign and execute such document(s)/deed(s)/writing(s)/paper(s)/ agreement(s) as may be required, to settle any question, difficulty or doubt that may arise in respect of the aforesaid payment of remuneration, to delegate all or any of the above powers to any Committee of the Board of Directors or any Director(s) of the Company and to do all acts, deeds, matters and things that may be deemed necessary, proper, expedient or incidental, in its absolute discretion for the purpose of giving effect to this resolution.

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

4. TO APPROVE INCREASE IN MANAGERIAL REMUNERATION PAYABLE TO MR. VENKATESH RAJAGOPAL (DIN: 00003625), CHAIRMAN & WHOLE TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT Pursuant to provisions of Sections 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and the board of directors of the Company, the consent of the member be and is hereby accorded for the increase in the managerial remuneration payable to Mr. Venkatesh Rajagopal (DIN: 00003625), Chairman & Whole time Director of the Company, with effect from 01st April, 2022 on the terms and remuneration as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Chairman & Whole time Director of the company within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

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

5. TO APPROVE INCREASE IN MANAGERIAL REMUNERATION PAYABLE TO MR. CHARATH RAM NARSIMHAN (DIN: 06497859), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY

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

"RESOLVED THAT Pursuant to provisions of Sections 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and the board of directors of the Company, the consent of the member be is hereby accorded for the increase in the managerial remuneration payable to Mr. Charath Ram Narsimhan (DIN: 06497859) Managing Director & Chief Executive Officer, with effect from 01st April, 2022 on the terms and remuneration as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Managing Director & Chief Executive Officer of the company within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

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

6. CHANGE IN DESIGNATION OF MRS. RAMA RAJAGOPAL FROM EXECUTIVE DIRECTOR TO NON- EXECUTIVE DIRECTOR OF THE COMPANY.

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

RESOLVED THAT THAT pursuant to Section 149, 152 and other application provisions of the Companies Act, 2013 (including any modification or re-enactment thereof), if any, as approved by the Board of Directors, the approval of the members be and is hereby accorded the appointment of Mrs. Rama Rajagopal (DIN: 00003565) as Non-Executive director of the Company with effect from 10th November, 2021 who shall be eligible for sitting fees for attending the meeting of the Board and Committees and shall be liable to retire by rotation.

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

7. APPROVAL FOR REVISION IN AUDIT FEE OF STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2022-23 AND ONWARDS.

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

"RESOLVED THAT pursuant to Section 142 and all other applicable provisions of the Companies Act 2013, approval be and is hereby accorded for revision in Statutory Audit Fee of M/s. SRSV & Associates, Chartered Accountants, Chennai (F.R. No.015041S) Statutory Auditors of the Company from ₹3,00,000/- to ₹4,00,000/- plus ₹1,00,000 (For Quarterly Review) and GST applicable as remuneration payable and reimbursement of related out of pocket expenses incurred, till the conclusion of 15th Annual General Meeting".

8. MATERIAL RELATED PARTY TRANSACTION(S) BETWEEN THE COMPANY AND CELEBRITY FASHIONS LIMITED

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

"RESOLVED THAT in accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), consent be and is hereby accorded to the Company for entering into and / or continuing to enter into transactions with Celebrity Fashions Limited, (CFL), a related party under Regulation 2(1)(zb) of the Listing Regulations, for transactions etc, as set out in the Explanatory Statement annexed to the Notice convening this Meeting and on such terms and conditions as may be mutually agreed between the parties, such that the maximum value of the transactions with CFL, in the aggregate, does not exceed ₹40 crores (Rupees Forty Crores only) during the financial year 2022-23.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may



arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

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

sd/-

E. Elamugilan

Company Secretary

Membership No.: A33396

Date: 12th August, 2022

Place: Chennai

Registered Office :

208, Velachery Tambaram Road, Narayanapuram,

Pallikaranai Chennai - 600100

CIN : L18101TN2009PLC073017

Tel.: 044-42279100

Email : response.itfl@indianterrain.com

Website : www.indianterrain.com

NOTES:

1. The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 14/2020 dated 08th April, 2020 read with General Circular No. 20/2020 dated 05th May, 2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No.19/2021 dated 08th December, 2021, General Circular No. 21/2021 dated 14th December, 2021 and General Circular No. 3/2022 dated 05th May, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting (AGM) through VC/OAVM, without the physical presence of the Members at a common venue, due to the ongoing COVID-19 pandemic. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM mode only. In accordance with the MCA Circulars, Special Businesses under item no.3 to 8 as set out in the Notice are considered unavoidable in nature by the Board of Directors of the Company.
2. **A member entitled to attend and vote is entitled to appoint a proxy and such a proxy need not be a member.** However, as per the permission granted by MCA and SEBI, the entitlement for appointment of proxy has been dispensed with for the AGM to be conducted in electronic mode till 31st December, 2022. Accordingly, the Attendance Slip and Proxy Form have not been annexed to this Notice of AGM.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act. In case of joint holders attending the AGM through VC/OAVM, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 setting out material facts, details and information in respect of Special Business under item no. 3 to 8 as set out in the Notice is annexed hereto.
5. The Register of Members and the Share Transfer books of the Company will remain closed from 03rd September, 2022 to 09th September, 2022 (both days inclusive).
6. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical share members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, viz. Link in time India Private Ltd, C 101, 247 Park, L.B.S. Marg, Vikroli (West) Mumbai – 400 083.
7. As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 01st April, 2019, and with effect from January 24, 2022 the request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository and the transmission or transposition of securities held in physical or dematerialised form shall also be effected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
8. Members are requested to contact the Company's Registrar & Share Transfer Agents, Link in time India Private Ltd for reply to their queries/ redressal of complaints, if any, or contact Mr. E. Elamugilan, Company Secretary & Compliance Officer at the Corporate Office of the Company (Phone: (044) 4227 9241; Email: response.itfl@indianterrain.com).
9. The queries on the accounts and operation of the Company, if any, may please be sent to the Company at SDF-IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600045 or through email to response.itfl@indianterrain.com (marked to the attention of CS/CFO) at least 7 (seven) days prior to the date of AGM.
10. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrars and Share Transfer Agents.
11. In accordance with the provision of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in note no.17. The cut-off date for determining the eligibility to vote by electronic means shall be Friday, 02nd September, 2022.
12. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide facility of voting through electronic means to all the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the AGM. The facility of voting through electronic voting system will be available during the AGM also. Members who have casted their vote by remote e-voting may attend the AGM, but shall not be able to vote electronically at the AGM. Such members will also not be allowed to change or cast vote again. The Company shall be providing the facility of voting through e-voting and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right during the AGM.
13. In keeping with the Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.
14. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 01st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, the members are requested to take action to dematerialise the Equity Shares of the Company, promptly.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection.
16. The details under SEBI Listing Regulations in respect of the Directors seeking appointment / re-appointment at the AGM, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
17. **Important Shareholders Communication:**

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

Electronic copy of the Notice of the 13th AGM and Annual Report for the financial year 2021-22 of the Company inter-alia indicating the process and manner of voting through electronic means is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes.

For members who have not registered their email address, physical copies of the Notice of the AGM and Annual Report for the financial year 2021-22 will not be sent due to the ongoing COVID-19 pandemic and as per the SEBI and MCA guidelines.
18. **Instructions for attending the AGM through VC/OAVM and Electronic Voting:**

a) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated 08th April, 2020 read with General Circular No. 20/2020 dated 05th May,

2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No.19/2021 dated 08th December 2021, General Circular No. 21/2021 dated 14th December, 2021 and General Circular No. 3/2022 dated 05th May, 2022. The AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate the AGM through VC/OAVM.

- b) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e) Pursuant to MCA Circular No. 14/2020 dated 08th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC/OAVM portal / e-voting portal.
- f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.indianterrain.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- g) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 05th May, 2020.

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

- The voting period begins on 04th September, 2022 at 9.00 a.m. (IST) and ends on 08th September, 2022 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 02nd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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



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

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

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

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; response@indianterrain.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 06 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company email id response.itfl@indianterrain.com or RTA email id rnt.helpdesk@linkintime.co.in
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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



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

19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 02nd September, 2022
20. The Board of Directors has appointed BP & Associates, Practicing Company Secretary, New No. 443 & 445, 5th Floor, Annexe 1, Guna Complex, Anna Salai, Teynampet, Chennai- 600018. as the Scrutiniser for conducting the voting process (e-Voting and Poll) in a fair and transparent manner.
21. The Scrutiniser shall within a period not exceeding 03 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 02 (two) witnesses not in the employment of the Company and make a Scrutiniser's Report for the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
22. The results shall be declared by the Chairman or by any person authorised by him in this regard on or before 11th September, 2022. The result along with the Scrutiniser's report shall be placed on the Company's website www.indianterrain.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited & National Stock Exchange of India Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the result, explained as above.

By Order of the Board
For INDIAN TERRAIN FASHIONS LIMITED

Date: 12th August, 2022
Place: Chennai

sd/-
E. Elamugilan
Company Secretary
Membership No.: A47890

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

Annexed to the Notice of 13th Annual General Meeting scheduled to be held on Friday, 09th September, 2022

Item No.2 & 6

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

S.NO	CATEGORY	PARTICULARS
1.	Name of the Whole Time Director	Mrs. Rama Rajagopal (DIN: 00003565)
2.	Age	65 years
3.	Nationality	Indian
4.	Qualification	P.G. in Economics from University of Bangalore
5.	Expertise in specific functional areas	General Management and Administration
6.	Date of first appointment to the Board	29 th September, 2009
7.	Term of previous appointment	Non-Executive Director (Wholtime Director till 10 th November, 2021)
8.	Remuneration last drawn for the FY 2021-22	₹42.39 Lakhs (Includes value of perquisites of ₹0.39 Lakhs) (Wholtime Director till 10 th November, 2021)
9.	Revised Remuneration sought to be paid	Not Applicable
10.	No. of Shares held	67,66,930 equity shares (16.47%) as on 30 th June, 2022
11.	2022	<p>Relationship with directors</p> <ul style="list-style-type: none"> • Spouse of Mr. Venkatesh Rajagopal • Mother of Mr. Vidyuth Venkatesh Rajagopal <p>Relationship with Manager</p> <ul style="list-style-type: none"> • NA <p>Relationship with Key Managerial Personnel</p> <ul style="list-style-type: none"> • NIL
12.	No of Board Meetings attended / held during the year FY 2021-22	5/5
13.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
14.	Chairpersonship/Member-ship in committees of other Entities	<p>Celebrity Fashions Limited</p> <ul style="list-style-type: none"> • Chairman - Corporate Social Responsibility Committee

Except Mrs. Rama Rajagopal and his relatives to the extent of their shareholding interest, if any, in the Company for Item No. 2 & 6, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out in item no.2 & 6 respectively.

Item No.3

The Members at Annual General Meetings held from time to time had by way of Ordinary Resolutions approved the appointment and remuneration of the following Executive Directors, on the terms and conditions as mentioned therein:

S. No	Name	Term	Date of AGM in which Date of expiration of term ordinary Resolution was passed	Date of expiration of term
1	Mr. Venkatesh Rajagopal	5 Years	25 th September, 2018	07 th August, 2023

At the time of their appointment/re-appointment, the Company had adequate profits and the remuneration paid / payable to above said directors was well within the limits prescribed under the Companies Act, 2013.

However, during the last couple of years, the Indian textile Industry has been going through a set of unprecedented circumstances and as a result of this industry up heaval, the standalone revenue of the Company dropped to an unforeseen level of ₹213.17 Crores and The Net Loss of the Company for the financial year 31st March, 2021 stood at (30.37) Crores as compared to Net Loss of ₹(10.22) Crores earned during the year 31st March, 2020.



Owing to the above factors, the financial performance of the Company in the financial year ended 31st March, 2022 did not meet expectations.

The table below shows the total remuneration paid including excess amount paid to managerial personnel for the financial year ended 31st March, 2022 under Section 197 of the Companies Act, 2013:

Name	Financial Year	Salary & Perquisites paid	Excess Due to Profit	Payment Inadequate
Mr. Venkatesh Rajagopal	2021-22	₹72,00,000/-	₹25,34,472 /-	

As a result of the above, the remuneration paid to Mr. Venkatesh Rajagopal for the financial year 2021-22 exceeded the limits specified under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto. Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution.

The Nomination and Remuneration Committee and the Board of Directors have at their respective meetings held on 12th August, 2022, subject to the approval of the members of the Company, accorded their approvals for waiver of recovery of excess managerial remuneration paid by the Company to above said director during the financial year 2021-22, in the interest of the Company.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor.

Except Mr. Venkatesh Rajagopal and his relatives to the extent of their shareholding interest, if any, in the Company for Item No. 3, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out in item no.3 respectively.

Item No.4

At the board meeting held on 08th August, 2018, Mr Venkatesh Rajagopal, was re-designated as Chairman & Executive Director of the Company with a remuneration of ₹6,00,000/- per month for a period of Five years with effective from 08th August, 2018 on such remuneration within the limit prescribed under applicable provisions of the Companies Act, 2013 and was subsequently approved by the shareholders at the Annual General Meeting held on 25th September, 2018.

Further, the Board of directors at their meeting held on 18th May, 2022 had approved the revision in remuneration payable to Mr. Venkatesh Rajagopal, Chairman and Wholetime Director of the Company as recommended by the Nomination and Remuneration Committee after considering various parameters which, inter alia, includes, the scale of operations of the Company and increased involvement of the Executive Director in the day to day operations for the overall growth of the Company especially in respect of exploring new domestic markets, deeper penetration of existing markets, enhancing brand value through various initiatives, financial growth of the Company etc. with a view to ensure objectivity in determining the remuneration package as well as maintaining a balance between interest of the Company and shareholders.

Taking into account the size of operations of the Company, position, responsibilities and expertise of Mr. Venkatesh Rajagopal, Chairman and Executive Director, the board has approved the revision in remuneration from ₹6,00,000/- per month to ₹8,00,000/- per month on a fixed basis and he shall be entitled to a variable commission as decided by Board from time to time subject to maximum limit permissible under Companies Act 2022 with effect from 01st April, 2022 to the remaining tenure of his appointment i.e., upto 07th August, 2023 subject to the approval of the Shareholders.

Except the revision in remuneration, all other existing terms and conditions of his appointment remain unaltered and which are reproduced hereunder.

S.NO	PARTICULARS	DESCRIPTION
1	Salary	₹8,00,000/- Per month
2	Commission on variable basis	2% of Net profits for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act.
3	Medical Benefits	Suitable Mediclaim Policy for hospitalization for himself and family. Reimbursement of all actual medical expenses for himself and family to the extent not reimbursed under Mediclaim Policy.
4	Telephone	Telephone, Tele fax and other communication facilities at his residence at Company's cost.
5	Automobile	He shall be entitled for a Car fully maintained by the Company with driver for Company's purpose.

6	Reimbursement of expenses	He shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
7	Sitting Fees	He will not be entitled to any sitting fees for attending the meetings of the Board or of any Committees thereof.

The Board of directors/Nomination and Remuneration Committee of the Company is authorized to alter or vary the terms of remuneration of Mr. Venkatesh Rajagopal, Chairman and Whole time Director of the Company as it may, at its discretion deem fit from time to time and In the event of inadequacy or absence of profits under Section 198 of the Companies Act, 2013 in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in above.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor.

Pursuant to provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the above said revision in remuneration requires approval of members of the Company in a general meeting by way of Special resolution. Accordingly, the resolutions set out at item no. 4 of the notice are recommended to be passed as Special resolution

Except Mr. Venkatesh Rajagopal and his relatives to the extent of their shareholding interest, if any, in the Company for Item No. 4, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out in item no.4 respectively

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

I. General Information

1	Nature of Industry	Manufacture of all type of Textile garments and clothing accessories
2	Date or expected date of commencement of commercial production	N.A. since the Company has already commenced its business activities
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	The Company has incurred a net loss of ₹2.20 crs for the financial year ended 31 st March, 2022
5	Foreign Investments or collaborations, if any	Not Applicable

II. Information about the appointee

1	Background details	Mr. Venkatesh Rajagopal is serving as the Director of the Company effective 2009. He has had significant experience across all areas of the organization. He holds a Master's degree in Arts and served in Indian Police Service.
2	Past remuneration	₹72,00,000/-
3	Recognition or awards	Nil
4	Job profile and his suitability	Job requires strong knowledge and experience in garments industry. Mr. Venkatesh Rajagopal is eminently suitable given his background.
5	Proposed Remuneration	As per resolution given above
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is comparable and in line with the other companies of similar size and nature in the industry.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mrs. Rama Rajagopal is the spouse and Mr. Vidyuth Rajagopal, Joint Managing Director is the son.

