ITFL/SEC/2018-19/OCT/01

08th October, 2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400051.

Scrip Code - 533329

NSE Symbol: INDTERRAIN

Dear Sir/Madam,

Sub.: Submission of Annual Report for the Financial Year 2017-18

Ref.: Regulation 34 of SEBI (LODR) Regulations, 2015.

With reference to the above, please find the enclosed Annual Report for the financial year 2017-18 submitted pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, which was duly approved and adopted by the members at the 9th annual general meeting of the Company held on 25th September, 2018.

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

Thanking you

Yours faithfully,

For **INDIAN TERRAIN FASHIONS LIMITED**

INDIAN TERRAIN FASHIONS LTD. CHENNAI 600 100

Ravi B.S.G
Company Secretary & Compliance Officer

Encl: a/a



INDIAN TERRAIN

ANNUAL REPORT
2017-18



NOTE FROM THE CHAIRMAN

Dear Shareholders,

The past year has been an exciting and eventful one for the Indian Economy and closer home to the retail & apparel industry with the economy emerging from effects of the Demonetisation and the introduction of the game changing tax reform, the Goods & Services Tax (GST).

India's macro economic indicators continue to remain strong as ever and the consumption economy is on the rebound. However, there is a visible change in consumption patterns - what with a young, energetic, technology savvy consumer is emerging and who will shape the nature of consumption in the decade to come.

India lives in its villages it was once said. This is changing rapidly as India urbanises with more young men and women getting added to the workforce that will drive the nature of clothing consumption for years to come. Those who have a strong sense of pride in who they are and where they belong and whose need for smart casual style of dressing will only increase.

As one of India's leading apparel brands for men and now boys in the Smart Casuals, Indian Terrain is well poised to take advantage of this emerging consumer trend. The past two years of strong growth have created a base for the future.

However, as I look into the horizon it is clear to me that what brought us here in terms of business models, channels and strategies will not necessarily take us there. We must see what we need to question and what we need to change. Even as we have grown rapidly with stores, department stores and other forms of retail we haven't been able to fully leverage the same to reflect in a stronger balance sheet as should have been. This strategy is being reworked to recognize the change in the landscape of retail, the emergence of E Commerce as a dominant channel here to stay and the constant value perception being sought by the consumer.

I am aware that the strengths and the brilliant future I see for the brand as its founder and chairman, may not as easily shine through and reflect themselves to all of you, in a year where some of the metrics for the evaluation of the state of your brand, may not be coming through as clearly as it should.

This was also a year when we had to change to a new standard of accounting for reporting, which had led to a changes to recognition and restatement of revenues in a different manner. It has more truly and contemporaneously reflects the state of our business which has now shifted over the past couple of years to a more retail centric model.

I am also aware that the continuation of the share pledge despite the strong fundamentals of the company does concern many of you. I wish to dispel any concerns that you may have. The prevailing banking environment as you are all well aware is extremely challenged and under these circumstances the banks have sought time for the same. I have taken this up most strongly and am confident of a resolution to the same at the earliest.

You, our shareholders are the bedrock on which, we have been able to build such a strong brand and company. As your Chairman I want to dispel any notion of concern you may have had and assure you that even as we build a strong vibrant brand we will build a stronger, model company.

The coming year will be one of consolidation, one of strengthening every facet of our business and preparing a stronger business model for the next phase of growth which will be in hinterland India, will be driven by E Commerce and Technology and which will be built on innovation and agility in supply chain.

Lastly a word for the passionate people I am surrounded by in Indian Terrain. From the sales staff at our stores to the leaders of our company I am indeed proud of the deeply passionate, energized and committed 'Terrainers" whose only motto daily is to serve our customers and make this the brand of choice for our community. I salute them and am privileged to be leading such a team.

I am indeed very excited about the future of the brand and the company based on where we are positioned today and where our country is going over the next decade.

I am delighted to have you all along with me on this exciting journey and hope the report of your company's road travelled is interesting and reassuring to each one of you and my placing the explanation for the common fears that may be lurking in the minds helps you all see the way ahead truly through our eyes and see it shining as bright as we do.

Thanking you all for your invaluable trust and belief in us as a brand.



Venky Rajgopal
Chairman & Managing Director

Contents	Page No
Notice of the AGM	4
Board's Report	12
Secretarial Audit Report	23
Management Discussion and Analysis	26
Corporate Governance report	32
Independent Auditors' Report	39
Financial Statements	42

Board of Directors

Mr. Venkatesh Rajagopal	Chairman & Managing Director
Mrs. Rama Rajagopal	Whole time Director
Mr. N.K. Ranganath	Independent Director
Mr. P.S. Raman	Independent Director
Mr. Harsh Bahadur	Independent Director
Mr. Manoj Mohanka	Independent Director
Mr. Kalpathi S.Suresh (Appointed w.e.f 28th May, 2018)	Independent Director
Mr. Charath Ram Narsimhan (Appointed w.e.f 08th Aug, 2018)	Additional Director

Audit Committee

Mr. N.K. Ranganath	Chairman
Mr. Venkatesh Rajagopal	Member
Mr. P.S. Raman	Member
Mr. Harsh Bahadur	Member
Mr. Manoj Mohanka	Member

Stakeholders Relationship Committee

Mr. N.K. Ranganath	Chairman
Mr. Venkatesh Rajagopal	Member
Mr. P.S. Raman	Member

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

Mrs. Rama Rajagopal	Chairperson
Mr. Venkatesh Rajagopal	Member
Mr. N.K. Ranganath	Member

Chief Executive Officer

Mr. Charath Ram Narsimhan

Chief Financial Officer

Mrs. L. Visalakshi

Company Secretary & Compliance Officer

Mr. Ravi B.S.G

Statutory Auditors

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

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

Internal Auditors

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

Banker

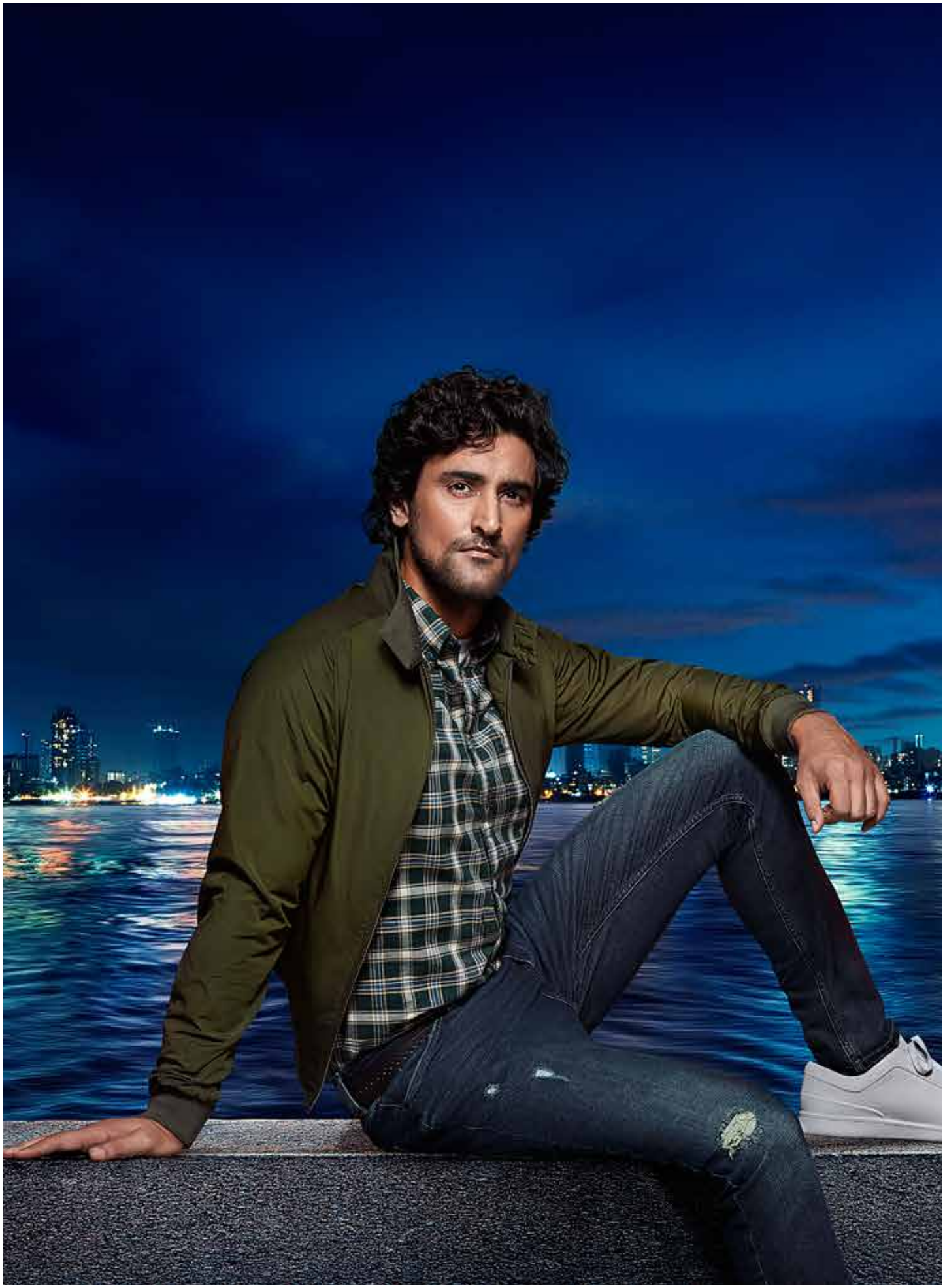
State Bank of India, Overseas Branch, Chennai - 600001

Registered Office

No. 208, Velachery Tambaram Road, Narayanapuram,
Pallikaranai, Chennai - 600100
CIN : L18101TN2009PLC073017

Registrar and Transfer Agent

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





NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 9th Annual General Meeting of Indian Terrain Fashions Limited will be held on Tuesday, 25th September, 2018 at 11.30 a.m. at SDF IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600045 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, 2018 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 consider and approve the appointment of **Mr. Kalpathi Subramanian Suresh** as an Independent Director of the Company and for the purpose to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152, read with Schedule IV of the Companies Act, 2013 (the "Act"), the rules made thereunder and Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Kalpathi Subramanian Suresh, (DIN: 00526480) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28th May, 2018 who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 05 (five) consecutive years with effect from 28th May, 2018 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and Mr. Ravi B.S.G, 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 consider and approve the appointment of **Mr. Charath Ram Narsimhan** as Director of the Company, and for the purpose to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 161 of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Charath Ram Narsimhan (DIN: 06497859) who was appointed as an additional Director of the Company by the Board of Directors with effect from 08th August, 2018 who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.

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

5. To consider and approve the appointment of **Mr. Venkatesh Rajagopal** as Executive Chairman and Whole time Director of the Company, and for the purpose to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the Company, as approved by the Board of Directors, the approval of the members be and is hereby accorded for appointment of Mr. Venkatesh Rajagopal (DIN: 00003625) as Executive Chairman and Whole time Director of the Company for a period of 05 (five) years with effect from 08th August, 2018 as per the terms and conditions including remuneration set out in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT the members of the Company be and hereby authorise the Board of Directors/ Nomination and Remuneration Committee, to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors/ Nomination and Remuneration Committee may consider appropriate and permitted or authorized as per the provisions the Act for the time being in force including any statutory modification(s) or re-enactment thereof.

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

RESOLVED FURTHER THAT the Board of Directors of the Company and Mr. Ravi B.S.G, 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."

6. To consider and approve the appointment of **Mr. Charath Ram Narsimhan** as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company, and for the purpose to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Articles of Association of the Company as approved by the Board of Directors, the approval of the members be and is hereby accorded for appointment of Mr. Charath Ram Narsimhan (DIN: 06497859) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company for a period of 05 (five) years with effect from 08th August, 2018 as per the terms and conditions including remuneration set out in the explanatory statement annexed to this notice and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the members of the Company be and hereby authorise the Board of Directors/ Nomination and Remuneration Committee, to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors/ Nomination and Remuneration Committee may consider appropriate and permitted or authorized as per the provisions the Act for the time being in force including any statutory modification(s) or re-enactment thereof.

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

RESOLVED FURTHER THAT the Board of Directors of the Company and Mr. Ravi B.S.G, 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."

7. To consider and approve the re-appointment of **Mr. Nugahalli Krishna Ranganath** as an Independent Director of the Company and for the purpose to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nugahalli Krishna Ranganath (DIN: 00004044), who holds office as an Independent Director upto 31st March, 2019 being eligible for re-appointment and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 05 (five) consecutive years with effect from 01stApril, 2019 and shall not be liable to retire by rotation."

8. To consider and approve the re-appointment of **Mr. Manoj Mohanka** as an Independent Director of the Company and for the purpose to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manoj Mohanka (DIN: 00128593), who holds office as an Independent Director upto 31st March, 2019 being eligible for re-appointment and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 05 (five) consecutive years with effect from 01st April, 2019 and shall not be liable to retire by rotation."

9. To consider and approve the re-appointment of **Mr. Harsh Bahadur** as an Independent Director of the Company and for the purpose to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Harsh Bahadur (DIN: 00724826), who holds office as an Independent Director upto 31st March, 2019 being eligible for re-appointment and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 05 (five) consecutive years with effect from 01st April, 2019 and shall not be liable to retire by rotation."

10. To consider and approve the re-appointment of **Mr. Pattabi Sundar Raman** as an Independent Director of the Company and for the purpose to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pattabi Sundar Raman (DIN: 00003606), who holds office as an Independent Director upto 31st March, 2019 being eligible for re-appointment and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company to hold office for another term of 05 (five) consecutive years with effect from 01st April, 2019 and shall not be liable to retire by rotation."

By Order of the Board
for INDIAN TERRAIN FASHIONS LIMITED

sd/-
Ravi B.S.G
Company Secretary

Date: 08th August, 2018
Place: Chennai

NOTES:

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

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

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

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

4. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business as set out in the notice is annexed hereto.

5. A member would be entitled to inspect the proxies lodged during the business hours of the Company during the period 24 (twenty four) hours before the time fixed for the commencement of AGM and until the conclusion of the AGM by giving not less than 3 (three) days notice in writing to the Company.

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

7. The Register of Members and the Share Transfer books of the Company will remain closed from 15th September, 2018 to 25th September, 2018 (both days inclusive).

8. Members are requested to notify change in email ID, if any, in case of shares held in Electronic form to the concerned Depository Participant by quoting their ID No. and in case of members holding shares in physical mode are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, Viz. Linkintime India Private Ltd, C 101, 247 Park, L.B.S. Marg, Vikroli (west) Mumbai – 400083.

9. Members are requested to contact the Company's Registrar & Share Transfer Agents, Link intime India Private Ltd for reply to their queries/redressal of complaints, if any, or contact Mr. Ravi B.S.G Company Secretary & Compliance Officer of the Company through exclusive Email ID : response.itfl@indianterrain.com

10. Queries on the accounts and operation of the Company, if any, may please be sent to SDF-IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600045 (marked to the attention of CS/CFO) at least 7 (seven) days prior to the date of AGM.

11. In accordance with the provision of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) as amended, 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 serial no.19. The cut-off date for determining the eligibility to vote by electronic means or by ballot at the general meeting shall be 14th September, 2018.

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 not be available at the AGM. Members who have cast their vote by remote e-voting may attend the AGM, but shall not be able to vote 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 poll and members attending the AGM who have not casted their votes already by remote-voting shall be eligible to exercise their right at 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. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the members at the AGM.

15. A route map showing directions to reach the venue of the 9th Annual General Meeting is given along with this notice.

16. **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 21.04.2011 and Circular No.18/2011, dated 29.04.2011 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 The Annual report of the Company can be accessed under Annual Report section of Investor information page in website of the Company www.indianterrain.com.

    Electronic copy of the Notice of the 9th AGM and Annual Report for the financial year 2017-18 of the Company inter alia indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes.

    For members who have not registered their email address, physical copies of the Notice of the AGM and Annual Report for the financial year 2017-18 inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the eligible members of the Company to their registered address.

17. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all shareholders. All members holding shares in demat and physical form are therefore requested to submit their PAN and Bank Account details to Link Intime India Private Limited (RTA) by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque.

18. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f 05th December, 2018. In view of the above and to avail various benefits of dematerialization, members are kindly advised to dematerialize the shares held by them in physical form by sending request to Link Intime India Private Limited (RTA).

19. **E-Voting:**

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

    The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rule, 2014, Regulation 44 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and SS-2.

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

(i) The voting period begins on 20th September, 2018 at 9.00 A.M. and ends on 24th September, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders/Members.

(v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date or Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • 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)

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant Company Name on which you choose to vote. i.e., INDIAN TERRAIN FASHIONS LIMITED

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Custodian/Corporate shareholder.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 14th September, 2018 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14th September, 2018.

21. The Board of Directors has appointed M/s. BP & Associates, Practicing Company Secretary, New No.74 (old No.62) Akshaya Flats, 3rd Floor, 12th Avenue, Ashok Nagar, Chennai-83 as the Scrutinizer for conducting the e-voting and poll in a fair and transparent manner.

22. The Scrutinizer 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 Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

23. The Results shall be declared by the Chairman or by any person authorized by him in this regard on or before 27th September, 2018. The result along with the Scrutinizer'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.

24. The item related to ratification for appointment of Statutory Auditors by members at the Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors, who were appointed in the Annual General Meeting held on 25th September, 2017.

25. All documents referred to in the accompanying Notice shall be open for inspection at SDF-IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600045 during normal business hours (9.30 am to 5.00 pm) on all working days except Saturdays & Sundays, and including the date of the Annual General Meeting of the Company.

By Order of the Board
for INDIAN TERRAIN FASHIONS LIMITED

sd/-
Ravi B.S.G
Company Secretary

Date: 08th August, 2018
Place: Chennai

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

Annexed to the Notice calling the 9th Annual General Meeting scheduled to be held on Tuesday, 25th September, 2018

Item No.2

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

S. No.	CATEGORY	PARTICULARS
1.	Name of the Director	Mrs. Rama Rajagopal (DIN: 00003565)
2.	Age	63 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	29th September, 2009
7.	Terms and conditions Re-appointment	Re-appointed for 3 (three) years with effect from 1st October, 2016.
8.	Revised Remuneration sought to be paid	NIL
9.	Remuneration for FY 2017-18	₹ 42.00 lakhs
10.	Shareholding in this Company	62,02,930 equity shares (16.35%)
11.	Relationship	Relationship with directors • Spouse of Mr. Venkatesh Rajagopal Relationship with Manager • NA Relationship with Key Managerial Personnel • NIL
12.	No of Board meetings attended and held during the year	3/5 meetings
13.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
14.	Chairpersonship/ Membership in committees of other Entities	**Celebrity Fashions Limited** • Chairperson - Corporate Social Responsibility Committee

Item No.3

Mr. Kalpathi Subramanian Suresh, (DIN: 00526480) was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors on and with effect from 28th May, 2018 pursuant to the provisions of Section 149, 161, Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV of Companies Act, 2013 and other application provisions (including any modification or re-enactment thereof), if any, read with Reg.16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who holds office upto the date of this Annual General Meeting.

The Company has received from Mr. Kalpathi Subramanian Suresh (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Kalpathi Subramanian Suresh fulfills the conditions specified in the Act and the Listing Regulations for such appointment and he is independent of the Management. He does not hold any shares in the Company in his individual capacity or on a beneficial basis for any other person.

A copy of the draft letter of appointment of Mr. Kalpathi Subramanian Suresh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate office of the Company during normal business hours on any working day up to the date of this AGM.

The resolution seeks the approval of the shareholders for the appointment of Mr. Kalpathi Subramanian Suresh as an Independent Director of the Company to hold office for a period of a period of 05 (five) years with effective from 28th May, 2018 and shall not be liable to retire by rotation.

Except Mr. Kalpathi Subramanian Suresh, being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board recommends passing of the Resolution at Item No. 3 of the Notice as an Ordinary Resolution.