III. Other Information

1	Reasons of loss or inadequate profits	Industry trend and increase in operating cost.
2	Steps taken or proposed to be taken for improvement	The company is undertaking various strategic initiatives including improvement to productivity and rationalisation of costs.
3	Expected increase in productivity and profits in measurable terms	The company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.



Item No.5

Mr. Charath Ram Narsimhan (DIN: 06497859) being the Chief Executive officer of the Company was appointed as Managing Director & Chief Executive Officer at the board meeting held on 08th August, 2018 and subsequently approved by the shareholders at the Annual General Meeting held on 25th September, 2018 with a remuneration of ₹4,00,000/- per month for a period of Five years with effective from 08th August, 2018.

Further, the Board of directors at their meeting held on 18th May, 2022 had approved the revision in remuneration payable to Mr. Charath Ram Narsimhan, Managing Director & Chief Executive Officer of the Company as recommended by the Nomination and Remuneration Committee after considering various parameters which, inter alia, includes, the scale of operations of the Company and increased involvement of the Executive Director in the day to day operations for the overall growth of the Company especially in respect of exploring new domestic markets, deeper penetration of existing markets, enhancing brand value through various initiatives, financial growth of the Company etc. with a view to ensure objectivity in determining the remuneration package as well as maintaining a balance between interest of the Company and shareholders.

Taking into account the size of operations of the Company, position, responsibilities and expertise of Mr. Charath Ram Narsimhan, Managing Director and Chief Executive Officer, the board has approved the revision in remuneration from ₹4,00,000/- per month to ₹6,00,000/- per month on a fixed basis and he shall be entitled to a variable commission of 2% of Net profits for every financial year and the total remuneration including the variable commission shall not exceed the maximum of 5% of Net profits as computed under Section 198 of Companies Act, 2013 with effect from 01st April, 2022 to the remaining tenure of his appointment i.e., upto 07th August, 2023 subject to the approval of the Shareholders.

Except the revision in remuneration, all other existing terms and conditions of his appointment remain unaltered and which are reproduced hereunder.

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

The Board of directors/Nomination and Remuneration Committee of the Company is authorized to alter or vary the terms of remuneration of Mr. Charath Ram Narsimhan, Managing Director & Chief Executive Officer of the Company as it may, at its discretion deem fit from time to time and In the event of inadequacy or absence of profits under Section 198 of the Companies Act, 2013 in any financial year or years, the Managing Director shall be entitled to such remuneration as he may be then drawing, as specified in above.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor.

Pursuant to provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the above said revision in remuneration requires approval of members of the Company in a general meeting by way of Special resolution. Accordingly, the resolutions set out at item no. 5 of the notice are recommended to be passed as Special resolution.

Except Mr. Charath Ram Narsimhan and their relatives, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions at Item No. 5 of the accompanying notice.

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

I. General Information

1	Nature of Industry	Manufacture of all type of Textile garments and clothing accessories
2	Date or expected date of commencement of commercial production	N.A. since the Company has already commenced its business activities
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	The Company has incurred a net loss of ₹2.20 crs for the financial year ended 31 st March, 2022
5	Foreign Investments or collaborations, if any	Not Applicable

II. Information about the appointee

1	Background details	Mr. Charath Ram Narsimhan is serving as the Director of the Company effective 2009. He has had significant experience across all areas of the organization. He holds a bachelor's degree from IIT & Master's degree from IIM Lucknow.
2	Past remuneration (In lakhs)	₹48,00,000/-
3	Recognition or awards	Nil
4	Job profile and his suitability	Job requires strong knowledge and experience in garments industry. Mr. Charath Ram Narsimhan is eminently suitable given his background.
5	Proposed Remuneration	As per resolution given above
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is comparable and in line with the other companies of similar size and nature in the industry.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	NIL

III. Other Information

1	Reasons of loss or inadequate profits	Industry trend and increase in operating cost.
2	Steps taken or proposed to be taken for improvement	The company is undertaking various strategic initiatives including improvement to productivity and rationalisation of costs.
3	Expected increase in productivity and profits in measurable terms	The company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

Item No.7

The remuneration paid to the Statutory Auditors for the financial year 2019-20 and 2020-21 was ₹0.03 Crores, excluding GST.

The Board of Directors of the Company ('the Board') on the recommendations of the Audit Committee ('the Committee') recommend revision in Statutory Audit Fee of M/s. SRSV & Associates, Chartered Accountants, Chennai (F.R. No.015041S) Statutory Auditors of the Company from ₹3,00,000/- to ₹4,00,000/- each year plus ₹1,00,000 (for Quarterly Review) and GST applicable as remuneration payable and reimbursement of related out-of-pocket expenses incurred (till the conclusion of the 15th AGM).

On the recommendation of the Audit committee, the Board hereby recommends ₹4.00 lakhs (Rupees Four lakhs only) each year plus ₹1,00,000/- (Rupees One Lakh only) (For Quarterly Review) and GST applicable as remuneration payable and reimbursement of related out-of-pocket expenses incurred.

The Board recommends passing of the resolution at item no. 7 of the notice as Ordinary resolution.

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

Item No.8

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with the Company's Policy on Related Party Transactions, effective 01st April 2022, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last



audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company, in order to further its business interests, enters into various transactions with its related parties. Amongst these transactions, the estimated value of transactions with Celebrity Fashions Limited (CFL), a related party under Regulation 2(1)(zb) of the Listing Regulations, during the financial year 2022-23 is expected to exceed the materiality threshold as stated above.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 18th May 2022, on the recommendation of the Audit Committee, recommended for the approval of the Members, entering into material related party transactions with CFL during the financial year 2022-23, as set out in the Resolution.

These transactions will be entered in the ordinary course of business and on arm's length basis.

Other details of the transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November 2021, are given hereunder:

S.NO	PARTICULARS	DESCRIPTION
(i)	Name of the related party	Celebrity Fashions Limited
(ii)	Nature of relationship	Enterprises under control or Significant influence of Key Managerial Personnel/ Relatives of Key Managerial Personnel
(iii)	Nature and material terms of the transaction	Job work charges, Material Transfers, Washing charges, FOB Sales and Rentals etc. Pricing will be benchmarked to similar transactions with unrelated parties with adjustments for commercial terms, as necessary.
(iv)	Tenure of the transaction	Financial year 2022-23
(v)	Nature of concern or interest	Financial
(vi)	Value of the transaction	Up to ₹40 crores
(vii)	Percentage of the Company's annual turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	11.89%
(viii)	Justification as to why the related party transaction is in the interest of the Company	The Audit Committee and the Board of the Company are of the opinion that the arrangements are commercially beneficial to the Company and hence the transactions are in the best interest of the Company.
(ix)	Details of valuation or other external party report, if such report has been relied upon	Not Applicable
(x)	Any other information that may be relevant	Nil

By Order of the Board
For INDIAN TERRAIN FASHIONS LIMITED

Date: 12th August, 2022
Place: Chennai

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

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





BOARD'S REPORT

Dear Members,

The Directors hereby present the 13th Annual Report of the Company together with the Audited Financial statements of the Company for the financial year ended 31st March 2022.

FINANCIAL SUMMARY / HIGHLIGHTS

(₹ In Crores)

Particulars	For the Year ended	
	31 st March, 2022	31 st March, 2021
Revenue	336.30	213.17
EBITDA	34.18	-7.28
Finance costs	18.78	23.65
Depreciation	23.13	23.32
Earnings before tax	(7.73)	(54.25)
Current tax	-	-
Deferred tax	(5.53)	(23.50)
(Excess)/short fall of previous year	-	-
Net profit/(Loss)	(2.20)	(30.75)
Other comprehensive income for the year	0.25	0.38
Total comprehensive income for the year	(1.95)	(30.37)
Earnings per Share (in ₹)		
• Basic	(0.54)	(7.90)
• Diluted	(0.54)	(7.90)

OVERVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company's revenue from operations for the FY 2022 was ₹336.30 Crores as against ₹213.17 Crores in the previous year. The operating margin was at 3.28 % as against (9)% in the previous year. The Gross EBITDA margin and other income was at 10.16 % as against (3.42) % in the previous year. The earnings before taxes for the year were (2.30) % and stood at ₹(7.73) Crores and Net Loss was at ₹(2.20) Crores. The total comprehensive income/loss was at ₹(1.95) Crores as against ₹(30.37) Crores in the previous year.

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

Impact of Global Crisis: COVID-19

This has been an unprecedented year for all of us in the world. India has once again come under severe pressure with a sharp increase in cases and restricted commercial / business activities owing to the more infectious COVID-19 strains. The start of the vaccination drive in the country did initially lead to a momentary recovery, however, the resurgence of the virus and incidence of new mutants have brought in renewed market uncertainty and unpredictability. The 'second wave' in March and April 2021 further exacerbated the situation.

Your Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and MAT credit.

The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from that considered as at the date of approval of the financials results. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future. The Company has not resumed its business activities by reopening majority of its retail stores and factories, in line with guideline issued by the Government authorities, initiating pre-monsoon preparedness activities at its real estate construction site, taking steps to strengthen liquidity position and initiating cost restructuring exercises.

Your Company is conscious of the significant disruption and impact COVID-19 can have on its employees, clients, partners, investors and the communities in which it operates. We are working hard to contain and mitigate its impact. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.

The primary objectives of your Company's response to the pandemic are to ensure the safety and wellbeing of its employees and partners, to deliver on its commitments to clients in the true spirit of partnership and to secure the financial and operational resilience of the Company.

FINANCE AND ACCOUNTS

The financial statements are prepared in accordance with Indian Accounting Standards (IND AS) as required under the notification issued by the Ministry of Corporate Affairs (MCA) in the Official Gazette dated 16th February 2015 which is applicable to the Company from 01st April 2017 with a transition date of 01st April 2016.

CHANGES TO SHARE CAPITAL

During the year, there were no changes in the Share Capital of the Company.

DIVIDEND

The Board of Directors with a view to conserve financial resources has not recommended any dividend for the financial year ended 31st March 2022. Also, during the year, there were no unclaimed dividends which had to be transferred to IEPF by the Company.

TRANSFER TO RESERVES

The Reserve at the end of the year 31st March 2022 is at ₹188.31 Crores as against ₹190.26 Crores in the Previous Year.

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

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

DEPOSITS

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

CASH FLOW STATEMENT

In compliance with the provisions of Section 134 of Companies Act, 2013 and Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the financial year ended 31st March 2022 forms part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties during the financial year were in the ordinary course of business and at Arm's length basis. The details of such transactions are disclosed in the notes to the accounts.

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

COMPLIANCE WITH CODE OF CONDUCT

The Company has framed a Code of Conduct for the Board of directors and Senior Management personnel of the Company and available on the Company's website www.indianterrain.com. The Board of Directors and senior management personnel have affirmed compliance with the Code of conduct as on 31st March 2022.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of Directors have adopted a policy on CSR as recommended by the CSR committee duly constituted and the said policy is available on the Company's website www.indianterrain.com. The composition and terms of reference of the CSR Committee is detailed in the Corporate Governance report forming part of this annual report.

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

ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower mechanism. This mechanism, inter alia, includes the following:

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

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

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31st March, 2022 there were no pending options to be vested or exercised.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Except as stated below, there were no changes in Directors and Key Managerial Personnel during the year under review,

- Mr. S. Ramachandran, Chief Financial Officer (Key Managerial Personnel) has resigned with effect from 20th May, 2021.
- Mr. E. Elamugilan holding Membership No.A33396 was appointed as Company Secretary and Compliance Officer (Key Managerial Personnel) on 21st May, 2021.
- Mrs. Nidhi Reddy, (DIN: 00004081) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11th February, 2021 and subsequently, she was regularised as an Independent Director of the Company at the 12th Annual General Meeting of the Company dated 16th September, 2021 to hold office for a period of 05 (five) consecutive years from 11th February, 2021
- Mr. M. Thiagarajan was appointed as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 10th November 2021.
- Mrs. Rama Rajagopal (DIN: 00003565) appointed as Non- Executive Director of the Company with effect from 10th November, 2021 subject to the approval of the shareholders in the ensuing Annual General Meeting.

Retirement by Rotation

Mrs. Rama Rajagopal, Non-Executive Director, retires by rotation and, being eligible, has offered herself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends the re-appointment of Mrs. Rama Rajagopal as director, liable to retire by rotation. The Board recommends the aforementioned appointments for approval of the members at the ensuing AGM. Brief resume, expertise in specific functional areas, names of listed companies in which the above-named directors hold directorships, committee memberships/ chairmanships, disclosure of relationships between directors inter-se, shareholding etc., are furnished in notice of the ensuing AGM.

DECLARATION BY INDEPENDENT DIRECTOR

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

The Independent Director has affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management personnel of the Company as on 31st March 2022.

THE ANNUAL RETURN

As per the MCA Notification dated 28th August, 2020 making an amendment to Rule 12(1), a web link of the Annual Return is furnished in accordance with sub section (3) of Section 92 of The Companies Act, 2013 and as prescribed in Form MGT-7 of The Companies (Management and Administration) Rules, 2014.

You may please refer to our Company's weblink www.indianterrain.com.

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

There were 5 (Five) board meetings held during the financial year 2021-22 on 21st May 2021, 13th August 2021, 10th November 2021, 11th February 2022 and 31st March 2022. The gap between the Board meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The particulars of meeting of all Committees held during the financial year ended 31st March 2022 are disclosed in the Corporate Governance report forming part of this annual report.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE POLICY

Pursuant to the provisions of Section 178(4) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company has framed a policy with respect to the Nomination and remuneration committee.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

MATERIAL CHANGES AND COMMITMENTS

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

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

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

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

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

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

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

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

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

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

INTERNAL FINANCIAL CONTROLS

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



During the year ended 31st March 2022, such controls were tested and no reportable material weaknesses in the design or operation were observed. The Company has put in place adequate internal financial controls with reference to financial statements. The Audit Committee and Board of Directors of the Company were appraised on the performance of the internal financial controls.

MAINTENANCE OF COST RECORDS

The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the Company's product segment. **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

AUDITORS

STATUTORY AUDITORS

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

The financial statements of the Company including its Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, notes and Schedules to the accounts for the financial year ended 31st March, 2022 have been audited by M/s SRSV & Associates, Chartered Accountants. The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark on the financial Statements of the Company. The Internal Auditors' Report is enclosed with the financial statements in this annual report.

SECRETARIAL AUDITOR

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. BP & Associates, Practising Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report in form MR-3 is annexed to this report as Annexure III is self-explanatory it's containing observation, but no qualification, reservations, adverse remarks and disclaimers.

INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) of the Companies Act 2013 and as recommended by the audit committee M/s. RVKS & Associates, Chartered Accountants, Chennai was re-appointed as the Internal Auditors of the Company for the financial year 2021-22 by the Board.

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

LISTING FEE

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

PARTICULARS OF EMPLOYEES

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

The statement containing such particulars of employees as required in terms of the provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of

the Annual Report. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours upto the date of Annual General Meeting and if any member is interested in obtaining such information, may write to the Company Secretary at the registered office of the Company in this regard.

BUSINESS RESPONSIBILITY REPORT

The business responsibility report for the year ended 31st March 2022 as stipulated under regulation 34(b) SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 is not applicable for the financial year 2021-22.

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

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

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

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

During the year ended 31st March 2022, ICC did not receive any complaint pertaining to sexual harassment/discrimination at various work locations.

DISCLOSURE REGARDING FRAUDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively;

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE
A. Conservation of Energy:

Steps taken for conservation	The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption of energy on a continuing basis.
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipment	

B. Technology absorption:

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

C. Foreign Exchange Earning and Outgo:

Total Foreign exchange earned : Nil
 Total Foreign exchange outgo : ₹ 7.12 Crores

SECRETARIAL STANDARDS

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

PERSONNEL

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

PERSONNEL

The employee relations have been very cordial during the financial year ended 31st March 2022. The Board wishes to place on record its appreciation to all its employees for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year. The management team of the Company comprises of young passionate driven professionals committed to achieve the organizational goals.