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

S. No.	CATEGORY	PARTICULARS
1.	Name of Director	Mr. Kalpathi Subramanian Suresh, (DIN: 00526480)
2.	Age	53 Years
3.	Nationality	Indian
4.	Brief Profile	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. He 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), 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, he 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.
5.	Date of first appointment to the Board	28th May, 2018
6.	Terms and conditions of appointment	Appointment as Independent Director for a period of 5 (five) years w.e.f. 28th May, 2018
7.	Remuneration for FY 2017-18	NA
8.	Remuneration proposed to be paid.	Sitting Fees to be paid for attending meetings of the Board and Committees
9.	Shareholding in the Company	Nil
10.	Relationship	Not related to any Director / Key Managerial Personnel
11.	No of Board meetings attended and held during the year	NA
12.	Name(s) of other entities in which holding of directorship	a) Kodai Valley Orchards Private Limited b) Grasslands Agro Private Limited c) Bell Agro Farms Private Limited d) Aditi Dairy And Agro Farms Private Limited e) Tuticorin Energy Private Limited f) Kalpathi Investments Private Limited g) AGS Cinemas Private Limited h) AGS Entertainment Private Limited
13.	Chairpersonship/ Membership in committees of other Entities	Nil

Item No. 4 & 6 of the Notice:

Mr. Charath Ram Narsimhan (DIN: 06497859) being the Chief Executive officer of the Company was appointed as an Additional Director of the Company as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors on and with effect from 08th August, 2018 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with rules thereunder who holds office upto the date of this AGM but is eligible for appointment as a Director subject to the approval of the members of the Company.

Further the Board was extremely pleased at the manner in which Mr. Charath Ram Narsimhan has led this Company till date and unanimously decided to elevate Mr. Charath Ram Narsimhan as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company for the period of 05 (five) consecutive years with effect from 08th August, 2018 subject to the approval of the members of the Company.

The terms and conditions of his appointment are detailed below.

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

The Board of directors/Nomination and Remuneration Committee of the Company be authorized to alter or vary the remuneration and perquisites of Mr. Charath Ram Narsimhan at its discretion deem fit from time to time, so as not to exceed the limit specified in Sections 197 of the Companies Act, 2013 ("Act") read with Schedule V of the Act and the Rules made thereunder, and other applicable provisions, if any, (Including any statutory modification or re-enactment thereof for the time being in force).

Pursuant to provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the above said terms require approval of shareholders of the Company in the general meeting by way of ordinary resolution. Accordingly, the resolutions set out at item no. 4 & 6 of the notice are recommended to be passed as an ordinary resolution.

Except Mr. Charath Ram Narsimhan being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 & 6.

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

S. No.	CATEGORY	PARTICULARS
1	Name of Director	Mr. Charath Ram Narsimhan (DIN: 06497859)
2	Age	46 years
3	Nationality	Indian
4	Brief Profile	Mr. Charath Ram Narsimhan holds a B.Tech. degree from IIT and PGDBM (Finance) from IIM – Lucknow. Having over two decades of rich experience in garment industries, his expertise area includes Managerial, Financial, Commercial, Systems and Administration.
5	Date of first appointment to the Board	08th August, 2018
6	Terms and conditions of appointment	Appointment as Managing Director and Chief Executive Officer (KMP) for the period of 5 (five) years with effect from 08th August, 2018.
7	Remuneration for FY 2017-18	₹ 84.68 lakhs (As CEO)
8	Remuneration proposed to be paid	Salary (Fixed Pay) : ₹ 4,00,000/- per month Commission on variable basis : In addition to the above, he shall be entitled to receive 1% of Net profits (as per Section 198 of the Act) for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act
9	Shareholding in this company	16,82,332 equity shares (4.34%)
10	Relationship	Not related to any Director / Key Managerial Personnel
11	No of Board meetings attended and held during the year	5/5 meetings (As CEO)
12	Name(s) of other entities in which holding of directorship	NIL
13	Chairpersonship/ Membership in committees of other Entities	Nil

Item No.5

Mr. Venkatesh Rajagopal (DIN: 00003625) was re-appointed as Managing Director of the Company with a remuneration of ₹ 3,50,000/- per month for a period of 5 (five) years with effect from 01st October, 2015 to 30th September, 2020 by the Board of Directors of the Company at their meeting held on 11th August, 2015 and subsequently approved by the Shareholders at the Annual general meeting held on 25th September, 2015.

Further, the Board of directors at their meeting held on 12th November, 2016 had approved the revision in remuneration payable to Mr. Venkatesh Rajagopal, Chairman and Managing Director of the Company as recommended by the Nomination and Remuneration Committee, with a remuneration of ₹ 6,00,000/- Per month and in addition to the salary, he was entitled to receive 2% of Net profits for every financial year as Commission on variable basis and such that the total remuneration including variable commission shall not exceed the maximum of 5% of Net profits as per the provisions of the Act.

To re-align the Management, Mr. Venkatesh Rajagopal has decided to step down from the position of Managing Director (KMP) of the Company and continue as Executive Chairman and Whole Time Director of the Company. The Board of directors at their meeting held on 08th August, 2018 has approved the change in designation of Mr. Venkatesh Rajagopal as Executive Chairman and Whole Time Director with effect from 08th August, 2018 for the period of 05 (five) years subject to approval of the members of the Company.

The terms and conditions of his appointment are detailed below.

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

The Board of directors/Nomination and Remuneration Committee of the Company be authorized to alter or vary the remuneration and perquisites of Mr. Charath Ram Narsimhan at its discretion deem fit from time to time, so as not to exceed the limit specified in Sections 197 of the Companies Act, 2013 ("Act") read with Schedule V of the Act and the rules made thereunder, and other applicable provisions, if any, (Including any statutory modification or re-enactment thereof for the time being in force)

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

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions at Item No.5 of the Notice except Mr. Venkatesh Rajagopal being the appointee and Mrs. Rama Rajagopal and their relatives.

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

S. No.	CATEGORY	PARTICULARS
1.	Name of the Director	Mr. Venkatesh Rajagopal (DIN: 00003625)
2.	Age	61 Years
3.	Nationality	Indian
4.	Qualification	B.A. Honors in Economics from Sri Ram College of Commerce, New Delhi and M.A from Bangalore University.
5.	Expertise in specific functional areas	Managerial, Financial, Marketing and Administration
6.	Date of first appointment to the Board	29th September, 2009
7.	Terms and conditions of appointment	Appointment as Executive Chairman and Whole Time Director for the period of 5 (five) years w.e.f. 08th August, 2018
8.	Remuneration proposed to be paid	Salary (Fixed Pay) : ₹ 6,00,000/- Per month Commission on variable basis : In addition to the above, he shall be entitled to receive 2% of Net profits (as per Section 198 of the Act) for every financial year on Commission basis all together subject to a maximum of 5% of Net profits as per the provisions of the Act.
9.	Remuneration for FY 2017-18	₹ 150.00 lakhs
10.	Shareholding in this Company	47,47,115 equity shares (12.51%)
11.	Relationship	Relationship with directors • Spouse of Mrs. Rama Rajagopal Relationship with Manager • NA Relationship with Key Managerial Personnel • NIL
12.	No of Board meetings attended and held during the year	5/5 meetings
13.	Name(s) of other entities in which holding of directorship	Celebrity Fashions Limited
14.	Chairpersonship/ Membership in committees of other Entities	**Celebrity Fashions Limited** • Member - Corporate Social Responsibility Committee

Item No.7

Mr. Nugahalli Krishna Ranganath (DIN: 00004044) was appointed as an Independent Directors of the Company for a period of 5 (five) years and his tenure ends on 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of special resolution by the Company for another term of 05 (five) consecutive years on the Board.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Nugahalli Krishna Ranganath, the Nomination and Remuneration Committee of the Board has recommended his re-appointment as Independent Director of the Board for a second term of 05 (five) consecutive years upto 31st March, 2024.

The Board based on the performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Nugahalli Krishna Ranganath, as the Independent Director of the Company for an another term of 05 (five) consecutive years on the Board with effect from 01st April, 2019 till 31st March, 2024 and shall not liable to retire by rotation.

Mr. Nugahalli Krishna Ranganath is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has given his consent in writing to act as an Independent Director of the Company.

The Company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and Listing Regulations and he is independent of the management.

A copy of the draft letter for appointment of Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate office of the Company during normal business hours on any working day upto the date of this AGM.

Except Mr. Nugahalli Krishna Ranganath, being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Board recommends passing of the Resolution at Item No. 7 of the Notice as a Special Resolution.

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

S. No.	CATEGORY	PARTICULARS
1.	Name of Director	Mr. Nugahalli Krishna Ranganath (DIN: 00004044)
2.	Age	62 Years
3.	Nationality	Indian
4.	Brief Profile	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 sales, marketing, finance, production and human resource disciplines
5.	Date of first appointment to the Board	20th September, 2010
6.	Terms and conditions of Re- appointment	Re-appointment for 5 (five) years w.e.f 01st April, 2019
7.	Remuneration for FY 2017-18	Sitting Fees of ₹ 4.10 lakhs paid for attending meeting of the Board and Committees
8.	Remuneration proposed to be paid.	Sitting Fees to be paid for attending meetings of the Board and Committees.
9.	Shareholding in the Company	Nil
10.	Relationship	Not related to any Director / Key Managerial Personnel
11.	No of Board Meetings attended and held during the year	5/5 meetings
12.	Name(s) of other entities in which holding of directorship	a) Celebrity Fashions Limited b) Grundfos Pumps India Private Limited c) L&T Valves Limited d) Cura Healthcare Private Limited
13.	Chairpersonship/ Membership in committees of other Entities	Celebrity Fashions Limited • Chairman - Audit Committee - Nomination and Remuneration Committee - Stakeholders relationship Committee • Member - Corporate Social Responsibility Committee

Item No.8

Mr. Manoj Mohanka (DIN: 00128593) was appointed as Independent Director of the Company for a period of 5 (five) years and his tenure ends on 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of special resolution by the Company for another term of 05 (five) consecutive years on the Board.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Manoj Mohanka, the Nomination and Remuneration Committee of the Board has recommended his re-appointment as Independent Director of the Board for a second term of 05 (five)consecutive years upto 31st March, 2024.

The Board based on the performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Manoj Mohanka, as the Independent Director of the Company for an another term of 05 (five) consecutive years on the Board with effect from 01st April, 2019 till 31st March, 2024 and shall not liable to retire by rotation.