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Date: 18th May, 2022
 Place: Chennai

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





ANNEXURE - I TO BOARD'S REPORT

PARTICULARS OF EMPLOYEES:

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

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-2022:

Name of Directors	Designation	Ratio to median remuneration
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	17:1
Mr. Charath Ram Narsimhan	Managing Director & CEO	11:1

(b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-2022:

Name	Designation	% increase in remuneration in financial year 2021-2022
Mr. Venkatesh Rajagopal	Chairman & Whole Time Director	Nil*
Mrs. Rama Rajagopal	Non-Executive Director	Nil*
Mr. Charath Ram Narsimhan	Managing Director & CEO	Nil*
Mr. Vidyuth Venkatesh Rajagopal	Joint Managing Director	NA
Mr. S.Ramachandran (Resigned w.e.f 20 th May, 2021)	Chief Financial Officer	NA
Mr. M. Thiyagarajan (Appointed w.e.f 10 th November, 2021)	Chief Financial Officer	Nil*
Mr. Elamugilan	Company Secretary & Compliance Officer	Nil*

* Increase/ Decrease in variables pay not considered, as there is 25% of decrease in the managerial remuneration during the financial year due to COVID pandemic.

(c) Percentage increase in the median remuneration of employees in the financial year 2021-2022: 5%

(d) The number of permanent employees on the rolls of the company: 295 Employees

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

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

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

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

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

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

B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2022.

(₹ in Lakhs)

Name	Designation	Nature of Employment	Remuneration	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of shares held by the Employee as on 31 st March, 2022	Whether he is a Relative of a Director / Manager
Mr. Venkatesh Rajagopal	Whole Time Director	Full Time	*72.00	M.A., I.P.S, 42 years	29 th Sep, 2009	65	Celebrity Fashions Limited	11.55%	Yes
Mr. Charath Ram Narsimhan	Managing Director & CEO	Full Time	*48.00	B. Tech (IIT), PGDBM (IIM), 25 years	07 th Nov, 2005	50	Madura garments	1.83%	No

*Managerial remuneration includes perquisites

Designation of Mrs. Rama Rajagopal has been changed from Executive to Non-Executive Director w.e.f 10th November, 2021.

For and on behalf of the Board

Date: 18th May, 2022
Place : Chennai

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

ANNEXURE -II TO BOARD'S REPORT
FORM NO. AOC -2

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

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

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

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

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

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

For and on behalf of the Board

Date: 18th May 2022
Place: Chennai

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

ANNEXURE - III TO BOARD'S REPORT
**Form No. MR-3
SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

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

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

Based on our verification of the **Indian Terrain Fashions Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 generally complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Indian Terrain Fashions Limited for the financial year ended on 31st March, 2022 according to the applicable provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Other laws applicable to the Company as per the representations made by the Management;

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

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

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

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

- There were certain forms filed with Ministry of Corporate Affairs (Registrar of Companies) beyond the Due date during the year 2021-2022.



- b) The Company has failed to spend CSR Amount as prescribed under Section 135 of Companies Act, 2013 towards CSR Activities.
- c) As per the Regulation 6(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – The Company has not been able to appoint a compliance officer from 27th March, 2021 due to Covid -19. However, The company have subsequently appointed a Compliance Officer w.e.f. 21st May, 2021.
- d) Managerial Remuneration paid for the financial year 2021-2022 to the Executive Directors of the Company exceeds the limit specified under Section 197 of the Companies Act, 2013 read with Schedule V thereto.

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

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

We further report that

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

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

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

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

1 MR. E. ELAMUGILAN APPOINTED AS THE COMPANY SECRETARY AND COMPLIANCE OFFICER (KEY MANAGERIAL PERSONNEL) OF THE COMPANY.

During the year, Mr. E. Elamugilan Appointed as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 21st May, 2021.

2. MR. S. RAMACHANDRAN HAS RESIGNED FROM CHIEF FINANCIAL OFFICER OF THE COMPANY

During the year, Mr. S. Ramachandran has resigned from Chief Financial Officer with effect from 20th May, 2021.

3. MRS. NIDHI REDDY (DIN: 00004081) REGULARIZED AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

Mrs. Nidhi Reddy, (DIN: 00004081) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11th February, 2021 and subsequently, she was regularised as an Independent Director of the Company at the 12th Annual General meeting of the Company dated 16th September, 2021 to hold office for a period of 05 (five) consecutive years from 11th February, 2021.

4. APPOINTMENT OF MR. M. THIYAGARAJAN AS THE CHIEF FINANCIAL OFFICER (KEY MANAGERIAL PERSONNEL) OF THE COMPANY.

During the year, Mr. M. Thiyagarajan was appointed as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 10th November 2021.

5. CHANGE IN DESIGNATION OF MRS. RAMA RAJAGOPAL FROM EXECUTIVE DIRECTOR TO NON-EXECUTIVE DIRECTOR OF THE COMPANY.

During the year, Mrs. Rama Rajagopal (DIN: 00003565) appointed as Non- Executive Director of the Company with effect from 10th November, 2021 subject to the approval of the shareholders in the ensuing Annual General Meeting

For BP & Associates
Company Secretaries

Date: 18th May, 2022
Place: Chennai

sd/-
K. J. Chandra Mouli
Partner
M No: F11720
CP No: 15708
UDIN: F011720D000325253

ANNEXURE A'

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

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

- 1 Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates
Company Secretaries

Date: 18th May, 2022
Place: Chennai

sd/-
K. J. Chandra Mouli
Partner
M No: F11720
CP No: 15708
UDIN: F011720D000325385

ANNEXURE- IV TO BOARD'S REPORT
CORPORATE SOCIAL RESPONSIBILITY REPORT
1) Brief outline on CSR Policy of the Company:

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

2) Composition of CSR Committee:

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

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable
6. Average net profit of the company as per section 135(5): ₹-22.49 Lakhs.
7. (a) Two percent of average net profit of the company as per section 135(5): Nil

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

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

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

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR account for the project as per Section 135(6)	Mode of implementation	Mode of implementation - Through implementing agency	
				State	District						Direct (Yes/No)	Name
NIL												

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

(₹ in Lakhs)

Sl.No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent in the current financial year	Mode of implementation	Mode of implementation - Through implementing agency	
				State	District			Direct (Yes/No)	Name
1	NIL								

(d) Amount spent in Administrative Overheads: Nil

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

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

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

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

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

(₹ in Lakhs)

Sl.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	Date of Transfer	
1	2018-2019	0	6.79	-	-	-	67.98
2	2019-2020	0	2.5	-	-	-	42.44
3	2020-2021	0	0	-	-	-	0

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

(₹ in Lakhs)

Sl.No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Total amount allocated for the project	Amount spent on the project in The reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project Completed /Ongoing
NIL							

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

(a) Date of creation or acquisition of the capital asset(s)	NONE
(b) Amount of CSR spent for creation or acquisition of capital asset	NIL
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NOT APPLICABLE
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	NOT APPLICABLE

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

Due to pandemic, during the year under review, the Company was not able to spend the required CSR amount. We would enhance our spending in the subsequent years by exploring further avenues which will be in line with our CSR Policy.

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

sd/-
Venkatesh Rajagopal
Member-CSR Committee

sd/-
Rama Rajagopal
Chairperson - CSR Committee



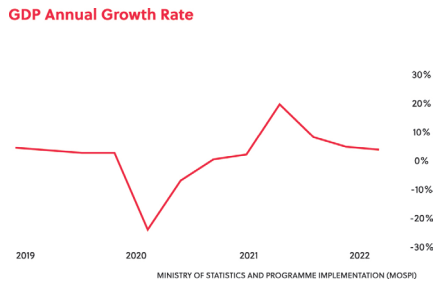


MANAGEMENT DISCUSSION & ANALYSIS

India Economy

With a staggered global recovery, FY2021-22 witnessed the consumer demand coming back. Although a part of the year was affected by the pandemic, immunisation and collective action saw a gradual uptake in the West, which was mirrored in the rest of the world leading to the economies regaining lost ground. Global GDP grew by 5.8% and the economic growth returned on the back of a sustained consumer demand across the board leading to a significant spike in inflation. While the initial pick-up in inflation was led by demand recovery on the previous year's low base, persistent disruptions in the global supply chain network have caused inflationary pressures to be more broad-based, running at multi-decade highs in almost all the major economies. Almost all the central banks are now taking policy measures to taper down the extraordinary liquidity that was pumped in to support the economy during the pandemic and tightening the monetary policy to rein in their runaway inflation. The escalation of the Russia-Ukraine crisis has also had a detrimental effect on the prices of crude oil, gas and other commodities leading to further pressure on the fragile economies.

After experiencing a difficult period due to the COVID-19 pandemic, strong macro indicators suggest a rebound, primarily on account of favourable fiscal and monetary policies. Emphasis on improving healthcare has also aided the crisis response. The Indian economy expanded by 8.7% in FY2021-22, rebounding from a 6.6% contraction in FY2020-21, reiterating the country's status as one of the fastest-growing major economies in the world.

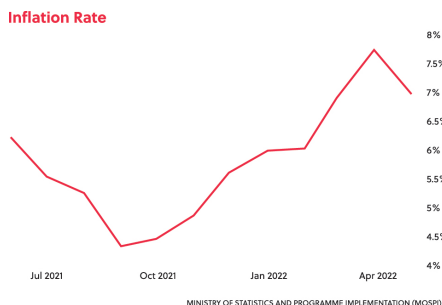


Structural reforms like the National Infrastructure Pipeline and National Monetization Plan have been implemented by the Government to boost infrastructure development. It has paved the path for further development and continues to encourage projects across sectors, including reforms for improving labour laws.

V-shaped economic recovery is due to mega vaccination drive, robust recovery in the services sector and growth in consumption and investment coupled with resurgence in high frequency indicators such as power demand, rail freight, GST collection etc. Almost all emerging economies are reeling under these external shocks but India's underlying economic fundamentals are strong and despite the short-term headwinds, the impact on the long-term outlook will be marginal.

The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency—all leading to accelerated economic growth. Also, several spillover effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. RBI estimates the GDP growth rate for FY 2022-23 at 7.2%.

The annual inflation rate in India edged down to 7.04% in May of 2022 from an 8-year high of 7.79% in the previous month. Inflation is expected to remain high for the next few quarters of FY 2022-23 due to higher commodity and fuel prices and negative terms of trade. The RBI has already taken measures to contain inflation by tightening the policy rates. The next few quarters will be critical for India's economy as the Government and the RBI work at balancing the stress on inflation, currency and fiscal deficit.



Indian Textile Industry

The COVID-19 pandemic had challenged the textile industry drastically which is now on a recovery stage. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth

over the forecast period. India is the third largest textile manufacturing industry and is responsible for more than 6% of the total textile production, globally. The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient fabric production.

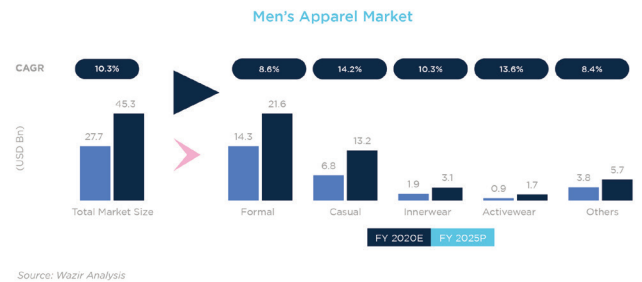
India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The sector employs around 40 Million workers. The size of India's textile market stood at US\$ 223 Billion in 2021, growing at a CAGR of 10.23% over 2016. Indian textile players have undertaken various initiatives to boost textile sales viz. investment to expand production capacity, using technology to optimise the value chain, leveraging strategic partnerships and strengthen sustainable textiles business. Textile industry has been steadily recovering post pandemic amid increased raw material prices and container shortages.

Under Union Budget 2022-23, the total allocation for the textile sector was ₹12,382 crore. Moreover, ₹10,683 crore Production-linked Incentive scheme is expected to be a major boost for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel and MMF fabrics.

Indian Market

The apparel market in India is undergoing a metamorphosis as never seen before. The change being witnessed can be attributed to several factors including the work from home culture, subdued purchasing power of the masses, shifts in the buying behaviour, demography dynamics, growing urbanisation, opening up of the retail segment to private and foreign players and changing trends/lifestyle. The Indian apparel industry employs approx. 1.3 crore people as a part of its workforce, even today it is one of the largest providers of employment in the country. The industry contributes to 4.9% of India's total export and India is the 6th largest exporter of Apparel in the world.

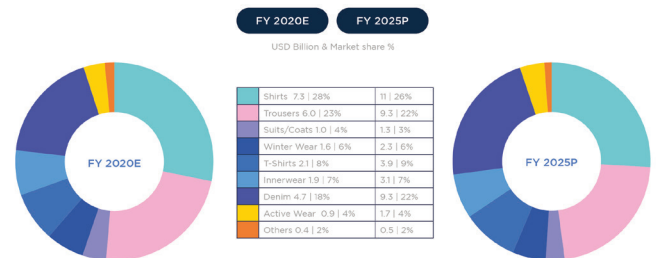
Indian Apparel Market Segments



Source: Wazir Analysis

Men's Wear

The men's apparel is estimated to have contributed close to 42 percent (USD 28 bn) to the overall apparel market in FY 2020 and is expected to grow at 10.3 percent and reach USD 45 bn by FY 2025.



Source: Wazir Analysis

Men's Wear excluding ethnic wear- FY 2020 & FY 2025 (USD bn & %)

KIDS WEAR

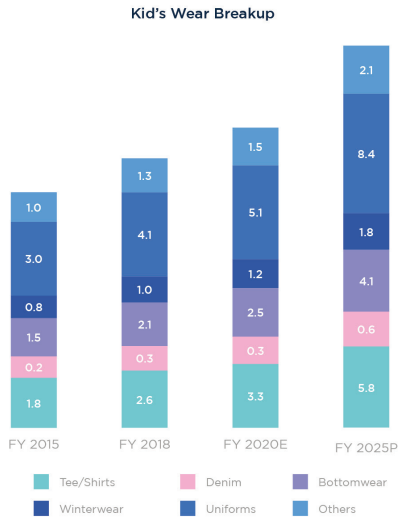
The kids wear market in India is currently about USD14 bn (FY 2020) and is expected to grow at a CAGR of 10.5 percent and grow to nearly USD 23 bn by FY 2025. Uniforms, t-shirts/shirts and bottom wear are the three biggest categories contributing at 37 percent, 24 percent and 18 percent of the overall kids wear market as on FY 2020. Kids denims is showing the fastest growth rate of 13 percent among all the other product categories (FY 2020 - FY 2025).

The share of online retail market is currently 4.5 percent of the overall apparel market. The share of online retail market in the overall apparel market is expected to increase in future but it won't affect the share of brick & mortar retail and both the channels will continue to co-exist. The online market has grown manifold in recent years and witnessed the emergence of strong vertical players with widespread geographical reach. However, the large retail houses will also be able to translate the legacy and trust enjoyed by these brands when they move from offline toward online models.

The online apparel retail market in FY 2020 was USD 2.9 bn. Men (50 percent) and women (44 percent) segment contribute to bulk of online apparel market with kids contributing only 6 percent of the market. High share of men's segment in online apparel market is driven by high penetration of casual wear categories.

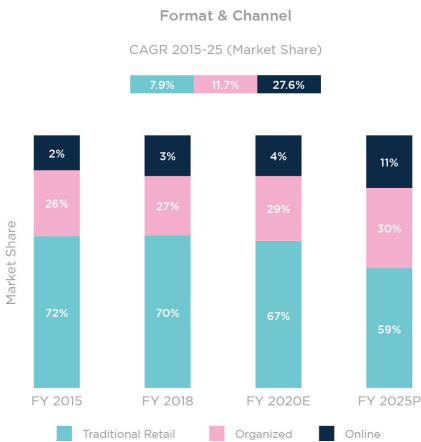
Online apparel market is dominated by western wear contributing to 60 percent of share of the market. High share of western wear in online apparel market is driven by high penetration of international and casual wear brands on online platform. Also, online fashion portals have focused on private label in the casual wear category further driving the penetration of casual wear category.

These online fashion portals started with catering largely to the younger age audience, but it is increasingly finding acceleration and is expected to be adopted by consumer cohorts across all age groups. Online western wear market is dominated by men which is similar to the trend witnessed in overall fashion category.