Mr. Manoj Mohanka is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has given his consent in writing to act as an Independent Director of the Company.

The Company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and Listing Regulations and he is independent of the management.

A copy of the draft letter for appointment of Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate office of the Company during normal business hours on any working day upto the date of this AGM.

Except Mr. Manoj Mohanka, being the appointee, none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board recommends passing of the Resolution at Item No. 8 of the Notice as a Special Resolution.

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

S. No.	CATEGORY	PARTICULARS
1.	Name of Director	Mr. Manoj Mohanka (DIN: 00128593)
2.	Age	55 Years
3.	Nationality	Indian
4.	Brief Profile	Mr. Manoj Mohanka holds a Master Degree in Strategic Marketing from National University of Ireland, Chevening Scholar from London School of Economics. He has more than 24 years of experience in Business Management and he has 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, Board of Governers of Eastern Institute of Management, Young Presidents Organization, Kolkata. He is also a guest Lecturer at Indian Institute of Technology (IIT) at Kharagpur.
5.	Date of first appointment to the Board	13th December, 2011
6.	Terms and Conditions of re-appointment	Re-appointment for 5 (five) years w.e.f. 01st April, 2019
7.	Remuneration for FY 2017-18	Sitting Fees of ₹ 3.30 lakhs paid for attending meetings of the Board and Committees
8.	Remuneration proposed to be paid.	Sitting Fees to be paid for attending meetings of the Board and Committees.
9.	Shareholding in this company	Nil
10.	Relationship	Not related to any Director / Key Managerial Personnel
11.	No of Board Meetings attended and held during the year	4/5 meetings
12.	Name(s) of other entities in which holding of directorship	a) India Carbon Limited b) 3D Technopack Private Limited c) Titagarh Wagons Limited d) Voylla Fashions Private Limited e) Charismatic Media Investment Private Limited f) Artevea Digital India Private Limited g) ATI Freight Private Limited
13.	Chairpersonship/ Membership in committees of other Entities	India Carbon Limited • Member - Audit Committee - Nomination and Remuneration Committee Titagarh Wagons Limited • Chairman - Stakeholders relationship Committee • Member - Audit Committee - Nomination and Remuneration Committee

Item No.9

Mr. Harsh Bahadur (DIN: 00724826) was appointed as Independent Director of the Company for a period of 5 (five) years and his tenure ends on 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of special resolution by the Company for another term of 05 (five) consecutive years on the Board.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Harsh Bahadur the Nomination and Remuneration Committee of the Board has recommended his re-appointment as Independent Director of the Board for a second term of 05 (five)consecutive years upto 31st March, 2024.

The Board based on the performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Harsh Bahadur, as the Independent Director of the Company for an another term of 05 (five) consecutive years on the Board with effect from 01st April, 2019 till 31st March, 2024 and shall not liable to retire by rotation.

Mr. Harsh Bahadur is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has given his consent in writing to act as an Independent Director of the Company.

The Company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and Listing Regulations and he is independent of the management.

A copy of the draft letter for appointment of Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate office of the Company during normal business hours on any working day upto the date of this AGM.

Except Mr. Harsh Bahadur, being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

The Board recommends passing of the Resolution at Item No. 9 of the Notice as a Special Resolution.

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

S. No.	CATEGORY	PARTICULARS
1.	Name of Director	Mr. Harsh Bahadur (DIN: 00724826)
2.	Age	63 Years
3.	Nationality	Indian
4.	Brief Profile	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 34 years of rich experience in retail, branded FMCG and Music, Sportswear, Business services and jewelry industries. He is also an senior advisor at PricewaterhouseCoopers (PWC). Mr. Harsh Bahadur also advises Private Equity Funds and has evaluated Companies in the automobile servicing, branded food and e-commerce sectors.

5.	Date of first appointment to the Board	27th June, 2011
6.	Terms and conditions of re-appointment	Re-appointment for 5 (five) years w.e.f 01st April, 2019
7.	Remuneration for FY 2017-18	Sitting Fees of ₹ 1.90 lakhs paid for attending meetings of the Board and Committees
8.	Remuneration proposed to be paid.	Sitting Fees to be paid for attending meetings of the Board and Committees.
9.	Shareholding in this company	Nil
10.	Relationship	Not related to any Director / Key Managerial Personnel
11.	No of Board meetings attended and held during the year	2/5 meetings
12.	Name(s) of other entities in which holding of directorship	Vaibhav Global Limited
13.	Chairpersonship/ Membership in committees of other Entities	Vaibhav Global Limited • Member - Audit Committee - Nomination and Remuneration Committee - Stakeholders relationship Committee • Member - Corporate Social Responsibility Committee

Item No.10

Mr. Pattabi Sundar Raman (DIN: 00003606) was appointed as Independent Director of the Company for a period of 5 (five) years and his tenure ends on 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of special resolution by the Company for another term of 05 (five) consecutive years on the Board.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Pattabi Sundar Raman the Nomination and Remuneration Committee of the Board has recommended his re-appointment as Independent Director of the Board for a second term of 05 (five)consecutive years upto 31st March, 2024.

The Board based on the performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Pattabi Sundar Raman, as the Independent Director of the Company for an another term of 05 (five) consecutive years on the Board with effect from 01st April, 2019 till 31st March, 2024 and shall not liable to retire by rotation.

Mr. Pattabi Sundar Raman is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has given his consent in writing to act as an Independent Director of the Company.

The Company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and Listing Regulations and he is independent of the management.

A copy of the draft letter for appointment of Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate office of the Company during normal business hours on any working day upto the date of this AGM.

Except Mr. Pattabi Sundar Raman, being the appointee, none of the Director or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

The Board recommends passing of the Resolution at Item No. 10 of the Notice as a Special Resolution.

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

S. No.	CATEGORY	PARTICULARS
1.	Name of Director	Mr. Pattabi Sundar Raman (DIN: 00003606)
2.	Age	57 Years
3.	Nationality	Indian
4.	Brief Profile	Mr. P.S. Raman holds a bachelor degree in Commerce and Law. He is a Senior Advocate with more than two decades of experience at Madras High Court and in the Supreme Court. During the years of practice, he has gained immense experience and expertise in the field of law.
5.	Date of first appointment to the Board	20th November, 2010
6.	Terms and Conditions of Re- appointment	Re-appointment for 5 (five) years w.e.f 01st April, 2019
7.	Remuneration for FY 2017-18	Sitting Fees of ₹ 1.75 akhs paid for attending meetings of the Board and Committees.
8.	Remuneration proposed to be paid.	Sitting Fees to be paid for attending meetings of the Board and Committees.
9.	Shareholding in this company	Nil
10.	Relationship	Not related to any Director / Key Managerial Personnel
11.	No of Board Meetings attended and held during the year	2/5 meetings
12.	Name(s) of other entities in which holding of directorship	a) Celebrity Fashions Limited b) Sundaram Brake Linings Limited
13.	Chairpersonship/ Membership in committees of other Entities	Celebrity Fashions Limited • Member - Audit Committee - Nomination and Remuneration Committee Sundaram Brake Linings Limited • Member - Audit Committee

By Order of the Board
for INDIAN TERRAIN FASHIONS LIMITED

sd/-
Ravi B.S.G
Company Secretary

Date: 08th August, 2018
Place: Chennai

BOARD'S REPORT

Dear Shareholders,

The Directors hereby present the 9th Annual Report of the Company together with the Audited Financial statements of the Company for the financial year ended 31st March, 2018.

OVERVIEW OF FINANCIAL PERFORMANCE

The Company recorded a growth in revenues of 23.18% in FY 2018. The revenues for the year stood at ₹ 401.45 Crores as against ₹ 325.91 Crores in the previous year. The operating margins excluding the one-time impact of compensation for increase in GST was at 12.35% against 12.28% in the previous year. The Gross EBITDA margins including the impact on GST and other income was at 12.54% against 13.91%. The profit before taxes for the year was up by 17.60% and stood at ₹ 39.10 Crores and net profit after taxes was at ₹ 25.44 Crores which is up by 11.38% from previous year's net profits of ₹ 22.84 Crores. The total comprehensive income was at ₹ 25.19 Crores against ₹ 22.89 Crores in the previous year.

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

FINANCE AND ACCOUNTS

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

CHANGES TO SHARE CAPITAL

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

DIVIDEND

The Board of Directors with a view to conserve financial resources have not recommended any dividend for the financial year ended 31st March, 2018.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the reserves.

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, 2018 forms part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with the 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 accounts. The Company has framed a policy on Related Party Transactions and the same is available in the Company's website www.indianterrain.com.

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis which forms part of this report are set out separately along with the Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of 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. The Code of Conduct is available on the Company's website www.indianterrain.com. The Board of directors and senior management personnel have affirmed compliance with the Code of conduct as on 31st March, 2018.

As required under Regulation 34(3) and Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration from Mr. Venkatesh Rajagopal Chairman and Managing director to this effect is annexed to the report on corporate governance, which forms part of this annual report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of Companies Act 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower mechanism for the directors and employees to report concerns about unethical behavior, actual or suspected frauds or violation of the Company's code of conduct and ethics. 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 i.e., www.indianterrain.com.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31st March, 2018 there were no pending options to be vested or exercised.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

RE-APPOINTMENT OF WHOLE TIME DIRECTOR

Mrs. Rama Rajagopal (DIN: 00003565) was re-appointed as the Executive director of the Company by the Shareholders at the 7th Annual General Meeting of the Company held on 30th September, 2016 for a period of 3 years with effect from 1st October, 2016 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company at their meeting held on 1st August, 2016.

In accordance with the provision of Section 152 of the Companies Act 2013, Mrs. Rama Rajagopal retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. A brief resume, nature of expertise, disclosure of relationships between directors inter-se, details of directorships held in other Companies of the director proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 (SS-2) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the notice of the annual general meeting.

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

Mr. Kalpathi Subramanian Suresh (DIN: 00526480) was appointed as an Additional Director (Independent Director) of the Company by the Board of Directors with effect from 28th May, 2018 as recommended by the Nomination and Remuneration Committee who holds office upto the date of the ensuing annual general meeting subject to regularization by the shareholders of the Company.