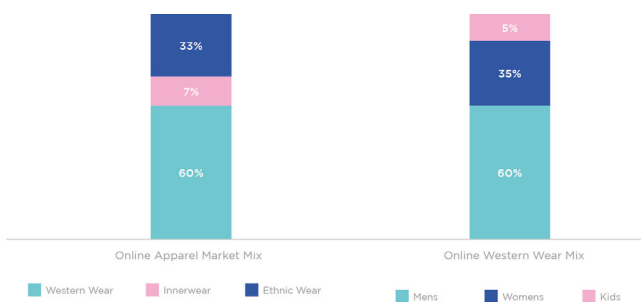


Source: Wazir Analysis

Online Formats



Source: Wazir Analysis



Source: Wazir Analysis

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

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

Company Overview

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

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

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

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

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

A Key and Focused Approach

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

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

A recognised brand in the Men's Casual Wear

The Indian Terrain brand continues to remain focussed on catering to its target market with the concept of smart casuals. This has led it to differentiate itself in terms of its quality and design prints. Thus, it has established its niche in the Men's segment with diverse range of apparel offerings with shirts, short, tees, trousers etc. ITFL with its design in-house design and procurement capabilities has strictly followed a 3-4 months' time to market its new offerings. Targeting brand conscious audience and a male working population. Thus, positioning itself distinctly in comparison to the increasing competition in the ready-made garment (RMG) market.

Differentiated Business model

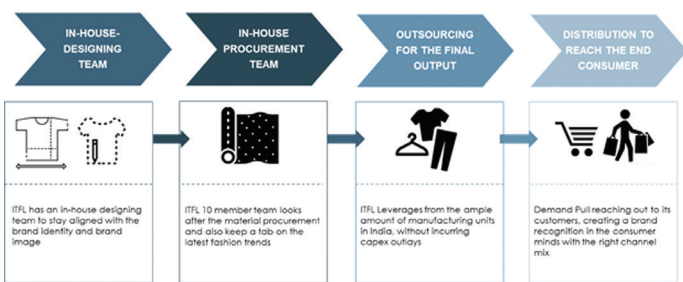


ITFL strength and pillar have and always been its employee workforce. This is the reason why it has continued to invest in quality human capital which will bring in multi-fold benefits.

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

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

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



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

Retail Store Formats

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

a. Exclusive Brand Outlets (EBO)

Under this particular store format ITFL employs a franchise based model with a single brand housed and showcased. The franchised model provides ITFL with upfront cash flows making store expansion scalable. All ITFL EBO's are either owned or operated by franchisees and includes 4 types of model i.e., Company Owned & Company Operated (15, COCO), Company Owned & Franchisee Operated (81, COFO), Franchisee Owned & Franchisee Operated (104, FOFO) and Exclusive factory outlets (24, EFO).

The FOFO is dominant model as it does not require any capex outlays. In FY21 it had 108 stores which were operational. ITFL aspires to deepen its geographic footprints and expand its EBO count from present 200 stores to 400+ stores by FY24E.

b. Large Format Outlets (LFOs)

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

c. Multi-Brand Outlets (MBO)

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

d. E-commerce

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

Keeping our consumer- A customer oriented approach

ITFL has been operational since over 2 decades and has serviced approximately 4-5mn customers till date. Response from the customers towards the brand has

enabled it to command a premium compared to the un-organised brands apparel offerings. ITFL has its own membership program and it connects with its customer at the time of their purchases. This helps in it create stickiness with its customers with ensure repeat purchases and also aids the margin profile. This also helps ITFL in bringing down customer acquisition cost coupled with customer loyalty. ITFL has been continuously investing in developing an in-house customer analytics which in turns helps it to improve its retail store format offerings, keep inventory levels balanced, increase more store patrons and thus help in improving sales and profitability. **Fuelling Growth with Store Expansion**

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

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

Key Strengths of ITFL

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

Opportunities for ITFL

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

FY22 Business highlights

Particulars	FY'22	FY'21	FY'20
Income from Operations	336.30	213.20	369.66
Other Income	7.30	11.40	3.85
Total Income	343.60	224.60	373.51
Operating Expenses	309.46	231.82	341.60
EBITDA	34.14	-7.22	31.91
EBITDA (%)	10.15%	-3.39%	8.63%
Finance Cost	18.78	23.65	20.62
Depreciation	23.13	23.32	22.79
PBT	-7.77	-54.19	-11.50
PBT (%)	-2.31%	-25.42%	-3.11%
Tax	-5.53	-23.50	-1.16
PAT	-2.24	-30.69	-10.34
PAT (%)	-0.67%	-14.39%	-2.80%

Future Outlook

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

Key Risks

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

Ratio	Unit	FY21	FY20	%Var
Current ratio (in times)	times	1.64	1.73	-5.45%
Debt-equity ratio (in times)	times	0.56	0.58	-3.44%
Debt service coverage ratio (in times)	times	1.37	-0.63	-318.04%
Return on equity ratio (in %)	%	-1.11%	-14.83%	-92.49%
Inventory turnover ratio (in times)	times	2.92	1.01	189.94%
Net capital turnover ratio (in times)	times	2.62	1.62	62.16%
Net profit ratio (in %)	%	-0.65%	-14.42%	-95.46%
Return on capital employed (in %)	%	4.86%	-12.48%	-138.93%

Caution:

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

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

Bibliography

1. Source: Company's Press Releases, Financial Statements, IBEF, Ministry of Statistics and Programme Implementation (MOSPI)





CORPORATE GOVERNANCE REPORT

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

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

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

A sound corporate governance strengthens investors' trust and enables the Company to fulfill its commitment towards its customers, employees and the society at large. Indian Terrain Fashions Limited believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring.

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

2. BOARD OF DIRECTORS

The Board of Directors of the Company possess highest personal and professional ethics, integrity, values, provides leadership, strategic guidance and objective judgments on the affairs of the Company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures. The key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of 7 (seven) directors with knowledge and experience in diverse fields and are professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the Company are managed by the Chairman, Wholtime Directors and the Managing Director & Chief Executive Officer under the supervision and guidance of the Board.

Board composition and category of Directors

During the financial year ended 31st March, 2022, composition of the Board and category of directors are as follows:

Sl No	Name of Directors	DIN	Designation	Category
1	Mr. Venkatesh Rajagopal	00003625	Chairman & Whole time Director	Promoter, Executive and Non-Independent Director
2	Mrs. Rama Rajagopal*	00003565	Non-Executive Director	Promoter, Non-Executive and Non-Independent Director
3	Mr. Charath Ram Narsimhan	06497859	Managing Director & CEO	Executive and Non-Independent Director
4	Mr. Vidhyuth Venkatesh Rajagopal*	07578471	Joint Managing Director	Executive and Non-Independent Director
5	Mr. N.K. Ranganath	00004044	Director	Non-Executive Independent Director
6	Mr. Manoj Mohanka	00128593	Director	Non-Executive Independent Director
7	Mr. Harsh Bahadur	00724826	Director	Non-Executive Independent Director
8	Mr. Kalpathi S. Suresh	00526480	Director	Non-Executive Independent Director
9	Mrs. Nidhi Reddy	00004081	Director	Non-Executive Independent Director

* Change in Designation from Whole Time Director to Non- Executive Director by the Board w.e.f. 10th November, 2021

Note:

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

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

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

S. No.	Name of Directors	Attendance at meetings during financial year 2021-22		No. of Directorship in other Boards as on 31 st March, 2022*	No. of Chairmanship/ Membership in other Committees of the Board**	
		Board meetings	Attendance at the lastAGM		Membership	Chairmanship
1	Mr. Venkatesh Rajagopal	5/5	Yes	1	0	0
2	Mrs. Rama Rajagopal	5/5	Yes	1	0	0
3	Mr. Charath Ram Narsimhan	5/5	Yes	0	0	0
4	Mr. N.K. Ranganath	5/5	Yes	2	0	2
5	Mr. Vidhyuth Venkatesh Rajagopal#	5/5	Yes	1	0	0
6	Mr. ManojMohanka	5/5	Yes	9	3	1
7	Mr. Harsh Bahadur	4/5	No	4	1	0
8	Mr. Kalpathi S. Suresh	4/5	Yes	8	0	0
9	Mrs. Nidhi Reddy	4/5	No	1	0	0

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

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

S. No.	Name of Directors	Directorship in Listed Entities		
		No. of Directorship in Listed entities Board as on 31 st March, 2021	Name of Listed entity	Category of Directorship held
1	Mr. Venkatesh Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
2	Mrs. Rama Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
3	Mr. Charath Ram Narsimhan	0	NA	NA
4	Mr. Vidyuth Venkatesh Rajagopal	1	Celebrity Fashions Limited	Executive and Non-Independent Director
5	Mr. N.K. Ranganath	1	Celebrity Fashions Limited	Independent Director
6	Mr. Manoj Mohanka	3	India Carbon Limited	Independent Director
			Titagarh Wagons Limited	Independent Director
			Celebrity Fashions Limited	Independent Director
			Celebrity Fashions Limited	Independent Director
7	Mr. Harsh Bahadur	1	Vaibhav Global Limited	Independent Director
8	Mr. Kalpathi S.Suresh	0	NA	NA
9	Mrs. Nidhi Reddy	1	Celebrity Fashions Limited	Independent Director

Profile of the Directors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Harsh Bahadur holds a Master Degree in History from St. Stephens College, Delhi University and Master of Business Administration from Boston University. He has more than 30 years of rich experience in retail, branded FMCG and Music, Sportswear, Business

services and jewelry industries. He is also a senior advisor at Pricewater house Coopers (PWC). Mr. Bahadur also advises Private Equity Funds and has evaluated Companies in the automobile servicing, branded food and e-commerce sectors.

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

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

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

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

Mrs. Nidhi Reddy – (00004081) – Independent Director

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

Number of Board meetings held

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

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

During the financial year ended 31st March 2022, 05 (Five) board meetings were held on 21st May 2021, 13th August 2021, 10th November 2021, 11th February 2022 and 31st March 2022. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Board Support

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



Disclosure of relationship between the Directors inter-se

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

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

Except Mrs. Rama Rajagopal, None of the Non - Executive Directors hold any equity shares in the Company as on the financial year ended 31st March, 2022 and the Company has not issued any convertible instruments to them.

Familiarization Programme of Independent Director

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

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

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

Sl.NO	NAME OF THE DIRECTORS	SKILLS/EXPERTISE/COMPETENCIES
1.	Mr. Venkatesh Rajagopal	Apparel & Textile Industry Domain, Entrepreneur, Board Service, Business Strategy, Corporate Planning and functional areas like Managerial, Financial, Marketing and Administration.
2.	Mrs. Rama Rajagopal	Entrepreneur, Business and Corporate and Planning.
3.	Mr. Vidhyuth Venkatesh Rajagopal	Business Development, Merchandising, Product Development, Retail Operations, Cluster Management and factory operations in Apparel manufacturing industry.
4.	Mr. Charath Ram Narsimhan	Business Strategy, Apparel & Garment Industry Domain, Managerial, Financial, Commercial, Systems and Administration.
5.	Mr. N.K. Ranganath	Board Service, Business Strategy, Corporate Planning and expertise in sales, marketing, finance, production and human resource disciplines.
6.	Mr. Manoj Mohanka	Strategic Marketing, Business Management, Business Strategy and Corporate Planning.
7.	Mr. Harsh Bahadur	Business Strategy, Corporate Planning and expertise in sales, marketing and Administration.
8.	Mr. K.S. Suresh	Entrepreneur, Board Service, Business Strategy and Corporate Planning.
9.	Mrs. Nidhi Reddy	Human Resource Management, Behavioral Training and Recruitment.

Independence of Independent Directors

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

Access to information and updation to Board of Directors

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

3. COMMITTEES OF THE BOARD

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

i) AUDIT COMMITTEE

Brief description of terms of reference

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

The role of the Audit Committee and information to be reviewed by the audit committee in accordance with the Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendation(s), before forwarding the same to the Board. The Committee also reviews the management discussion and analysis of financial conditions, results of operations and related party transactions. All recommendations made by the audit committee during the year were accepted by the Board of Directors.

Composition of the Committee

The Company comprises of a well qualified and independent Audit Committee. The committee consists of 04 (four) Independent directors namely Mr. N.K. Ranganath - Chairman, Mr. Harsh Bahadur, Mr. Manoj Mohanka and Mr. K.S. Suresh and 02 (two) Executive non-independent director namely Mr. Venkatesh Rajagopal and Mr. Charath Ram Narsimhan as the members during the year ended 31st March, 2022. All the members of the Committee possess excellent financial and accounting knowledge and exposure.

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

Meetings and attendance during the financial year

The Committee met 04 (four) times on 21st May 2021, 13th August 2021, 10th November 2021 and 11th February 2022 during the financial year ended 31st March 2022..

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

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

The Chairman of the Audit Committee was present at the Company's Annual General Meeting held on 16th September, 2021 to answer the shareholders' queries.

ii) NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference

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

Composition of the Nomination and remuneration committee

The Nomination and Remuneration Committee consists of 04 (four) independent directors as its members viz., Mr. N.K.Ranganath being the Chairman of the committee, Mr. Harsh Bahadur, Mr. Manoj Mohanka and Mr. Kalpathi S.Suresh as its members for the financial year ended 31st March, 2022.

Meetings and attendance details during the financial year

The Committee met 2 (two) time on 21st May, 2021 and 10th November, 2021 during the financial year ended 31st March, 2022.

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

The Chairman of the Committee was present at the Company's Annual General Meeting held on 16th September, 2021 to answer the shareholders' queries.

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

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

Performance evaluation criteria for independent directors

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

Remuneration to Directors

Policy on Remuneration and details of remuneration paid

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

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

Remuneration to Non-executive Directors

The Non-Executive Directors do not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the Board and Committee meetings. The Board discussed about the strategies for reduction in various fixed costs including salaries and remuneration payable under the Covid-19 pandemic crisis. It was further informed that under these difficult times, the Independent Directors voluntarily informed their decision to forgo the sitting fees payable to them during the financial year 2021-22. The Board took note of the same and approved by passing the following resolution unanimously. The Executive Directors are not eligible for sitting fees.

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

Disclosure with respect to Remuneration paid to Executive Directors

The Company pays remuneration by way of salary, perquisites, commission and allowances to the Managing Director and Executive Directors of the Company. The details of remuneration package of the executive directors are summarized below under major groups during the year ended 31st March, 2022.

(₹ in Lakhs)

Name of the Director	Salary	Commission	Retirement Benefits	Total
Mr. Venkatesh Rajagopal	72	*	Nil	72
Mrs. Rama Rajagopal	42	**	Nil	42
Mr. Vidyuth Venkatesh Rajagopal	-		Nil	-
Mr. Charath Ram Narsimhan	48		Nil	48
Total				132

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

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

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

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

In addition to the above, the Executive Directors shall be entitled to suitable Mediclaim policy for hospitalization and reimbursement of all actual medical expenses for themselves and their family to the extent not reimbursed under Mediclaim policy. They shall be entitled to telephone, fax and other communication facilities at their residence at company's cost. They are entitled to a car fully maintained by the Company with drivers for company's purpose. They shall also be entitled to reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by them for and on behalf of the Company, in furtherance of its business and objects. But they will not be entitled to any sitting fee for attending the meetings of the Board or of any Committees thereof.

Details of service contracts, notice period, severance fees

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

During the year ended 31st March 2022, none of the Executive and Non-Executive Directors were issued/ granted employee stock options of the Company.

iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution of the Committee and attendance

The Committee met 1 (one) time on 11th February, 2022 during the financial year ended 31st March 2022. The Stakeholders' Relationship Com

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

The Chairman of the Committee was present at the Company's Annual General Meeting held on 16th September, 2021 to answer the shareholders' queries.

Name and designation of Compliance Officer

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

Brief description and term of reference

Pursuant to Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Committee oversees and reviews



the redressal of investors' grievances pertaining to transfer of shares and dematerialization, re-materialization, non-receipt of balance sheet, non-receipt of declared dividends, etc.

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

Status of Shareholders complaints/grievances

The following were the status of Shareholders complaints during the financial year ended 31st March 2022.

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

*Based on the quarterly investors grievance report submitted to the stock exchanges pursuant to Regulation 13 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2022.

iv) RISK MANAGEMENT COMMITTEE

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

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

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

v) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the financial year ended 31st March, 2022 the Corporate Social Responsibility committee met 1 (one) time on 11th February, 2022.

The committee consists of following members.