KEY MANAGERIAL PERSONNEL

CHIEF FINANCIAL OFFICER

Mrs. L. Visalakshi was appointed by the Board of Directors as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 27th May, 2017 as recommended by the Audit Committee in accordance with Section 203 of Companies Act, 2013 in place of Mr. M. Thiyagarajan who resigned from the position with effect from 26th May, 2017.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Ravi B.S.G was appointed by the Board of directors as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 28th November, 2016 in accordance with Section 203 of Companies Act, 2013.

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.

EXTRACT OF ANNUAL RETURN

Pursuant to the Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, an extract of the Annual Return in the prescribed Form MGT-9 is annexed as ANNEXURE- III.

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

The Board of Directors met 05 (five) times during the financial year ended 31st March, 2018 i.e., on 8th April, 2017, 26th May, 2017, 8th September, 2017, 14th December, 2017 and 13th February, 2018. 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, 2018 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 Nomination and remuneration committee policy of the Company as stated hereunder:

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

The Policy inter alia provides for the following:

a) attract, recruit, and retain good and exceptional talent;

b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;

d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long term value creation for its stakeholders.

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

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 BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF 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, 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 is included in the Corporate Governance report forming part of this annual report.

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

Change in nature of business, if any: NIL

Name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: NIL

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 of the Board and to the Chairman 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, 2018, 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.

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 familiarization programme for the Independent Directors to familiarize 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 familiarization programme are explained in the Corporate Governance report and also available on the Company's website www.indianterrain.com.

AUDITORS

STATUTORY AUDITORS

M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, are the Joint Statutory Auditors of the Company.

The Statutory Auditors were appointed in the 8th Annual General Meeting of the Company to hold the office till the conclusion of the 10th Annual General Meeting subject to ratification of the shareholders at every Annual General Meeting. The item related to ratification for appointment of Statutory Auditors by members at this Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors, who were appointed in the Annual General meeting held on 25th September, 2017.

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, 2018 have been audited by M/s. Anil Nair & Associates, Chennai and M/s CNGSN & Associates LLP, Chennai. The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark on the financial Statements of the Company. The Independent Auditors' Report is enclosed with the financial statements in the annual report.

SECRETARIAL AUDITOR

Pursuant to the Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board of Directors had appointed M/s. BP & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/comments of the Board. The Secretarial Audit Report is annexed as ANNEXURE-IV forming part of this Annual Report.

INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of the Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) of the Companies Act 2013 and as recommended by the audit committee M/s. RVKS & Associates, Chartered Accountants, Chennai was re-appointed as the Internal Auditors of the Company for the financial year 2017-18.

The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each 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 work 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

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), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as ANNEXURE-I.

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

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

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

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

During the year ended 31st March, 2018, 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:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, 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;

b) 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;

c) 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;

d) the directors have prepared the annual accounts on a going concern basis.

e) 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.

f) 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 2017-18.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE

A. Conservation of Energy:

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

B. Technology absorption:

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

C. Foreign Exchange Earning and Outgo:

a. Total Foreign exchange earned : Nil

b. Total Foreign exchange outgo : ₹ 14.93 Crores

SECRETARIAL STANDARDS

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

PERSONNEL

The employee relations have been very cordial during the financial year ended 31st March, 2018. The Board wishes to place on record its appreciation to all its employees for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year. The management team of the Company comprises of young passionate driven professionals committed to achieve the organizational goals.

ACKNOWLEDGEMENT

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

For and on Behalf of the Board

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

Place: Chennai
Date: 28th May, 2018

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 2017-18:

Name of Directors	Designation	Ratio to median remuneration
Mr. Venkatesh Rajagopal	Chairman & Managing Director	71.43 : 1
Mrs. Rama Rajagopal	Whole Time Director	20.00 : 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 2017-18:

Name	Designation	% increase in remuneration in financial year 2017-18
Mr. Venkatesh Rajagopal	Chairman & Managing Director	12%
Mrs. Rama Rajagopal	Whole Time Director	Nil
Mrs. L. Visalakshi (Appointed w.e.f 28th May, 2017)	Chief Financial Officer	NA
Mr. M. Thiyagarajan (Resigned w.e.f 27th May, 2017)	Chief Financial Officer	NA
Mr. Ravi B.S.G (Appointed w.e.f 28th November, 2016)	Company Secretary & Compliance Officer	40%

c) Percentage increase in the median remuneration of employees in the financial year 2017-18: 12.5%

d) The number of permanent employees on the rolls of the company: 686 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 Managerial Personnel of the Company (i.e. Managing Director) increased by 12% and the average remuneration of the employees of the Company (other than Managerial Personnel) increased by 12%.

f) 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, 2018.

Name	Designation	Nature of Employment	Remuneration (₹ in Lakhs)	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of shares held by the Employee	Whether he is a Relative of a Director / Manager
Mr. Venkatesh Rajagopal	MD	Full Time	150.00	M.A., I.P.S, 40 years	1st Oct, 2010	61	Celebrity Fashions Limited	12.51%	Yes
Mr. Charath Ram Narsimhan	CEO	Full Time	84.68	B. Tech (IIT), PGDBM (IIM), 21 years	07th Nov 2005	45	Madura garments	4.43%	No
Mr. Amitabh Suri (Resigned with effect from 15th Dec, 2017)	COO	Full Time	82.73	PG (Apparel Marketing & Merchandising) - NIFT Chennai, 18 years	26th Mar, 2001	42	First employment with Indian Terrain	1.49%	No

For and on behalf of the Board

sd/-
Venkatesh Rajagopal
Chairman and Managing Director
(DIN: 00003625)

Date : 28th May, 2018
Place : Chennai

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, 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 raw materials, Washing charges, FOB sales and purchase of license scrips and lease rentals
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	13th November, 2014
7	Amount paid as advances, if any	NIL

For and on behalf of the Board

sd/-
Venkatesh Rajagopal
Chairman and Managing Director
(DIN: 00003625)

Date : 28th May, 2018
Place : Chennai

ANNEXURE-III TO BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	L18101TN2009PLC073017
ii.	Registration Date	:	29/09/2009
iii.	Name of the Company	:	INDIAN TERRAIN FASHIONS LIMITED
iv.	Category / Sub-Category of the Company	:	Company Limited by shares/ Non-Govt Company
v.	Address of the Registered office and contact details	:	208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai-600 100, Phone: 044 - 4227 9100 Fax: 044 - 2262 2897 e-mail: ravi.bsg@indianterrain.com Website: www.indianterrain.com
vi.	Whether listed Company	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (west), Mumbai-400 083 Phone No: 022 49186000 Fax No: 022 49186060 E-mail: pooja.mehta@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY
All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

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

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1)Indian									
a) Individual/HUF	11086100	0	11086100	29.22	11086100	0	11086100	29.22	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other ...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)	**11086100**	**0**	**11086100**	**29.22**	**11086100**	**0**	**11086100**	**29.22**	**0.00**
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**11086100**	**0**	**11086100**	**29.22**	**11086100**	**0**	**11086100**	**29.22**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	9571042	0	9571042	25.23	9345536	0	9345536	24.63	(0.60)
b) Banks/ FI	8059	0	8059	0.02	14329	0	14329	0.04	0.02
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs/FPI	2831000	-	2831000	7.46	3357554	-	3357554	8.85	1.39
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Alternate investment funds)	0	0	0	0	2545832	0	2545832	6.71	6.71
Sub-Total (B)(1)	**12410101**	**0**	**12410101**	**32.71**	**15263251**	**0**	**15263251**	**40.23**	**7.52**
(2) Non-institutions									
a) Bodies Corp.									
i) Indian	3792061	0	3792061	10.00	1716701	0	1716701	4.52	(5.47)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	4565352	1475	4566827	12.04	4418600	1475	4420075	11.65	(0.39)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	4109089	0	4109089	10.83	3598752	0	3598752	9.49	(1.34)
c) Others (specify)									
Hindu undivided Family	274913	0	274913	0.72	266519	0	266519	0.7	(0.02)
Foreign Companies	1245140	0	1245140	3.28	1245140	0	1245140	3.28	0
Non Resident Indians	251782	0	251782	0.66	295675	0	295675	0.78	0.12
Clearing Member	205287	0	205287	0.54	49087	0	49087	0.13	(0.41)
Sub-Total (B)(2)	**14443624**	**1475**	**14445099**	**38.07**	**11590474**	**1475**	**11591949**	**30.55**	**(7.52)**

Total Public Shareholding (B)= (B)(1)+(B)(2)	**26853725**	**1475**	**26855200**	**70.78**	**26853725**	**1475**	**26855200**	**70.78**	**0**
C. Shares held Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL (A)+(B)+(C)	**37939825**	**1475**	**37941300**	**100**	**37939825**	**1475**	**37941300**	**100**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Venkatesh Rajagopal	4747115	12.51	10.08	4747115	12.51	10.08	Nil
2	Rama Rajagopal	6202930	16.35	10.08	6202930	16.35	10.08	Nil
3	Vidyuth Rajagopal	134995	0.36	0.00	134995	0.36	0.00	Nil
4	Rajagopalan K.A	920	0.00	0.00	920	0.00	0.00	Nil
5	Anjali Rajagopal	140	0.00	0.00	140	0.00	0.00	Nil
	Total	**11086100**	**29.22**	**20.15**	**11086100**	**29.22**	**20.15**	**Nil**

(iii) Change in Promoters' Shareholding (specify, if there is no change)

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	**Venkatesh Rajagopal**	**4747115**	**12.51**				**4747115**	**12.51**
				-	No Change	0	4747115	12.51
				31.03.2018	**At the end of the year**		**4747115**	**12.51**
2	**Rama Rajagopal**	**6202930**	**16.35**				**6202930**	**16.35**
				-	No Change	0	6202930	16.35
				31.03.2018	**At the end of the year**		**6202930**	**16.35**
3	**Vidyuth Rajagopal**	**134995**	**0.36**				**134995**	**0.36**
				-	No Change	0	134995	0.36
				31.03.2018	**At the end of the year**		**134995**	**0.36**
4	**Rajagopalan K.A**	**920**	**0.00**				**920**	**0.00**
				-	No Change	0	920	0.00
				31.03.2018	**At the end of the year**		**920**	**0.00**
5	**Anjali Rajagopal**	**140**	**0.00**				**140**	**0.00**
				-	No Change	0	140	0.00
				31.03.2018	**At the end of the year**		**140**	**0.00**

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	**RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND**	**1400267**	**3.6906**				**1400267**	**3.6906**
				14 Apr 2017	Purchase	54225	1454492	3.8335
				21 Apr 2017	Purchase	29241	1483733	3.9106
				28 Apr 2017	Purchase	810000	2293733	6.0455

				19 May 2017	Purchase	39400	2333133	6.1493
				26 May 2017	Purchase	262381	2595514	6.8409
				09 Jun 2017	Purchase	66000	2661514	7.0148
				23 Jun 2017	Purchase	116647	2778161	7.3223
				07 Jul 2017	Purchase	25700	2803861	7.3900
				28 Jul 2017	Purchase	100000	2903861	7.6536
				04 Aug 2017	Purchase	91311	2995172	7.8942
				11 Aug 2017	Purchase	31044	3026216	7.9760
				18 Aug 2017	Purchase	126147	3152363	8.3085
				22 Sep 2017	Purchase	2127	3154490	8.3141
				29 Sep 2017	Purchase	43000	3197490	8.4275
				06 Oct 2017	Purchase	4242	3201732	8.4386
				13 Oct 2017	Purchase	205726	3407458	8.9809
				03 Nov 2017	Purchase	100000	3507458	9.2444
				10 Nov 2017	Purchase	50000	3557458	9.3762
				17 Nov 2017	Purchase	50000	3607458	9.5080
				08 Dec 2017	Purchase	156766	3764224	9.9212
				15 Dec 2017	Purchase	25533	3789757	9.9885
				22 Dec 2017	Sale	(374)	3789383	9.9875
				29 Dec 2017	Sale	(49993)	3739390	9.8557
	AT THE END OF THE YEAR			**31 Mar 2018**			**3739390**	**9.8557**
2	**SBI MAGNUM MULTICAP FUND**	**3539000**	**9.3276**				**3539000**	**9.3276**
				23 Jun 2017	Sale	(100000)	3439000	9.0640
				10 Nov 2017	Sale	(32410)	3406590	8.9786
				17 Nov 2017	Purchase	32410	3439000	9.0640
				31 Mar 2018	Purchase	136000	3575000	9.4224
	AT THE END OF THE YEAR			**31 Mar 2018**			**3575000**	**9.4224**
3	**MALABAR INDIA FUND LIMITED**	**1763275**	**4.6474**				**1763275**	**4.6474**
				28 Apr 2017	Sale	(122702)	1640573	4.3240
				05 May 2017	Sale	(28656)	1611917	4.2484
				12 May 2017	Sale	(24420)	1587497	4.1841
				16 Jun 2017	Sale	(6715)	1580782	4.1664
				13 Oct 2017	Sale	(25309)	1555473	4.0997
				08 Dec 2017	Purchase	92017	1647490	4.3422
				22 Dec 2017	Purchase	6623	1654113	4.3597
				02 Feb 2018	Purchase	8969	1663082	4.3833
				09 Feb 2018	Purchase	58763	1721845	4.5382
				16 Feb 2018	Purchase	26598	1748443	4.6083
				23 Feb 2018	Purchase	67471	1815914	4.7861
				02 Mar 2018	Purchase	4506	1820420	4.7980
				09 Mar 2018	Purchase	31911	1852331	4.8821
				16 Mar 2018	Purchase	3142	1855473	4.8904
	AT THE END OF THE YEAR			**31 Mar 2018**			**1855473**	**4.8904**
4	**CHARATH RAM NARSIMHAN**	**1690000**	**4.4542**				**1690000**	**4.4542**
				09 Jun 2017	Sale	(5000)	1685000	4.4411
				27 Oct 2017	Sale	(2668)	1682332	4.4340
	AT THE END OF THE YEAR			**31 Mar 2018**			**1682332**	**4.4340**

5	**SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I**	**0**	**0.0000**				**0**	**0.0000**
				28 Apr 2017	Purchase	200000	200000	0.5271
				26 May 2017	Purchase	30000	230000	0.6062
				02 Jun 2017	Purchase	55000	285000	0.7512
				09 Jun 2017	Purchase	50000	335000	0.8829
				16 Jun 2017	Purchase	102653	437653	1.1535
				23 Jun 2017	Purchase	209419	647072	1.7055
				30 Jun 2017	Purchase	95119	742191	1.9562
				07 Jul 2017	Purchase	82809	825000	2.1744
				14 Jul 2017	Purchase	1660	826660	2.1788
				21 Jul 2017	Purchase	8274	834934	2.2006
				28 Jul 2017	Purchase	68182	903116	2.3803
				04 Aug 2017	Purchase	1206	904322	2.3835
				25 Aug 2017	Purchase	12901	917223	2.4175
				08 Sep 2017	Purchase	8705	925928	2.4404
				15 Sep 2017	Purchase	1562	927490	2.4445
				22 Sep 2017	Purchase	2154	929644	2.4502
				17 Nov 2017	Purchase	18000	947644	2.4977
				24 Nov 2017	Purchase	123000	1070644	2.8218
				15 Dec 2017	Purchase	147356	1218000	3.2102
				22 Dec 2017	Purchase	26731	1244731	3.2807
				29 Dec 2017	Purchase	20000	1264731	3.3334
				09 Mar 2018	Purchase	13000	1277731	3.3677
				23 Mar 2018	Purchase	145000	1422731	3.7498
	AT THE END OF THE YEAR			**31 Mar 2018**			**1422731**	**3.7498**
6	**NEW VERNON PRIVATE EQUITY LIMITED**	**1245140**	**3.2818**				**1245140**	**3.2818**
					No Change	0	1245140	3.2818
	AT THE END OF THE YEAR			**31 Mar 2018**			**1245140**	**3.2818**
7	**DSP BLACKROCK MIDCAP FUND**	**2952442**	**7.7816**				**2952442**	**7.7816**
				28 Apr 2017	Sale	(700000)	2252442	5.9366
				19 May 2017	Sale	(597)	2251845	5.9351
				26 May 2017	Sale	(285153)	1966692	5.1835
				02 Jun 2017	Sale	(100000)	1866692	4.9199
				14 Jul 2017	Sale	(182185)	1684507	4.4398
				21 Jul 2017	Purchase	182185	1866692	4.9199
				09 Mar 2018	Sale	(646569)	1220123	3.2158
				23 Mar 2018	Sale	(90885)	1129238	2.9763
				31 Mar 2018	Sale	(9697)	1119541	2.9507
	AT THE END OF THE YEAR			**31 Mar 2018**			**1119541**	**2.9507**
8	**EOS MULTI STRATEGY FUND LTD**	**886081**	**2.3354**				**886081**	**2.3354**
				28 Apr 2017	Sale	(121000)	765081	2.0165
	AT THE END OF THE YEAR			**31 Mar 2018**			**765081**	**2.0165**
9	**LIMIAR FUND (MASTER) LP**	**0**	**0.0000**				**0**	**0.0000**
				09 Mar 2018	Purchase	650000	650000	1.7132
	AT THE END OF THE YEAR			**31 Mar 2018**			**650000**	**1.7132**

10	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XIV**	**163392**	**0.4306**				**163392**	**0.4306**
				28 Apr 2017	Purchase	190496	353888	0.9327
				05 May 2017	Purchase	46847	400735	1.0562
				12 May 2017	Purchase	6994	407729	1.0746
				19 May 2017	Purchase	42139	449868	1.1857
				26 May 2017	Purchase	27261	477129	1.2575
				02 Jun 2017	Purchase	279	477408	1.2583
				09 Jun 2017	Purchase	18712	496120	1.3076
				23 Jun 2017	Purchase	1168	497288	1.3107
				14 Jul 2017	Purchase	2189	499477	1.3164
				21 Jul 2017	Purchase	14293	513770	1.3541
				28 Jul 2017	Purchase	50000	563770	1.4859
				04 Aug 2017	Purchase	5634	569404	1.5007
				11 Aug 2017	Purchase	2967	572371	1.5086
				18 Aug 2017	Purchase	31740	604111	1.5922
				25 Aug 2017	Purchase	8885	612996	1.6156
				08 Dec 2017	Purchase	12	613008	1.6157
	AT THE END OF THE YEAR			**31 Mar 2018**			**613008**	**1.6157**

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date of Increase/ decrease	Reason for Increase/ decrease	No of Shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
	DIRECTORS							
1	**Venkatesh Rajagopal Chairman & Managing Director**	**4747115**	**12.51**				**4747115**	**12.51**
				-	No Change	0	4747115	12.51
				31.03.2018	**At the end of the year**		**4747115**	**12.51**
2	**Rama Rajagopal Whole Time Director**	**6202930**	**16.35**				**6202930**	**16.35**
				-	No Change	0	6202930	16.35
				31.03.2018	**At the end of the year**		**6202930**	**16.35**
	KEY MANAGERIAL PERSONNEL							
1	**M. Thiagarajan Chief Financial Officer (Resigned w.e.f 26th May, 2017)**	**0**	**0.00**				**0**	**0.00**
				-	No Change	0	0	0.00
				31.03.2018	**At the end of the year**		**0**	**0.00**
2	**L. Visalakshi Chief Financial Officer (Appointed w.e.f 27th May, 2017)**	**0**	**0.00**				**0**	**0.00**
				-	No Change	0	0	0.00
				31.03.2018	**At the end of the year**		**0**	**0.00**
3	**Ravi B.S.G Company Secretary**	**0**	**0.00**				**0**	**0.00**
				-	No Change		0	0.00
				31.03.2018	**At the end of the year**		**0**	**0.00**

Note: The Independent Directors did not hold any shares in the Company during the financial year ended 31st March, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ In Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	4423	0	0	4423
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**4423**			**4423**
Change in Indebtedness during the financial year				
• Addition	3	217	0	220
• Reduction	911	0	0	911
Net Change	**(908)**	**217**	**0**	**(691)**
Indebtedness at the end of the financial year				
i. Principal amount	3515	217	0	3732
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**3515**	**217**		**3732**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager **(₹ in Lakhs)**