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

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

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

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

vi) INDEPENDENT DIRECTORS MEETING:

During the financial year ended 31st March 2022, the Independent Directors met on 11th February, 2022 without the presence of the Executive Directors and management personnel of the Company. Such meetings are conducted to enable Independent Directors to inter alia to discuss:

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

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

4. GENERAL MEETINGS

Location and time, where last three annual general meetings held

Location	Date	Time	Special resolutions passed at previous three Annual General Meetings (AGM)
Through Video Conferencing	Thursday, 16 th September, 2021	11:00A.M	No special resolution was passed.
Through Video Conferencing	Monday, 21 st September, 2020	11:30A.M	No special resolution was passed
SDF- IV & C2, 3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Monday, 30 th September, 2019	11:30 A.M	No special resolution was passed

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

The Company has passed following special resolution during previous year ended 31st March, 2021 through postal ballot.

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

S. No	Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
1.	Spl Resolution - Issue of Convertible Warrants to Mr. Venkatesh Rajagopal, Promoter and Whole time Director of the Company on Preferential basis.	47,13,901	47,03,304	99.78%	10,597	0.22%
2.	Spl Resolution - Issue of Convertible Warrants to Mrs. Rama Rajagopal, Promoter and Whole time Director of the Company on Preferential basis	47,14,101	47,04,451	99.80%	9,650	0.20%
3.	Spl Resolution - Issue of Equity shares to A.R. Foundations Private Limited on Preferential basis.	161,29,281	161,17,739	99.93%	11,542	0.07%
4.	Spl Resolution - Issue of Equity shares to ARES DIVERSIFIED on Preferential basis.	161,29,281	161,16,732	99.92%	12,549	0.08%

I. Postal Ballot Notice dated 12th September 2020:

- Issue of Equity Shares to Mr. Venkatesh Rajagopal, Promoter Director of the Company on preferential basis.
- Issue of Equity Shares to Mrs. Rama Rajagopal, Promoter Director of the Company on preferential basis.
- To issue Convertible warrants on preferential basis to M/s. A. R. Foundations Private Limited.
- To issue Convertible warrants on preferential basis to M/s. Ares Diversified.

The Board of Directors of the Company had appointed Mr. Bhaskar Swaminathan, Partner, BP & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot/ e-voting process.

The Company completed the dispatch of the Postal Ballot Notice dated 12th September, 2020 together with the Explanatory Statement on 25th September, 2020 along with forms and postage prepaid self addressed business reply envelope to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 18th September 2020.

The e-voting period commenced on Saturday, 26th September, 2020 (9 A.M.) and ended on Sunday, 25th October, 2020. (5 P.M.)

Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.

The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

All postal ballot forms received/receivable up to 5.00 PM on 25th October, 2020 had been considered for his scrutiny and envelopes containing postal ballot forms received after this had not been considered for his scrutiny.

The results of postal ballot were declared on 27th October, 2020.

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

5. MEANS OF COMMUNICATION

Quarterly results

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

Newspapers wherein results normally published:

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

Official New releases & Presentations made to Investors

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

Website

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

Annual Report

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

Exclusive E-mail Id

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

6. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting and Book Closure

The Corporate governance report forming part of the Board's report was taken on record by the Board of directors at their meeting held on 18th May, 2022 and the date, time and venue of the 13th Annual general meeting was not finalized in the said meeting. Therefore schedule of the annual general meeting and date of book closure have not been provided.

Financial Year: 01st April to 31st March

Calendar of financial year ended 31st March, 2022

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2022 were held on the following dates:

First Quarter Results	13 th August, 2021
Second Quarter and Half yearly Results	10 th November, 2021
Third Quarter Results	11 th February, 2022
Fourth Quarter and Annual Results	18 th May, 2022

Tentative Calendar for financial year ending 31st March, 2023

The tentative month of meeting of Board of Directors for consideration of quarterly/ Half yearly/Annually financial results for the financial year ending 31st March, 2022 are as follows:

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

Dividend payment date : Not Applicable

Listed on Stock Exchange:

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

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

Stock Code : BSE - Stock Code - 533329

: NSE – Stock Code - INDTERRAIN

ISIN : INE611L01021

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

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

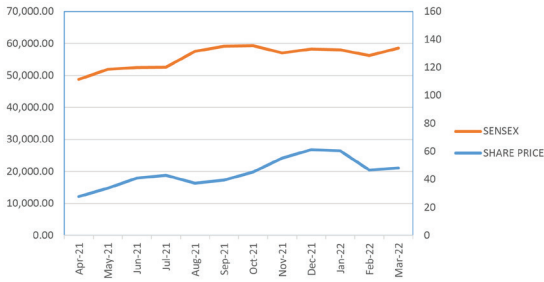
Share price in (₹)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-21	31.9	27.1	292473	32.60	27.10	12,16,177
May-21	37.15	26.6	923273	37.25	26.55	45,87,423
Jun-21	44.05	32.45	1413467	44.25	32.40	80,79,948
Jul-21	50	39.5	1602016	50.10	39.50	95,24,777
Aug-21	45	35.3	1193375	45.05	35.10	49,07,432
Sep-21	45.75	36.25	1079532	45.85	36.60	57,54,168
Oct-21	52.15	38.5	2380068	52.40	38.60	1,12,44,810
Nov-21	69.55	44.5	5296965	69.60	44.50	2,62,69,308
Dec-21	72.3	53.75	2788994	72.50	53.75	1,32,99,664
Jan-22	74.8	57.7	2056798	74.25	57.70	1,05,79,076
Feb-22	61.65	42.5	755316	61.55	42.45	39,62,764
Mar-22	52.8	41.55	647114	53.00	41.00	43,86,467

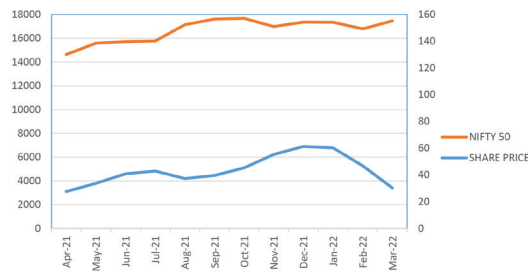


Performance in comparison to broad-based indices

(i) BSE –SENSEX



(ii) NSE NIFTY 50



Registrar and Share Transfer Agents :

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

Share Transfer System

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

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

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

Distribution of Shareholding:

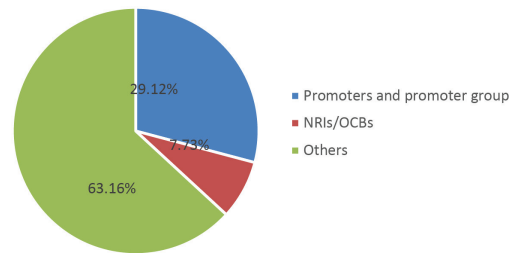
Distribution of Shareholding as on 31st March, 2022 is as under:

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-500	19160	82.5115	2365997	5.7578
501-1000	1829	7.8765	1492049	3.6310
1001-2000	997	4.2935	1555772	3.7861
2001-3000	400	1.7226	1050286	2.5560
3001-4000	155	0.6675	558328	1.3587
4001-5000	174	0.7493	830770	2.0217
5001-10000	255	1.0981	1920751	4.6743
Above 10000	251	1.0809	31317732	76.2143
Grand Total	23221	100	41091685	100

Shareholding Pattern as on 31st March, 2022:

Category	No. of Shares	Percentage
Promoters and promoter group	11965100	29.12%
Promoters and promoter group	11965100	29.12%
Subtotal (A)	11965100	29.12%
NRIs/OCBs		
Foreign Company	0	0.00%
Foreign Nationals	0	0.00%
Non Resident Indians	219415	0.53%
Foreign Portfolio Investor	2955716	7.19%
Subtotal (B)	3175131	7.73%
Others		
Clearing Members	202476	0.49%
Private Corporate Bodies	5484599	13.35%
Mutual Funds	1500000	3.65%
Public	17179523	41.81%
Others (HUF, NNB)	1584856	3.86%
Subtotal (C)	25951454	63.16%
Total (A+B+C)	41091685	100.00%

Graphical Representation of the Shareholding pattern



Dematerialization of shares and liquidity as on 31st March, 2022

Particulars	No of Shares	% to Capital
National Securities Depository Limited	16094608	47.62
Central Depository Services (India) Limited	41090260	99.99
Subtotal -Demat (A)	1425	0.00
Subtotal -Physical (B)	41091685	100.00
Total (A+B)	41091685	100.00

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

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

Outstanding Debt/ GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

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

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

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

Address for correspondence:
Registered Office

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

Email : response.itfl@indianterrain.com

Contact details of Designated Official for assisting & handling Investor Grievances

Mr. E. Elamugilan

Company Secretary & Compliance Officer

INDIAN TERRAIN FASHIONS LIMITED

Tel : +91 44 4227 9100 (Board)

+91 44 4227 9241 (Direct)

Fax : +91 44 2262 2897

E-mail : elamugilan.e@indianterrain.com/ response.itfl@indianterrain.com

Credit ratings obtained by the entity

The details of credit rating obtained by the Company during the financial year 2021- 2022 is as follows:

A. Name of credit rating agency: ICRA Limited

B. Whether there is any revision in credit rating: Yes. The credit rating of the Company was revised vide ICRA Limited Report dated 24th June, 2022.

C. Credit rating:

Type of instrument	Rating
Long term rating	[ICRA] BBB+ (Plus)
Short term rating	[ICRA] A2

7. OTHER DISCLOSURES:

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

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

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

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

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

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

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

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

Code of conduct

The Company has adopted a Code of Conduct for all board members and senior management of the Company. The Code has been communicated to the directors and the members of the Senior Management of the Company. The code has been displayed on the Company's website namely www.indianterrain.com. All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31st March, 2021. The annual report contains a declaration to this effect signed by the Managing Director & CEO.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Consequent upon the amendments made to the PIT regulations vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, revised Codes of Fair Disclosure and Conduct ("the Code") which in turn contains Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices and made effective from 01st April, 2019.

This code is applicable to all directors/officers and designated employees of the company. The code regulates dealing in shares by the persons having access to the unpublished price sensitive information.

CEO/ CFO CERTIFICATION

CEO and CFO have given the certificate as given in Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

CERTIFICATES FROM CHARTERED ACCOUNTANTS

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

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

Whistle Blower Policy/Vigil Mechanism

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

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

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

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

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

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

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

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

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

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

Total fees paid to the statutory auditors for the FY 2021-2022

(₹ in Crores)

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


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

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

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

Particulars	No. of Shareholders	No. of equity shares
Aggregate Number of shareholders and the outstanding shares in the sus-pense account lying as on 01 st April, 2021	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the sus-pense account during the year	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the sus-pense account lying as on 31 st March, 2022	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31 st March, 2022 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

To the Members of INDIAN TERRAIN FASHIONS LIMITED

- This certificate is issued in accordance with our engagement letter dated 20th May, 2021.
- We, SRSV & Associates, the Statutory Auditors of INDIAN TERRAIN FASHIONS LIMITED have examined the compliance of conditions of corporate governance by INDIAN TERRAIN FASHIONS LIMITED ('the Company') for the year ended 31st March, 2022 as stipulated in Regulations 17- 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the stock exchange.

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

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

Auditor's Responsibility

- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2022.
- We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" and Guidance Note on Certification of Corporate Governance" both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on Use

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

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

Date: 18th May, 2022
Place: Chennai

sd/-
V. Rajeswaran
Partner
M No: 020881
CP No: 15708
UDIN: 22020881AJDSYQ2826

COMPLIANCE WITH CODE OF CONDUCT

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

I confirm that the Company has in respect of the financial year ended 31st March 2022, received from the Senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors, including Company Secretary and Chief Financial Officer as on 31st March 2022.

For Indian Terrain Fashions Limited

Date: 18th May, 2022
Place: Chennai

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19



pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 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 other Statutory Authority.

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

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

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

Date: 18th May, 2022
Place: Chennai

For BP & Associates
Company Secretaries
sd/-
K. J. Chandra Mouli
Partner
M No: 25315
CP No: 15708
UDIN: F011720D000325451



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDIAN TERRAIN FASHIONS LIMITED
REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS
OPINION

We have audited the accompanying Standalone Financial Statements of INDIAN TERRAIN FASHIONS LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

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

KEY AUDIT MATTERS

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

<p>A) Contingent Liability:</p> <p>Assessment of Provisions for taxation, litigations and claims:</p> <p>As of 31st March 2022, Indian Terrain Fashions Limited had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 0.52 Crs. These provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various forums. Refer Note No. 40 (1) in Financial Statements.</p>	<p>Our procedures included, but were not limited to the following:</p> <p>Obtain details of completed Tax Assessments and Demands for the year ended 31st March, 2022 from the Management.</p> <p>Assessed the adequacy of Tax Provisions by reviewing correspondence with the Tax Authorities.</p> <p>Assessed the view of the External Advisors regarding the likely outcome and magnitude of and exposure to the relevant litigation and claims</p> <p>Our Internal Experts also considered Legal precedence and other rulings in evaluating Management's position on these uncertain tax positions.</p> <p>Our audit procedure did not identify any material discrepancies with respect to Contingent Liabilities.</p>
<p>B) Existence and impairment of Trade Receivables</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the Company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition. Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>As at 31st March 2022, an amount of ₹ 223.92 Crs is classified as "Receivables considered good and unsecured."</p> <p>Refer Note No. 7 of the Financial Statements.</p> <p>In calculating the Expected Credit Loss as per Ind AS 109 – "Financial Instruments", the Company has also considered the estimation of probable future customer default and has taken into account an estimation of possible effect from the pandemic relating to Covid-19.</p>	<p>We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Assessed the appropriateness of the disclosures made in Note No.7 to the Financial Statements.</p> <p>Our Audit Procedures did not identify any material discrepancies with respect to Trade Receivables.</p>



<p>C) Inventory:</p> <p>Management judgment is required to establish the carrying value of inventory particularly in relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.</p> <p>The judgment reflects that inventory is held to support Company's operations which results in the Company holding inventory for extended periods before utilization.</p>	<p>Physical Verification of inventory was conducted by the management and necessary certificates have been produced evidencing the inventory check.</p> <p>With respect to the Net Realizable value of Inventory the Company has provided Management Representations that there is no significant impact on account of Covid as all contracts are based on fixed prices.</p> <p>Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records</p> <p>Based on the audit procedure performed, no material discrepancies were identified.</p>
<p>D) Adoption of IND AS 116 – Leases</p> <p>As described in Note 2A to the financial statements, the Company has adopted Ind AS 116 - Leases (Ind AS 116). The application of this accounting standard is complex and is an area of focus in our audit.</p> <p>Owing to COVID 19, Rent Concession or Waivers have been availed and necessary disclosures have been made. The company has opted for Practical Expedient for the Year ended 31st March, 2022.</p> <p>As per Ind AS 116 the Lessee may opt not to account change in lease payment due to Rent Concession as a Lease Modification by Opting for Optional Exemption</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note - 2A of financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116). Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. Evaluated the reasonableness of the discount rates applied in determining the lease liabilities. Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. <p>On a statistical sample, we performed the following procedures:</p> <ul style="list-style-type: none"> assessed the key terms and conditions of each lease with the underlying lease contracts; and evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.

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

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

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

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

Based on the work we have performed, we conclude that there is no material misstatement of any other information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (here in after referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in the Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note No. 40 (i) to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2022;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company for the year ended 31st March, 2022;
 - iv. (a) Management has represented that, to the best of its knowledge and belief,

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

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

- (c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any Dividend during the year.

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

V. Rajeswaran
Partner
Place: Chennai
Dated: 18th May 2022

Membership No. 020881
UDIN No.:20020881AAAADV5788

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Indian Terrain Fashions Limited on the Standalone Financial Statements for the year ended 31st March, 2022,

- i.
 - (a) (A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Intangible Assets.
 - (b) The Company has a regular program of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this program, certain Property, Plant & Equipment were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
 - (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
 - (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) According to the records of the Company and information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rupees Five crore, in aggregate from banks or financial institutions on the basis of



security of current assets during the year. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the unaudited books of accounts of the Company. (Refer Note No.17 to the standalone financial statements)

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

To whom	Type (Loan/adv/guarantee/security)	Aggregate Amount during the year (₹)	Balance outstanding at Balance sheet date (₹)
Employees	Loans	13,21,261	2,13,84,354.21

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

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

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

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

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

- iv. In our opinion and according to the explanations given to us, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of Section 185 and 186 of the Companies Act. Therefore, the provisions of the paragraph 3(iv) of the Order are not applicable to the Company.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and hence reporting under clause (v) of the Order are not applicable.

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

- vii. In respect of statutory dues:

a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.

b) As at 31st March, 2022 according to the records of the Company, the following are the particulars of the statutory dues referred in sub-clause (a) which have not been deposited on account of dispute:

(₹ in Lakhs)

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

- viii. According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, the company has no transactions that has not been recorded in the books of account and no unrecorded income was disclosed or surrendered as income during the year in the Tax assessments under the Income Tax,1961. Accordingly, clause (viii) of Para 3 of the Order is not applicable.

- ix. (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lenders during the year.

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

- (c) According to the records of the Company and information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. (Also refer Note 17 to the financial statements).

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

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

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

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

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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

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

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

- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii)(a), xii(b), xii(c) of Para 3 of the Order are not applicable.

- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.

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

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

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of the Order is not applicable.

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

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

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

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



- xvii. The Company has incurred cash losses during the year and in the immediately preceding financial year. The amount of cash loss is ₹ 0.79 Crores and ₹ 49.81 Crores respectively.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) of Para 3 of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 42 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due
- xx. (a) In our opinion and according to the information and explanation given to us, in respect of other than ongoing projects, the company is yet to transfer the unspent amount to a fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) According to the explanations provided by the management, there are no ongoing projects. Accordingly, clause (xx)(b) of Para 3 of Companies (Auditors Report) Order 2020 is not applicable.
- xxi. The Company does not have any subsidiary, associate or joint venture and hence not required to prepare consolidated financial statements. Accordingly, clause xxi of Para 3 of the Order is not applicable

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

V. Rajeswaran
Partner
Place: Chennai
Dated: 18th May 2022

Membership No. 020881
UDIN No.:20020881AAAADV5788

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of INDIAN TERRAIN FASHIONS LIMITED ("the Company") as of 31st March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai
Dated: 18th May 2022

V. Rajeswaran
Partner
Membership No. 020881
UDIN No.:20020881AAAADV5788



BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in crores)

	Notes	As at 31 st March 2022	As at 31 st March 2021
Assets			
Non-current assets			
Property, plant and equipment	2	42.29	47.56
Right-of-use assets	2A	50.93	62.21
Other intangible assets	2	0.47	1.37
Financial assets			
i) Other financial assets	3	15.10	13.80
Deferred tax assets	16	28.42	22.87
Other non-current assets	4	0.17	0.51
Total non-current assets		137.38	148.32
Current assets			
Inventories	5	82.66	62.22
Financial assets			
i) Investments	6	18.52	21.59
ii) Trade receivables	7	223.92	226.50
iii) Cash and cash equivalents	8	2.86	0.20
iv) Bank Balances other than cash & cash equivalents	9	1.27	0.36
v) Loans	10	2.13	2.12
Current tax assets		0.22	3.21
Other current assets	11	3.72	1.06
Total current assets		335.30	317.26
Total Assets		472.68	465.58
Equity and liabilities			
Equity			
Equity share capital	12	8.22	8.22
Other Equity	13	188.31	190.26
Total equity		196.53	198.48
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	14	8.81	8.06
ii) Lease liabilities	14A	40.05	52.98
iii) Other financial liabilities	15	22.27	22.65
Total non-current liabilities		71.13	83.69
Current liabilities			
Financial liabilities			
i) Borrowings	17	41.16	36.67
ii) Lease liabilities	14A	19.30	16.60
iii) Trade payables	18		
(a) Total outstanding dues to micro and small enterprises		40.55	24.40
(b) Total outstanding dues other than micro and small enterprises		60.12	67.84
iv) Other financial liabilities	19	39.64	34.93
Customer loyalty program	20	1.48	1.05
Provisions	21	1.93	1.92
Other current liabilities	22	0.84	-
Total current liabilities		205.02	183.41
Total liabilities		276.15	267.10
Total equity and liabilities		472.68	465.58

1

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statement

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

 sd/-
 V. Rajeswaran
 Partner
 Membership No.020881

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

 sd/-
 M.Thiyagarajan
 Chief Financial Officer

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

 sd/-
 E.Elamugilan
 Company Secretary

 Chennai, 18th May, 2022


PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

		₹ in crores (except per shares data)	
	Notes	Year Ended 31 st March 2022	Year Ended 31 st March, 2021
Income			
Revenue from operations	23	336.30	213.17
Other income	31	7.34	11.37
Total Income		343.64	224.54
Expenses			
Cost of materials consumed	24	-	0.02
Purchase of finished goods	24	231.31	124.51
(Increase) / decrease in inventories of work-in-progress, finished goods & bought-out goods	25	(20.44)	14.54
Garment processing costs	26	1.01	1.16
Employee benefits expense	27	19.86	20.28
Other expenses	28	77.72	71.31
Total expenses		309.46	231.82
Earnings before interest, tax, depreciation and amortisation (EBITDA)		34.18	(7.28)
Less:			
Depreciation and amortisation expense	29	23.13	23.32
Finance costs	30	18.78	23.65
Loss before tax		(7.73)	(54.25)
Income tax expense			
Current tax	33	-	-
Deferred tax		(5.53)	(23.50)
Total tax expense		(5.53)	(23.50)
Loss for the Year		(2.20)	(30.75)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods	32		
Remeasurements of post-employment benefit obligations (Net of Tax)		0.25	0.38
Other Comprehensive Income for the Year		0.25	0.38
Total Comprehensive Income for the Year		(1.95)	(30.37)
Earnings per equity share nominal value of share ₹2/-	35		
Basic in ₹ per share		(0.54)	(7.90)
Diluted in ₹ per share		(0.54)	(7.90)
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			
Summary of Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

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

sd/-
V. Rajeswaran
Partner
Membership No.020881

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

sd/-
M.Thiyagarajan
Chief Financial Officer

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

sd/-
E.Elamugilan
Company Secretary

Chennai, 18th May, 2022

STATEMENT OF CASH FLOWS

(₹ in crores)

	Year Ended 31 st March 2022	Year Ended 31 st March, 2021
Cash flow from operating activities		
Loss before income tax	(7.73)	(54.25)
Adjustments for		
Depreciation and amortisation expense	23.13	23.32
Deferred revenue	0.43	(0.03)
Interest on fair valuation of security deposits	(0.88)	(0.80)
Gain on termination of leases	(5.75)	(9.28)
Income from sale of investments	(0.67)	(0.98)
Interest income	(0.04)	(0.01)
Finance costs	18.78	23.65
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	2.58	24.88
(Increase) in inventories	(20.44)	14.56
Increase in trade payables	8.43	(13.33)
Increase/(decrease) in other financial liabilities	4.33	3.27
Increase in other payables and provisions	1.10	(0.52)
(Increase) in other financial assets	(1.47)	(1.03)
(Increase)/decrease in other non-current assets	0.35	0.30
(Increase)/decrease in other current assets	0.33	4.36
Cash generated from operations	22.48	14.10
Income taxes paid	-	-
Net cash inflow from operating activities	22.48	14.10
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	0.97	6.67
Payments for property, plant and equipment (net)	(1.33)	(2.20)
Purchase of Investments	(18.27)	(0.86)
Sales of Investments	21.34	0.33
Loans to employees and related parties	(0.01)	(0.05)
Income from mutual funds	0.67	0.98
Interest received	0.04	0.01
Net cash inflow from investing activities	3.41	4.88
Cash flows from financing activities		
Proceeds from issues of shares	-	0.63
Proceeds from issues of warrants	-	2.58
Proceeds from Share Premium	-	9.53
Proceeds from Long Term Borrowings	1.22	7.83
Repayment of Long Term Borrowings	(0.46)	(0.67)
Proceeds/(Repayment) of Short Term Borrowings (Net)	4.48	(5.45)
Principal elements of lease payments	(9.69)	(10.56)
Interest paid	(18.78)	(23.65)
Net cash outflow from financing activities	(23.23)	(19.76)
Net increase / (decrease) in cash and cash equivalents	2.66	(0.78)
Cash and cash equivalents at the beginning of the financial year	0.20	0.98
Cash and cash equivalents at end of the year	2.86	0.20

The accompanying notes are an integral part of the financial statements

Notes

1. The cashflow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows

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

 sd/-
 V. Rajeswaran
 Partner
 Membership No.020881

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

 sd/-
 M.Thiyagarajan
 Chief Financial Officer

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

 sd/-
 E.Elamugilan
 Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

a) Equity Share Capital	No. of Shares	₹ In Crs
As at 01 st April, 2020		3,79,41,300
Changes in equity share capital during the year	12	31,50,385
As at 31st March, 2021		4,10,91,685
Changes in equity share capital during the year	12	-
Balance as at 31 st March, 2022		4,10,91,685
Balance as at 31st March, 2021	4,10,91,685	8.22

b) Other Equity (Refer Note 12)

(₹ in crores)

Reserves and surplus (Note 13)

	Share Premium	Capital reserve	Retained earnings	Share warrants	Total
Balance as at 01 st April, 2020	76.71	8.01	123.80	-	208.52
Loss for the year	-	-	(30.75)	-	(30.75)
Other comprehensive income (Refer Note 32)	-	-	0.38	-	0.38
Total comprehensive income for the year	-	-	(30.37)	-	(30.37)
Proceeds received during the year	9.53	-	-	2.58	12.11
As at 31st March, 2021	86.24	8.01	93.43	2.58	190.26
As at 01 st April, 2021	86.24	8.01	93.43	2.58	190.26
Proceeds received during the year	9.53	-	-	2.58	12.11
Loss for the year	-	-	(2.20)	-	(2.20)
Other comprehensive income (Refer Note 32)	-	-	0.25	-	0.25
Total comprehensive income for the year	-	-	(1.95)	-	(1.95)
Proceeds received during the year	-	-	-	-	-
Balance as at 31st March, 2022	86.24	8.01	91.48	2.58	188.31

The accompanying notes are an integral part of the financial statements

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

sd/-
V. Rajeswaran
Partner
Membership No.020881

sd/-
Charath Ram Narsimhan
Managing Director
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Chief Financial Officer

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

sd/-
E.Elamugilan
Company Secretary

Chennai, 18th May, 2022



SIGNIFICANT ACCOUNTING POLICIES

COMPANY OVERVIEW

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

1. Summary of significant accounting policies

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

1.1 Basis of preparation

1.1.1 Compliance with Ind AS

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

1.1.2 Historical cost convention

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

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

1.1.3 New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time commencing 01st April, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases."

1.1.4 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23rd March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends Ind AS 109, Financial Instruments, IND AS 16, Property, Plant & Equipment and IND AS 37, Provisions, Contingent Liabilities & Contingent Assets, and are effective 01st April 2022. These amendments are not expected to have a material impact to the company in the current or future reporting periods and on foreseeable future transactions.

1.1.5 Reclassifications consequent to amendments to Schedule III

"The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24th March, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 01st April 2021. Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year. The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item. Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item."

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (Extract)	31 st March, 2021 (As Previously Reported)	increase / (Decrease)	31 st March, 2021 (Restated)
Other Financial Liabilities (Current)	35.52	-0.60	34.93
Current Borrowings	36.08	0.60	36.67
Loans (Current)	13.80	-13.80	-
Other Financial Liabilities (Non-Current)	13.80	-13.80	-

1.2 Segment reporting

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

1.3 Foreign currency translation

1.3.1 Functional and presentation currency

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

1.3.2 Transactions and balances

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

1.4 Revenue recognition

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

1.4.1 Sale of goods

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

1.4.2 Revenue Recognition - Loyalty Points

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points entitle the customers to discount on future purchases. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis based on expected value method considering the historical trends. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed. Consideration allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

1.5 Income tax

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

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

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

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

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

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

1.6 Leases

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

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



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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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

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

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

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

1.7 Impairment of assets

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

1.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1.9 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

1.10 Inventories

Raw materials, finished and bought-out goods

Raw materials, finished and bought-out goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.11 Investments and financial assets

1.11.1 Classification

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

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

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

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

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

1.11.2 Recognition

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

1.11.3 Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

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

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

Equity instruments

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

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

1.11.4 Impairment of financial assets

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

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

1.11.5 Derecognition of financial assets

A financial asset is derecognised only when

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

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



1.11.6 Income recognition

Interest income

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

1.12 Offsetting financial instruments

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

1.13 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

1.14 Intangible assets

Computer software

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

Amortisation methods and periods

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

1.15 Trade and other payables

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

1.16 Borrowings

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

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

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

1.17 Borrowing costs

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

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

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

1.18 Provisions

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

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

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

1.19 Employee benefits

1.19.1 Short-term obligations

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

1.19.2 Other long-term employee benefit obligations

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

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

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

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

1.19.3 Post employment obligation

The Company operates the following post-employment schemes:

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

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the prov-



ident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan:

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

1.19.4 Bonus plans

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

1.20 Contributed equity

Equity shares are classified as equity.

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

1.21 Earning Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

1.22 Rounding off amounts

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



NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022
2. PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

	Freehold land	Buildings	Plant and equipment	Electrical Installation	Office Equipments	Computers	Vehicles	Furniture & Fixtures	Total Tangible Assets	Computer Software	Total Non-Tangible Assets
Gross carrying amount											
As at 01st April, 2020	8.22	6.77	1.73	1.91	0.90	1.27	1.67	44.88	67.34	5.04	5.04
Additions	-	-	-	0.04	-	0.05	-	2.11	2.20	-	-
Disposals	-	-	-	-	-	-	-	(0.17)	(0.17)	-	-
As at 31st March, 2021	8.22	6.77	1.73	1.95	0.90	1.32	1.67	46.82	69.38	5.04	5.04
As at 01st April, 2021	8.22	6.77	1.73	1.95	0.90	1.32	1.67	46.82	69.38	5.04	5.04
Additions	-	-	0.04	0.05	-	0.03	-	1.20	1.33	-	-
Disposals	-	-	-	-	-	-	(1.01)	(0.39)	(1.40)	-	-
As at 31st March, 2022	8.22	6.77	1.77	2.00	0.90	1.35	0.66	47.64	69.31	5.04	5.04
Accumulated depreciation											
As at 01st April, 2020	-	0.89	0.39	0.27	0.48	0.76	0.68	12.72	16.20	2.68	2.68
Additions	-	0.23	0.12	0.19	0.17	0.21	0.18	4.57	5.68	0.99	0.99
Disposals	-	-	-	-	-	-	-	(0.06)	(0.06)	-	-
As at 31st March, 2021	-	1.11	0.51	0.47	0.66	0.97	0.86	17.24	21.82	3.67	3.67
As at 01st April, 2021	-	1.11	0.51	0.47	0.66	0.97	0.86	17.24	21.82	3.67	3.67
Additions	-	0.23	0.12	0.20	0.14	0.16	0.11	4.67	5.62	0.90	0.90
Disposals	-	-	-	-	-	-	(0.42)	-	(0.42)	-	-
As at 31st March, 2022	-	1.34	0.64	0.67	0.79	1.13	0.55	21.91	27.02	4.57	4.57
Carrying amount as on 31 st March, 2021	8.22	5.66	1.22	1.48	0.24	0.35	0.81	29.58	47.56	1.37	1.37
Carrying amount as on 31 st March, 2022	8.22	5.43	1.14	1.34	0.11	0.22	0.11	25.73	42.29	0.47	0.47

2A - Right to use assets

(₹ in crores)

Particulars	FY'22			FY'21		
	Computer	Building	Total	Computer	Building	Total
Gross Block						
Opening balance						
Additions during the year	0.48	94.38	94.86	0.48	90.31	90.79
Deletions during the year	-	10.58	10.58	-	15.35	15.35
Closing Balance	-	(6.87)	(6.87)	-	(11.28)	(11.28)
Amortisation	0.48	98.09	98.57	0.48	94.38	94.86
Opening balance						
Amortisation for the year	0.30	32.35	32.65	0.22	15.58	15.80
Deletions during the year	0.08	16.52	16.60	0.08	16.67	16.75
Closing Balance	-	(1.61)	(1.61)	-	-	-
Closing Balance	0.38	47.26	47.64	0.30	32.35	32.65
Closing Balance during the year	0.10	50.83	50.93	0.18	62.03	62.21

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

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

Company has exercised the option of short term leases exemption.