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Venkatesh Rajagopal Chairman & Managing Director	Rama Rajagopal Whole Time Director	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of Perquisites u/s 17(2) Income –tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	72.00 Nil Nil	42.00 Nil Nil	114.00 Nil Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission -as % of profit -others, specify	78.00	Nil	78.00
5	Others, please specify	Nil	Nil	Nil
	Total (A)	**150.00**	**42.00**	**192.00**
	Ceiling as per the Act	10% of net profits		

B. Remuneration to other directors: **(₹ in Lakhs)**

S. No.	Particulars of Remuneration	Name of Independent Directors				Total Amount
		N.K. Ranganath	P.S. Raman	Harsh Bahadur	Manoj Mohanka	
1	Fee for attending Board/Committee Meetings	4.10	1.75	1.90	3.30	11.05
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, Please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**4.10**	**1.75**	**1.90**	**3.30**	**11.05**

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of other Non-Executive Directors	Total Amount
2	Fee for attending Board/Committee Meetings	Nil	Nil
	Commission	Nil	Nil
	Others, Please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	**11.05 Lakhs**	
	Total Managerial Remuneration	**203.05 Lakhs**	
	Overall Ceiling as per the Act	11% of net profits	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD **(₹ in Lakhs)**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO		CS	Total
		M. Thiagarajan (Resigned w.e.f 26th May, 2017)	L. Visalakshi (Appointed w.e.f 27th May, 2017)	Mr. Ravi B.S.G	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	2.81	37.10	8.00	**47.91**
	(b) Value of Perquisites u/s 17(2) Income –tax Act,1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission -as % of profit -others, Specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	**2.81**	**37.10**	**8.00**	**47.91**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

sd/-
Venkatesh Rajagopal
Chairman and Managing Director
(DIN: 00003625)

Date : 28th May, 2018
Place : Chennai

ANNEXURE - IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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 authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed here under and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Indian Terrain Fashions Limited for the financial year ended on 31st March, 2018 according to the applicable provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

e. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

g. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

vii. Other laws applicable to the Company as per the representations made by the Management.

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

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

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

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

We further report that

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

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

We further report that 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. Revision in the remuneration payable to Mr. Venkatesh Rajagopal (DIN:00003625), Chairman and Managing Director of the Company.

   During the year, the Shareholders of the Company in their Annual General Meeting held on 25th September, 2017 approved the revision in the remuneration payable to Mr. Venkatesh Rajagopal (DIN:00003625), Chairman and Managing Director of the Company with effect from 1st December, 2016 to the remaining tenure of his appointment i.e., upto 30th September, 2020.

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

   Ms. Visalakshi Lakshmanaswamy was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect 27th May, 2017 in the place of Mr. M. Thiyagarajan, who resigned with effect from 26th May, 2017.

For BP & Associates
Company Secretaries

sd/-
S.Bhaskar
Partner
M No: 10798
CP No: 8315

Date: 21st May, 2018
Place: Chennai

'ANNEXURE A'

To

The Members,
Indian Terrain Fashions Limited,
No. 208, Velachery Tambaram Road,
Narayanapuram, Pallikaranai,
Chennai - 600100

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. Where ever 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

sd/-
S.Bhaskar
Partner
M No: 10798
CP No: 8315

Date: 21st May, 2018
Place: Chennai

ANNEXURE- V TO BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Company's Corporate Social Responsibility policy

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

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

2. Corporate Social Responsibility Committee

As per Section 135 of Companies Act, 2013, the board of directors at their meeting held on 20th May, 2014 had constituted a CSR committee consisting of following members.

- Mrs. Rama Rajagopal, - Chairperson of the Committee
- Mr. Venkatesh Rajagopal - Member
- Mr. N. K. Ranganath - Member

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

3. Average Net Profit of the Company for the last three years: ₹ 33.29 Crores

4. Prescribed CSR Expenditure (2% of the amount as in Item No.3) : ₹ 67.00 lakhs

5. Details of CSR Spent during the Financial year:

a. Total amount to be spent for the financial year: ₹ 67.00 lakhs

b. Total amount spent during the financial year : ₹ 19.86 Lakhs

c. Amount unspent, if any: ₹ 47.14 Lakhs

d. Manner in which the amount spent during the financial year is detailed below-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and district where projects or program was undertaken	Amount Outlay (Budget) Project or programs wise (in Lakhs)	Amount spent on the programs or projects (1) Direct expenditure on Projects or Programs (2) Overhead	Cumulative expenditure upto the reporting period (in Lakhs)	Amount Spent: Direct or Implementing agency
1	Promote education and training of Special children	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Tamil Nadu	2.86	Nil	2.86	Directly to Swabodhini Charitable Trust, Chennai (a registered Charitable Trust)
2	Rally for Rivers- Save Water	Ensuring environmental sustainability, ecological balance, protection, and conservation of natural resources and maintaining a quality of water.	Pan India	6.00	Nil	8.86	Directly to Isha Outreach, Coimbatore (a registered Charitable Trust)
3	Paediatric Heart Surgery	Health Care	Tamil Nadu	5.00	Nil	13.86	Rotary Club of Madras South Trust (a registered Charitable Trust)
4	Providing Employment enhancing vocation skill development courses	Vocation skill development	Tamil Nadu	6.00	Nil	19.86	Rotary Club of Madras East Trust (a registered Charitable Trust)
Total spent				**19.86**			

6. The Company had identified suitable CSR projects based on the parameters set by the CSR Committee and has been analyzing such projects in line with the CSR policy of the Company. The Company is also in the process of establishing its own registered trust/foundation to carry out the CSR activities in a structured sustainable model to ensure maximum benefits to the communities. For this reason, during the year ended, the Company has spent ₹ 19.86 lakhs on the CSR activities and proposed to undertake more activities in the next year. The Company is always committed to higher social responsibility.

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

Mr. Venkatesh Rajagopal
Member - CSR Committee
(DIN: 00003625)

Mrs. Rama Rajagopal
Chairperson - CSR Committee
(DIN: 00003565)

MANAGEMENT DISCUSSION AND ANALYSIS

Disclaimer

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

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Macroeconomic Overview

The year 2017 saw the global economy strengthen. Expectations of a more resilient global economy, both consumer and entrepreneur confidence has improved further as the marginal propensity to consume and demand for capital spending have gradually picked up, trading & investing activities have been rekindled across the globe, and exports of major countries have increased sharply. Financial markets have largely functioned stably. Risk appetite in global markets has firmed up, and stock markets have performed satisfactorily in general.

East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies. Consumers in emerging markets continued to drive spending growth, with the average emerging market consumer now spending US$ 2,569 over the year.

The stronger momentum experienced in 2017 is expected to carry into 2018 and 2019 with global growth revised upto 3.9% for both years. This forecast reflects the expectation that favorable global financial conditions and strong sentiment will help maintain the recent acceleration in demand, especially in investment, with a noticeable impact on growth in economies with larger exports.

However, from a medium-term perspective, there is still some uncertainty in global economic and financial markets, primarily stemming from lingering trade protectionism, nationalism and geopolitical risk. The US tax reform and gradual return to normal of major countries' monetary policies may accelerate the flow of capital across borders and pose a challenge to macro-economic policies and the stability of financial markets.

The Indian markets in 2017 was impacted with the after effects of demonetization and mid-year rollout of the new indirect tax system - Goods and Services Tax (GST). With most businesses becoming occupied with migrating to GST regime, the overall economic activity in June 2017 dipped heavily.

The retail sector was no exception to the impact. A forced liquidation of pre-GST inventory and disruptions in supply-chain leading to challenges in re-stocking. The overall Gross Domestic Product (GDP) growth was muted to a 13 quarter low of 5.7% in the quarter ended June. Thereafter GDP growth raced faster in July-September at 6.3%.

For the year 2018, the Indian economy is expected to grow at an annual rate of 7.4% according to IMF Economic Outlook. Strong private consumption and the fading transitionary effects of demonetization and implementation of GST is expected to lift the growth of the economy. Over the medium-term growth is expected to gradually rise with continued implementation of structural reforms that will raise productivity and incentivize private investment.

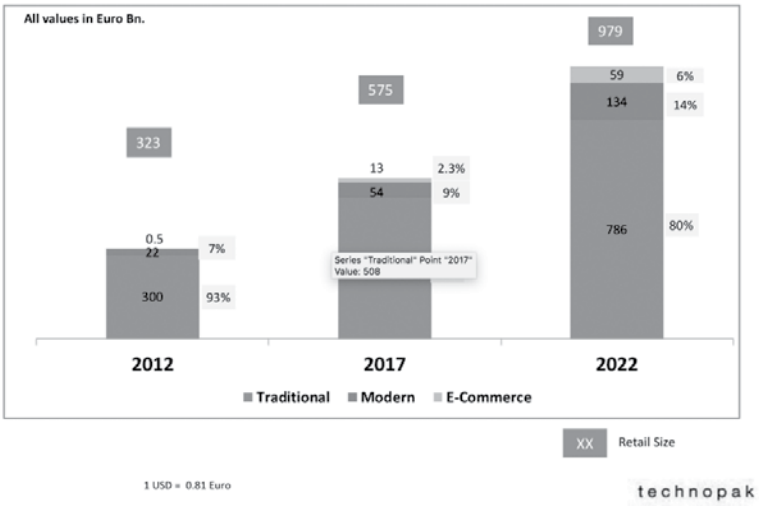
Industry Overview

India, as one of the world's fastest growing economies, has surpassed China as the most lucrative retail market and has occupied a remarkable position in global retail rankings. The roll out of the much-anticipated Goods and Services Tax in 2017 has brought good news for the retail industry in the country, creating a unified market for products and services.

Private consumption remains the primary driver of India's growth story. Urbanisation across various parts of the country backed by rising middle class and rapidly growing consumer spending has led to an expanding retail market, presenting a lucrative opportunity for both domestic and international brands.

However, the segmentation of retail channels in India remains unique. According to a Technopak report, Traditional retail (mom & pop independent stores) continue to dominate the landscape with over 18 million such independent outlets spread across 5500 towns and about 600,000 villages, while Modern brick & mortar retail accounts for just about 8% of the total retail by share of channel, and e-tail by merely 2.3%.