Extension and termination options

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

Critical judgements in determining the lease term

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

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

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

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

Expense relating to variable lease payments not included in the measurement of lease liabilities ₹0.85 Crs

Expense relating to Short term lease payments - ₹2.67 Crs

The total cash outflow for leases for the year ended 31st March, 2022 was ₹20.91 Crs

Further, Ministry of Corporate Affairs vide notification dated 24th July, 2020 issued an amendment to Ind AS 116- Leases, by inserting a practical expedient w.r.t. "COVID-19 Related Rent Concessions" effective from the period beginning on or after 01st April 2020. This has been further extended upto 30th June, 2022 vide notification dated 18th June, 2021. Pursuant to the above amendment, the Company has applied the practical expedient by accounting the unconditional rent concessions in "Other income" amount to INR 4.90 crores in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

	As at 31 st March, 2022	As at 31 st March, 2021		
3. Other Financial Assets				
Security Deposits	15.10	13.80		
Total	15.10	13.80		
4. Other non-current assets				
Capital advances	0.17	0.41		
Advances other than Capital Advances				
Balances with government authorities	-	0.10		
Total	0.17	0.51		
5. Inventories				
Finished Goods / Bought-out Goods	82.66	62.22		
Total	82.66	62.22		
6. Investments (Unquoted)				
Investments in mutual funds				
At fair value through profit and loss				
Aditya Birla Sun Life Money Manager - Growth - Direct	-	17.90		
SBI Magnum Ultra Short Duration Fund - Direct - Growth	0.25	3.69		
Aditya Birla Sun Life Savings Fund - Growth - Direct	1.01	-		
Axis Corporate Debt Fund - Growth	1.81	-		
DSP Bond Fund - Growth	1.80	-		
Edelweiss Aribtrage Fund - Growth	2.94	-		
ICICI Prudential Corporate Bond Fund - Growth	1.81	-		
ICICI Prudential Floating Interest Fund - Growth	2.60	-		
IDFC Banking and PSU debt fund - Growth	1.01	-		
IDFC Corporate Bond Fund - Growth	1.55	-		
IDFC Low Duration Fund - Growth	0.81	-		
Kotak Equity Arbtrage Fund - Growth	2.94	-		
Total	18.52	21.59		
Aggregate amount of Unquoted investments	18.52	21.59		
Aggreagate amount of impairment in value of investments	-	-		
7. Trade receivables				
Trade Receivables considered good - unsecured				
Trade Receivables from contract with customers - Billed	223.92	226.50		
Less: Loss Allowance	-	-		
Total	223.92	226.50		
Current	223.92	226.50		
Non Current	-	-		
Ageing of Trade Receivables	Outstanding for following periods from the due date of payment - 31st March, 2022			
Particulars	Not Due	< 6 Months	6 Months - 1Year	Total
Undisputed trade receivables				
considered good	223.92	-	-	223.92
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Disputed trade receivables				
considered good	-	-	-	-
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Total	223.92	-	-	223.92
Ageing of Trade Receivables	Outstanding for following periods from the due date of payment - 31st March, 2022			
Particulars	Not Due	< 6 Months	6 Months - 1Year	Total
Undisputed trade receivables				
considered good	226.50	-	-	226.50
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Disputed trade receivables				
considered good	-	-	-	-
which have significant increase in credit risk	-	-	-	-
credit impaired	-	-	-	-
Total	226.50	-	-	226.50

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

	As at 31 st March, 2022	As at 31 st March, 2021
8. Cash and cash equivalents		
Balances with banks		
Current Accounts	2.83	0.10
Cash on hand	0.03	0.10
Total	2.86	0.20
For the purpose of Statement of cash flows, Cash and cash equivalents comprises of above balances		
9. Bank Balances		
Fixed Deposits with Bank	1.27	0.36
The above deposits are being held as margin money under lien to bank for borrowings / bank guarantee		
Total	1.27	0.36
10. Loans		
Loans considered good - unsecured		
Loans and advances to Directors	2.00	2.00
Loans and advances to Employees	0.13	0.12
Total	2.13	2.12

Loans and advances to employees includes a sum of ₹2 Crores advanced to Mr. Charath Ram Narasimhan when he was a employee of the Company and not a member of the board. Mr. Charath Ram Narsimhan was appointed as Managing Director of the Company on 08.08.2018.

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

	2021-22		2020-21	
	Amount Outstanding	% to the total loans and advances in the nature of loans	Amount Outstanding	% to the total loans and advances in the nature of loans
a) amounts repayable on demand				
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	2.00	93.9%	2.00	94.18%
Other related parties	-	-	-	-
b) without specifying any terms or period of repayment				
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Other related parties	-	-	-	-

11. Other Current assets		
Prepaid expenses	3.62	0.60
Advances to Suppliers	0.10	0.46
Total	3.72	1.06

12. Equity share capital		
Authorised Share Capital		
	No. of Shares	₹ In Crs
As at 31 st March, 2021	6,00,00,000	12.00
Increase during the year	-	-
As at 31 st March, 2022	6,00,00,000	12.00
Issued, Subscribed and Paid-up Capital		
	No. of Shares	₹ In Crs
As at 31 st March, 2020	3,79,41,300	7.59
Increase during the year	31,50,385	0.63
As at 31 st March, 2021	4,10,91,685	8.22
Increase during the year	-	-
As at 31 st March, 2022	4,10,91,685	8.22

i) **Terms and rights attached to equity shares**
The company has one class of equity shares having a par value of ₹2 each
Each shareholder is eligible for one vote per share held
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

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

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

		As at 31 st March, 2022		As at 31 st March, 2021	
iii) Details of shareholders holding more than 5% shares					
Name of Shareholder					
As at 31st March, 2022			As at 31st March, 2021		
	No. of shares held	% holding	No. of shares held	% holding	
Mr. Venkatesh Rajagopal	50,62,115	12.32%	47,47,115	11.55%	
Mrs. Rama Rajagopal	67,66,930	16.47%	65,32,930	15.90%	
SBI Consumption Opportunities Fund	-	-	27,27,779	6.64%	
*Mr. Venkatesh Rajagopal has purchased shares of 1,74,000/- on 30 th March, 2021 & 31 st March, 2021 in BSE, the shares reflected on 05 th April, 2021 & 06 th April, 2021					
*Mrs. Rama Rajagopal has purchased shares of 93,000/- on 31 st March, 2021 in BSE, the shares reflected on 06 th April, 2021					
Mr. Venkatesh Rajagopal & Mrs. Rama Rajagopal has purchased shares of 1,41,000 each on 01 st October, 2021 in BSE					
Note: Mr. Venkatesh Rajagopal & Mrs. Rama Rajagopal are the Promoters of the Company					
Shareholding % of Mr. Venkatesh Rajagopal has increased by 0.77% and Mrs. Rama Rajagopal has increased by 0.57%					
iv) Shares allotted for consideration other than cash - NIL in last 5 years					
13 Other Equity					
Share Premium			86.24	86.24	
Retained earnings			91.48	93.43	
Capital Reserve			8.01	8.01	
Money received against share warrants			2.58	2.58	
Total			188.31	190.26	
a) Share Premium					
As at the beginning of the year			86.24	76.71	
Proceeds received during the year			-	9.53	
As at the end of the year			86.24	86.24	
b) Retained earnings					
As at the beginning of the year			93.43	123.80	
Profit for the Year			(2.20)	(30.75)	
Other Comprehensive Income (Refer Note 31)			0.25	0.38	
As at the end of the year			91.48	93.43	
c) Capital Reserve					
As at the beginning of the year			8.01	8.01	
Additions / (Utilisation)					
As at the end of the year			8.01	8.01	
d) Money received against share warrants					
As at the beginning of the year			2.58	-	
Additions / (Utilisation)			-	2.58	
As at the end of the year			2.58	2.58	
Share warrants were issued by the Company on 08/12/2020. The Company has issued 32,00,000 warrants at INR 2 per share and premium of INR 30.25 per share. The warrants shall be exercisable for a period of 18 months from the date of issue, failing which the option lapses.					
Nature of Reserves					
i) Retained Earnings - Company's cumulative earnings since its formation less distribution					
ii) Share Premium - represents the premium received on issue of equity shares. The reserves is utilised in accordance with the provisions of Companies Act, 2013					
iii) Capital Reserve - Capital Reserve was created out the demerger from Celebrity Fashions Limited in 2010-11					
iv) Share warrants - represent money received against warrants issued for potential future equity. The Company has received ₹2,58,00,000/- 25% of total amount from Mr.Venkatesh Rajgopal and Mrs. Rama Rajagopal.					
14. Borrowings					
Non-Current					
Secured					
i) Term Loans from Banks			8.05	6.85	
Unsecured					
i) From Others			0.76	1.21	
Total			8.81	8.06	
a) SBI has sanctioned Guarantee Emergency Credit Line (GECL 1.0) Working Capital Term Loan amount of ₹6.59 crs (previous year - ₹6.83 Crs). The Company has given extension of charge 2nd charges over the existing Primary & Secondary Collateral including mortgages created in favour of the Bank. Rate of Interest 1.00% above 6 months MCLR (currently 6.95%) Present effective Rate of 7.95% and Maximum upto 9.25% during entire tenor of Loan. The Interest will be charged on monthly intervals. Principal 12 months Moratorium and Principal payment 36 monthly installments					
Term loan from bank		Rate of interest	2022-23	2023-24	2024-25
State Bank of India (1% over 6 months MCLR, Max - 9.25%)		7.95%	1.94	2.48	2.17

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

**As at
31st March, 2022**
**As at
31st March, 2021**

- b) SBI has sanctioned Guarantee Emergency Credit Line (GECL 1.0) (Extension) Working Capital Term Loan amount of ₹3.40 crs. The Company has given extension of charge 2nd charges over the existing Primary & Secondary Collateral including mortgages created in favour of the Bank. Rate of Interest 1.00% above 6 months MCLR (currently 6.95%) Present effective Rate of 7.95% and Maximum upto 9.25% during entire tenor of Loan. The Interest will be charged on monthly intervals. Principal 24 months Moratorium and Principal payment 36 monthly installments.

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

Term Loan from Bank	Rate of Interest	2022-23	2023-24	2024-25	2025-26	2026-27
State Bank of India (1% over 6 Months MCLR, Max - 9.25%)	7.95%	-	-	0.90	0.97	1.54

- c) Secured Term loan from ICICI Bank Limited amounting to ₹0.02 crs (Previous Year ₹0.05 Crs) represents the vehicle loan availed which carries interest rate of 8.30% p.a. This loan is repayable in 60 monthly instalments from the date of the loan. The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

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

Term Loan from Bank	Rate of Interest	2022-23
ICICI Bank Ltd	8.30%	0.03

- d) **Finance lease obligations**

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

Term Loan from Bank	Rate of Interest	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.03

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

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

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

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

Term Loan from Bank	Rate of Interest	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.16

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

Unsecured loan from others represents the unsecured loan availed from Cholamandalam Investments & Finance Company Limited.

The loan is repayable in 48 monthly instalments and carries an interest rate of 13%.

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

Term Loan from Bank	Rate of Interest	2022-23	2023-24	2024-25	2025-26
Cholamandalam Investments & Finance Company Limited	13.00%	0.21	0.24	0.27	0.25

- g) **Current Maturities of Long Term Borrowings (considered in Note 17)**

Total Long Term Loans	11.16	8.76
Considered under Current Liabilities		
ICICI Bank Limited - Vehicle Loan	0.02	0.03
Unsecured Loan from HPFES	0.16	0.57
SBI - GCEL 1.0	1.94	-
Cholamandalam Investment & Finance Company Ltd	0.21	-
Total current maturities of long term borrowings	2.32	0.60

- 14A **Lease Liability - 116**

Non Current	40.05	52.98
Current	19.30	16.60
Total Lease Liability	59.34	69.58

- 15 **Other Financial Liabilities - Non Current**

Security deposits received	22.27	22.65
"Total other non-current financial liabilities"	22.27	22.65

- 16 **Deferred Tax - (liabilities) / asset**

The balance comprises temporary differences attributable to:

Depreciation	(4.21)	(4.96)
Provision for employee benefits	0.82	0.81
Right of use asset	(17.76)	(21.68)
Lease liability	20.72	24.26
Tax losses	27.94	23.26
Others	0.91	1.17
Net deferred tax (liabilities) / asset	28.42	22.87

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

**As at
31st March, 2022**
**As at
31st March, 2021**
Movement in deferred tax (liabilities) / asset

	Depreciation	Provision for employee benefits	Right of use asset	Lease liability	Tax losses	Others	Total
On transition to Ind AS 116 - credited to retained earnings	-	-	(22.23)	23.12	-	1.27	2.16
- to profit or loss	(0.24)	0.37	(3.88)	4.80	-	0.12	1.17
- to other comprehensive income	-	-	-	-	-	-	-
- (Debited) / Credited to Current tax payable	-	-	-	-	-	-	-
At 31st March, 2020	(5.10)	1.27	(26.11)	27.92	-	1.39	(0.63)
(Charged)/credited:							
- to profit or loss	0.14	(0.59)	4.44	(3.66)	23.26	(0.22)	23.36
- to other comprehensive income	-	0.13	-	-	-	-	0.13
At 31st March, 2021	(4.96)	0.81	(21.68)	24.26	23.26	1.17	22.87
(Charged)/credited:							
- to profit or loss	0.75	(0.08)	3.91	(3.54)	4.69	(0.26)	5.47
- to other comprehensive income	-	0.09	-	-	-	-	0.09
At 31st March, 2022	(4.21)	0.82	(17.76)	20.72	27.94	0.91	28.42

17. Borrowings
Current

Loans Repayable on Demand		
Cash Credit from State Bank of India (Secured)	38.84	36.08
Current maturities of long term borrowings (Note 14)	2.32	0.60
Total	41.16	36.67

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

The loan is further secured by the following collaterals:

- Hypothecation of plant & machinery (Furniture & Fixtures) of the Company
- Equitable Mortgage over land and building situated at 70/2 & 70/3A, Agaram Road, Thiruvanchery, Chennai - 600 073
- Pledge of Promoters Shares in the Company to an extent of 76,46,450 Equity Shares belonging to the promoters (Shri V Rajagopal and Smt. Rama Rajagopal)
- Personal guarantee of the promoters

Net debt reconciliation

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

Current borrowings	41.16	36.67
Lease liabilities	59.34	69.58
Non-current borrowings	8.81	8.06
Net debt	109.31	114.31

Net debt as at 01 st April, 2021	Non-current borrowings	Current borrowings	Lease liabilities	Total
Net debt as at 31 st March, 2020	0.78	41.53	80.15	122.46
Cash flows	7.49	(0.72)	(18.51)	(11.75)
Interest paid	(0.21)	(4.13)	7.95	3.60
Net debt as at 31st March, 2021	8.06	36.67	69.58	114.31
Cash flows	0.06	7.81	(17.29)	(9.42)
Interest paid	0.69	(3.32)	7.05	4.42
Net debt as at 31st March, 2022	8.81	41.16	59.34	109.31

18. Trade payables

Trade payables : Micro and Small Enterprises **	40.55	24.40
Trade Payables : Others	52.44	59.42
Trade Payables to related parties (Refer Note 38)	7.68	8.42
	100.67	92.24

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

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

₹ in crores)

	As at 31 st March, 2022				As at 31 st March, 2021
Ageing of Trade Payables	Unbilled	Not Due	< 6 Months	6 Months - 1Year	Total
2021-22					
Undisputed trade payables					
Micro Enterprises & Small Enterprises	-	40.55	-	-	40.55
Others	-	52.44	7.68	-	60.12
Disputed trade Payables					
Micro Enterprises & Small Enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	-	92.99	7.68	-	100.67
2020-21					
Undisputed trade payables					
Micro Enterprises & Small Enterprises	-	24.40	-	-	24.40
Others	-	59.42	7.35	1.07	67.84
Disputed trade Payables					
Micro Enterprises & Small Enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	-	83.82	7.35	1.07	92.24

Note : DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	40.55	24.40
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

19. Other financial liabilities

Salaries, Wages and Other benefits payable	1.76	1.53
Accrued Expenses	37.88	33.40
Total	39.64	34.93

20. Customer Loyalty Program

As at the beginning of the year	1.05	1.08
Deferred during the year	2.69	0.71
Released to the Statement of Profit and Loss	(2.26)	(0.74)
As at the end of the year	1.48	1.05

Significant estimate

Revenue recognition – Loyalty points

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

21. Provisions

Provision for compensated absences	0.46	0.50
Provision for Gratuity (Refer Note 39)	1.47	1.42
Total	1.93	1.92

22. Other Current Liabilities

Withholding and Other Taxes payables	0.84	-
Total	0.84	-

23. Revenue from Operations

Sale of goods	334.04	212.43
Revenue from redemption of loyalty points (refer Note 20)	2.26	0.74
Total	336.30	213.17

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

	As at 31 st March, 2022	As at 31 st March, 2021
23.1 Transaction price allocated to the remaining performance obligations The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.		
23.2 Reconciliation of revenue with contract price		
1. Contract price	384.63	250.81
2. Adjustments :		
Discounts	(48.33)	(37.63)
Customer loyalty programme	(2.26)	(0.74)
3. Revenue from operations as per Statement of Profit and loss	334.04	212.43
23.3 Significant judgements		
a) Timing of satisfaction of performance obligations. There are no significant judgements made by the Company in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract.		
b) Transaction price and the amounts allocated to performance obligations.		
Sale of apparels and accessories Revenue from sales is recognised based on the transaction price, adjusted for variable consideration in the form of volume discounts, loyalty points, penalty on delay in delivery of goods and marketing expenses. A liability is recognised for expected variable consideration payable to customers in relation to sales made until the end of the reporting period."		
Customer loyalty Programme The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of likelihood of redemption, based on past experience. The stand-alone selling price of product sold is estimated on the basis of retail price. Discounts are not considered as they are only given in rare circumstances.		
24. Cost of Material Consumed		
(a) Raw material consumed		
Raw materials at the beginning of the year	-	0.02
Add: Purchases	-	-
Less: Inventory at the end of the Year	-	-
Cost of Raw material consumed	-	0.02
(b) Purchases of Bought-Out goods		
Purchases of Bought-Out goods	231.31	124.51
Total Purchases of Bought-out Goods	231.31	124.51
25. (Increase) / Decrease in inventories of finished goods, work-in-progress and bought-out goods		
Opening Inventory		
Work-in-progress	-	-
Finished goods / Bought-out goods	62.22	76.76
	62.22	76.76
Closing Inventory		
Work-in-progress	-	-
Finished goods / Bought-out goods	82.66	62.22
	82.66	62.22
(Increase) / Decrease	(20.44)	14.54
26. Garment Processing Costs		
Subcontracting and other Garment Processing Costs	1.01	1.16
Total	1.01	1.16
27. Employee Benefits Expense		
Salaries, wages and bonus	17.40	17.98
Contribution to Provident and Other funds	0.60	0.52
Gratuity Expense (Refer Note 39)	0.30	0.28
Staff welfare expenses	1.56	1.50
Total	19.86	20.28

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

	As at 31 st March, 2022	As at 31 st March, 2021
28. Other Expenses		
Advertisement	14.48	14.23
Auditor's Remuneration	0.05	0.05
Books, Periodicals & Subscriptions	0.53	0.43
Communication Expenses	0.52	0.54
Consultancy Charges	1.33	1.63
Corporate Social Responsibility (Refer Note 28.2)	-	0.03
Distribution Costs	9.88	5.18
Entertainment & Sales Promotion Expenses	0.68	1.10
Insurance	0.34	0.56
Outsourced Support Services	8.80	7.30
Other Miscellaneous Expenses	2.23	1.81
Rent, Rates and Taxes	7.65	4.60
Remuneration to Directors	1.46	1.22
Selling Commission	19.19	22.75
Selling Expenditure	5.59	2.92
Showroom Maintenance	2.09	4.26
Loss on foreign exchange translation	0.16	0.19
Travelling & Conveyance	2.74	2.51
Total	77.72	71.31
28.1 Details of Auditors' Remuneration:		
Payments to Statutory Auditor:		
For Audit Fee (including Limited Review Fee)	0.03	0.03
For Tax Audit	0.01	0.01
For Other Services	-	-
For Reimbursement of Expenses	-	-
	0.04	0.04
Payments to Secretarial Auditor:		
For Audit Fee	0.01	0.01
For Other Services	-	-
For Reimbursement of Expenses	-	-
	0.01	0.01
Payment towards Corporate Social Responsibility		
Rotary Club of Madras East Trust (Skill Development)	-	0.03
	-	0.03
28.2 Corporate Social Responsibility Expenditure:		
Amount required to be spent during the year	-	-
Amount of expenditure incurred	-	-
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-
The Company has established the "Terrain Foundation" committed to carry on Corporate Social Responsibilities of the company as per the CSR policy. Due to pandemic, the Company was not able to spend the required CSR amount during the year and in the previous year. The Company proposes to undertake more activities and contributions in the upcoming years through the said trust.		
29. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer Note 2)	5.62	5.58
Amortisation of right-of-use asset (Refer Note 2A)	16.60	16.75
Amortisation of intangible assets (Refer Note 2)	0.90	0.99
Total	23.13	23.32
30. Finance Cost		
Interest expense on working capital & others	9.42	12.86
Interest expense on lease liabilities	7.05	7.95
Other borrowing costs	2.31	2.84
Total	18.78	23.65

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

	As at 31 st March, 2022	As at 31 st March, 2021	
31. Other income			
Gain on Sale of investments	0.67	0.98	
Gain on termination of leases	5.75	9.28	
Interest income	0.04	0.01	
Unwinding of discount on Security deposits	0.88	0.80	
Miscellaneous income	-	0.30	
Total	7.34	11.37	
32. Other Comprehensive Income			
Remeasurement gains / (losses) on defined benefit plans (net of tax)	0.25	0.38	
Total	0.25	0.38	
33. Income tax expense			
The major components of income tax expense for the years 2022 and 2021 are :			
(a) Income tax expense			
Current tax			
Current tax on profits for the year	-	-	
Adjustments for current tax of prior periods	-	-	
Total current tax expense	-	-	
Deferred tax			
Decrease/(Increase) in deferred tax assets	(0.86)	(18.92)	
(Decrease)/Increase in deferred tax liabilities	(4.67)	(4.57)	
Total deferred tax expense/(benefit)	(5.53)	(23.50)	
Income tax expense	(5.53)	(23.50)	
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate			
Loss before income tax expense	(7.73)	(54.25)	
Tax at the Indian tax rate of 34.944%	(2.70)	(18.96)	
Tax effects of amounts which are not deductible (taxable) in calculating taxable income :			
Corporate social responsibility expenditure	-	0.01	
Other			
Income tax expense	(2.70)	(18.95)	
35. Earnings per share			
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.			
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.			
Earnings Per Share (EPS) is calculated as under:			
Profit / (Loss) as per the Statement of Profit and Loss	(A)	(2.20)	(30.75)
Weighted average number of equity shares for calculation of Basic EPS	(B)	4,10,91,685	3,89,25,256
Basic EPS (In ₹)	(A/B)	(0.54)	(7.90)
Nominal Value of Shares (In ₹)		2.00	2.00

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

34. Fair value measurements

(₹ in crores)

Financial instruments by category

	31 st March, 2022	31 st March, 2021
Financial assets		
Amortised Cost		
Security deposits	15.10	13.80
Trade receivables	223.92	226.50
Cash and cash equivalents	2.86	0.20
Other bank balances	1.27	0.36
Loans and advances to employees	0.13	0.12
Fair Value through Profit and Loss		
Mutual Funds	18.52	21.59
Total financial assets	261.80	262.58
Financial liabilities		
Amortised Cost		
Borrowings	52.29	45.33
Trade payables	100.67	92.24
Salaries and wages	1.76	1.53
Security Deposits	22.27	22.65
Accrued Expenses	37.88	33.40
Total financial liabilities	214.87	195.15

(i) Fair value hierarchy

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

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

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

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments are determined using discounted cash flow analysis.
- All of the resulting fair value estimates are included in level 2
- Fair value of financial assets (Mutual Funds) are measured at Fair Value through profit or loss
- Fair value of Other financial assets and liabilities are held at amortised cost
- The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial liabilities, are considered to be the same as their fair values, due to their short-term nature. The carrying value of borrowings, security deposits paid and received approximate to fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
36. Financial risk management

(₹ in crores)

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

(A) Credit risk

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

Credit risk management

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

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

(B) Liquidity risk

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

i) Financing arrangements

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

	31 st March, 2022	31 st March, 2021
Fixed Rate		
Expiring within one year (cash credit facility)	-	0.83

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

ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities

	31 st March, 2022			31 st March, 2021		
	Maturing within 1 year	Maturing after 1 year	Total	Maturing within 1 year	Maturing after 1 year	Total
Non-derivatives						
Borrowings	42.00	10.11	52.12	37.36	9.18	46.53
Trade payables	100.67	-	100.67	92.24	-	92.24
Salaries and wages	1.76	-	1.76	1.52	-	1.52
Security Deposits	-	22.27	22.27	-	22.65	22.65
Accrued Expenses	37.88	-	37.88	33.40	-	33.40
Lease Liabilities	19.26	40.02	59.28	16.60	52.98	69.59
Total non-derivative liabilities	201.58	72.40	273.98	143.77	75.64	265.94

(C) Market risk

The only risk that the company faces with respect to market risk is fluctuation in foreign currency movements against INR

Foreign currency risk

The company activities exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The company's significant exposure to foreign currency risk at the end of the reporting period expressed in INR Crores, are as follows

	31 st March, 2022	31 st March, 2021
Financial liabilities		
Trade payables		
Exposure to foreign currency risk (liabilities)	7.12	14.53
Net exposure to foreign currency risk	7.12	14.53

The fluctuations in foreign currency exchange rates does not have a significant impact on the Company's profitability.


NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
37. Capital Risk management

(₹ in crores)

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain an optimal gearing ratio. The gearing ratios were as follows:

	31 st March, 2022	31 st March, 2021
Net debt	106.45	114.12
Total equity	196.53	198.48
Net debt to equity ratio	54.2%	57.5%

Loan covenants

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

Minimum Current Ratio of 2.35

The company has complied with the above covenant throughout the year

38. Related party transactions

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

Key Managerial Personnel:

Mr. Venkatesh Rajagopal

Mrs. Rama Rajagopal

Mr. Charath Ram Narasimhan

Mr. Vidyut Venkatesh Rajagopal

Mr. S Ramachandran. Resigned (w.e.f. 21st May 2021)

Mr. E Elamugilan. Appointed (w.e.f. 21st May 2021)

Mr. Thiyagarajan. Appointed (w.e.f. 10th Nov 2021)

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

M/s Celebrity Fashions Limited

Others

ITFL Employees Gratuity Fund**

Transactions carried out with Related Parties during the Year	31 st March, 2022	31 st March, 2021
Managerial Remuneration		
Short term Employee Benefits	1.46	1.22
Long Term Employee Benefits	-	-
Termination Benefits	-	-
Material Purchases and Rental Income - Celebrity Fashions Limited		
Material Purchases	14.54	8.65
Rental Income	0.08	0.08

Outstanding Balances	31 st March, 2022	31 st March, 2021
Payable as Managerial Remuneration	0.07	0.06
Loan given to Mr. Charath Ram Narasimhan (Managing Director & CEO)	2.00	2.00
Trade Payables - Celebrity Fashions Limited	7.68	8.42

* Loans and advances to employees includes a sum of ₹2 Crores advanced to Mr. Charath Ram Narasimhan when he was a employee of the Company and not a member of the board. Mr. Charath Ram Narsimhan was appointed as Managing Director of the Company on 08.08.2018.

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

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
39. Employee benefit plans
Defined benefit plans
Gratuity

(₹ in crores)

Particulars	For the year Ended	
	31 st March, 2022	31 st March, 2021
Present Value of obligations at the beginning of the year	1.43	1.50
Current service cost	0.22	0.21
Interest Cost	0.09	0.09
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from demographic assumption changes	-	-
- Actuarial gains and losses arising from change in financial assumption	(0.43)	0.03
- Actuarial gains and losses arising from experience adjustment	0.17	(0.41)
Benefits paid		-
Present Value of obligations at the end of the year	1.47	1.43
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	0.01	0.01
Interest Income	0.00	0.00
Actuarial gain/loss	(0.01)	(0.00)
Contributions from the employer		-
Benefits Paid	-	-
Fair Value of plan assets at the end of the year	0.00	0.01
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	1.47	1.43
Fair value of plan assets at end of the year	(0.00)	(0.01)
Funded status of the plans – Liability recognised in the balance sheet	1.47	1.42
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.22	0.21
Net Interest Expense	0.09	0.07
Net Cost in Profit or Loss	0.30	0.28
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from demographic assumption changes	-	-
- Actuarial gains and losses arising from change in financial assumption	(0.43)	0.03
- Actuarial gains and losses arising from experience adjustment	0.17	(0.41)
Return on plan assets		0.00
Net Cost in Other Comprehensive Income	(0.26)	(0.38)
Assumptions		
Discount rate	6.41%	6.20%
Expected rate of salary increases	8.39%	5% to 12%
Expected rate of attrition	20.80%	28.7%
Average age of members	33.81	33.37
Mortality (IALM (2006-2008) Ultimate)		


NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
Sensitivity Analysis

Impact on change in assumptions on liability

(₹ in crores)

Particulars	31 st March, 2022	31 st March, 2021
Discount rate		
- 1% increase	1.38	1.34
- 1% decrease	1.56	1.52
Salary growth rate		
- 1% increase	1.56	1.51
- 1% decrease	1.38	1.34
Attrition rate		
- increase of 1% of attrition rate	1.45	1.41
- decrease of 1% of attrition rate	1.47	1.43
Mortality rate		
- increase of 10% of mortality rate	1.46	1.42

Effect on future cash flows

The weighted average duration of the defined benefit obligation is 4.66 Years

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 st March, 2022	31 st March, 2021
Less than 1 year	0.23	0.21
Between 2 - 5 years	0.55	0.50
Between 6 - 10 years	0.44	0.51
Over 10 years	1.19	1.05

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

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

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

Risk exposure

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

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

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

Significant Estimates

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(₹ in crores)

	As at 31 st March, 2022	As at 31 st March, 2021
40. Contingent liabilities		
i) Claims against Company not acknowledged as Debts, being demands from Commissionerate of Central Excise on availing Input Credit of Service Tax. Based on the advise of its legal counsels and interpretation of the relevant regulations governing the levy of Excise Duty, the Company is of the opinion that the issues raised in the demand notice are unlikely to be sustained. Accordingly no provision has been made for such demands. During the year the Company has paid the tax amount under Sabka Vishwas Scheme.	0.52	0.52
ii) Guarantees given by Banks and Counter Guaranteed by the Company	-	-
ii) On account of Letters of Credit issued by Bankers on behalf of the Company	7.55	1.03

41. Segment Information

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

42. Financial ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance
Current ratio (in times)	Total Current Assets	Total Current Liabilities	1.64	1.73	-5.45%
Debt-equity ratio (in times)	Total Debt	Total Equity	0.56	0.58	-3.44%
Debt service coverage ratio (in times)	Earnings available for Debt Service	Debt Service	1.37	(0.63)	-318.04%
Return on equity ratio (in %)	Profit for the Year	Total Equity	-1.11%	-14.83%	-92.49%
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	2.92	1.01	189.94%
Trade receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivables	1.49	0.89	67.38%
Trade payables turnover ratio (in times)	Credit Purchases	Average Trade Payables	2.40	1.26	90.55%
Net capital turnover ratio (in times)	Revenue from Operations	Average Working Capital	2.62	1.62	62.16%
Net profit ratio (in %)	Profit for the Year	Revenue from Operations	-0.65%	-14.42%	-95.46%
Return on capital employed (in %)	Profit before Tax & Finance Costs	Capital Employed = Networth + Lease Liabilities + Deferred Tax Liabilities	4.86%	-12.48%	-138.93%
Return on investment (in %)	Income generated from invested funds	Average Invested Funds	3.62%	4.50%	-19.53%

43. Covid-19 Impact

The spread of COVID-19 is having an unprecedented impact on people and economy. This has impacted our operations and results in the first quarter for the year ended 31st March, 2022. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. and we continue to monitor changes in future economic conditions.


NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
44. Other Statutory Information

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

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

sd/-
V. Rajeswaran
Partner
Membership No.020881

Chennai, 18th May, 2022

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

sd/-
M.Thiyagarajan
Chief Financial Officer

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

sd/-
E.Elamugilan
Company Secretary



INDIAN
TERRAIN