The below graph shows the changes in the retail channels' share over a 10-year period:



A steady increase in the overall retail spending, the fashion/apparels retail sector is where the most growth in the future will be centered. Transforming rapidly in terms of competition and consumer behavior, fashion retail's growth has been the result of rising disposable incomes, changing consumer preferences, greater brand awareness, ever-increasing internet/ smartphone penetration, and a rapidly growing millennials/Gen Z population.

In the fashion / apparel retail, the men's share of the fashion market is higher than that of women. However, the gap is expected to reduce and by 2022 both men's and women's share of the total fashion market is likely to be at 39% each.

India's demographic statistics shows that almost 28% of the population is below 15 years of age (325 – 320 million) the kids account for nearly 20% of the total fashion market in 2017 and their share is actually expected to increase marginally to 22% by 2022.

Fashion category split into Men, Women & Kids			
	Men	Women	Kids
2012	44%	37%	19%
2017	42%	38%	20%
2022	39%	39%	22%

Fashion category split into sub-categories			
	Apparel	Accessories	Footwear
2012	84%	3%	13%
2017	79%	8%	13%
2022	73%	13%	13%

Fashion Category split into Branded & Un-branded		
	Branded	Unbranded
2012	25%	75%
2017	37%	63%
2022	50%	50%

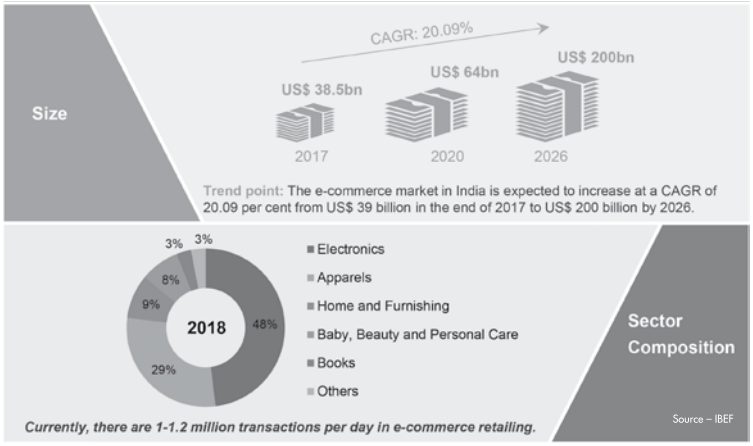
Fashion category split basis Retail type			
	Traditional	Modern	E-Commerce
2012	80%	20%	< 1%
2017	70%	24%	6%
2022	52%	33%	15%

technopak

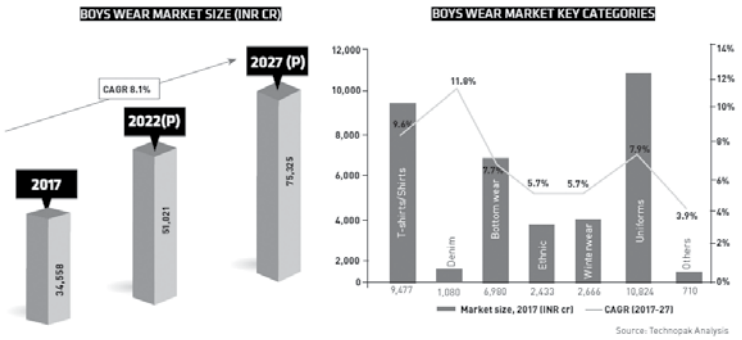
The Indian Men's wear market has witnessed a surge in the last couple of years. Rapid economic growth and rising urbanization has created a new class of consumers with a higher spending capacity and a growing passion for fashion. This has helped the Indian menswear market evolve from only being comprised of three basic categories: casual, work wear and occasion wear to categories like athleisure, weekend wear, etc. Changing lifestyle and growing exposure through travel and multiple forms of media and with men embracing the idea of fashion as a form of expressing self-confidence and success, the demand for Men's wear is expected to be robust in the upcoming years.

E-commerce is creating the biggest revolution in the industry with the backing of technology using contemporary tools like 3D and virtual reality. It has touched every person's life and has played a very vital role in bridging the gap between consumers residing in Tier-II and Tier-III cities and premium wear sellers. It has made availability of premium brands in semi urban areas where these brands have no retail outlets. A study indicates that the share of Tier-II towns grabbing the eCom Cart is expected to be at 50% from the current 35%.

With the customers now having the ever-increasing choice of products at affordable prices, this segment is expanding steadily in the country and bound to make discernable changes to the apparel retail. The source data from IBEF projects the eCom business to grow from USD 38.5 billion in 2017 to USD 64 billion in 2020 and to USD 200 billion by 2026. Of the same the current share of apparel is 29% the second biggest to electronics and this is expected to grow manifold.



On other side, the Indian kidswear segment is equally witnessing high growth. The market which is slightly skewed towards boys wear owing to 53 percent boy's population was estimated at ₹ 34,558 crore in 2017 and comprises 52 percent of the total kidswear market. It is expected to grow at a CAGR of 8.1 percent to reach ₹ 75,325 crore in 2027.



The growing influence of media and western wear among kids is leading to higher brand consciousness. Awareness about latest kidswear is not only limited to metro cities but it is widespread among Tier -II and -III cities also due to access to various media such as televisions, smart phones, movies etc. With growing disposable income, exposure to global fashion trends and entrance of foreign brands in the country - spending on kidswear by Indian populace has increased.

However, with the main decision making and buying being done by the mothers the value perception as a driver for consumption is expected to continue.

The Indian fashion retail industry is transforming rapidly and is seeing shift from unorganised to organised retail. The transformation is due to increase in income, increased penetration of branded wear in country and awareness of fashion trends among consumers. But, nowadays couture is not limited to metros only. Tier-II cities and semi-urban cities have emerged as huge potential markets for these organised players. Penetration of organised retail chains has contributed to the growth of apparel market in these markets. Market expansion in non-metros seems an lucrative opportunity for domestic and international brands. Once considered value conscious consumers of Tier-II cities are now open to spend more on fashion and look good. Apparel retail in non-metros is growing exponentially due to which more brands are entering hinterlands.

With the retail environment providing exciting opportunities ahead, your Company is well prepared to take on the prospects with the right tools and continue to thrive upward.

Financial Performance

Restatement of Financial Statements in terms of Indian Accounting Standards (Ind AS)

The Financial Statements of the Company upto the previous year (including year ended 31st March, 2017) were prepared in accordance with the applicable Accounting Standards, notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions (hereinafter referred to as 'Previous GAAP'). The Company has since adopted Ind AS notified by the Ministry of Corporate Affairs ("MCA") w.e.f. 1st April, 2017 with a transition date of 1st April, 2016, under the provisions of Section 133 of the Companies Act, 2013 (the "Act", which term shall include the Rules made thereunder) read with the Companies (Indian Accounting Standards) Rules, 2015.

Accordingly, the Financial Statements for the year under review have been prepared in accordance with the Ind AS. In terms of Ind AS 101, with respect to "First-time Adoption of Indian Accounting Standards", all Ind AS and interpretations - that are applicable for the financial statements of the Company for the year under review, are applied retrospectively and consistently for all the financial years presented and accordingly, the comparative period figures have been restated to that extent and the impact of transition from Previous GAAP to Ind AS has been accounted for in opening reserves.

(₹ in Crores)

Particulars	For the Period Ending	
	31-Mar-18	31-Mar-17
Revenues	401.45	325.91
Operational EBITDA	49.57	40.02
GST Impact	(1.71)	-
Other Income	2.50	5.30
EBITDA	50.36	45.32
Finance Cost	7.04	8.93
Depreciation	4.22	3.14
Profit Before Tax	39.10	33.25
Tax Expenses	13.66	10.41
Profit After Tax	25.44	22.84
Other Comprehensive Income	(0.25)	0.05
Total Comprehensive Income	25.19	22.89

Revenues

Your Company recorded a revenue growth of 23% over the previous year. The revenues for the year was at ₹ 401 crs against ₹ 325 crs of FY 2017.

The transition into Goods and Services Tax (GST) with effect from 1st July, 2017 created a minor disruption impacting the revenues of first two quarters of the Year. Demand remained subdued until mid-November and markets witnessed recovery post the same.

Men's wear posed strong growth backed by channel expansion. Retail grew 30%; Your company opened 23 exclusive stores and 100+ doors in Departmental Stores during the year. As at March 2018, the Company had 151 exclusive outlets (under direct management) and 367 doors in departmental stores. Whole sale business grew at 17%, the segment expanded the market by geography and has currently 1400+ doors across the country.

eCommerce revenues were down 10% with the business approach being realigned and renewed tie-ups taking effect in the last quarter of the year.

Boyswear contribution was at 6% of total revenues. The segment had a presence in 136 retail outlets and about 200 doors of Multi Branded Outlets. The year witnessed continued revamping across Price, Product and Positioning strategies of the segment.

The Company as part of the transition to first time adoption of Ind AS has reassessed its revenues under the previous GAAP for the comparative period ending 31st March, 2017 and in the preparation of opening Ind AS Balance Sheet as at 1st April, 2016. The revenues under the previous GAAP were recognized net of returns and provisions, where there is right to return and excluded taxes and duties. The discounts and rebates were included as part of selling expenses. Under Ind AS the revenues have been recorded net of discounts and rebates and further, in light of the shift in the Company's business towards a more retail focused model, the Company has reassessed its revenue recognition to reflect the current day business environment.

An explanation on the transition from previous GAAP to Ind AS on the financial statements has been explained in the Notes to Financial Statements of the Company.

Operating EBITDA

The operating EBITDA margins was at ₹ 49.57 crs (12.4%) against ₹ 40.02 crs (12.3%) the previous year. The growth in EBITDA margins was at 24% backed by healthy revenue growth and your Company's concerted efforts in protecting the margins.

With the roll out of GST effective 1st July, 2017, the Company had to incur an one-time additional cost of ₹ 1.71 crs as compensation to retail partners towards incremental tax rates. Adjusted for the same, the Operating EBITDA for the financial year ending 31st March, 2018 is at ₹ 47.86 crs.

During the year under review, the company expanded its retail presence and strengthened its human capital in preparation for the various initiatives and future growth. This had resulted in incremental personnel costs for the year.

The total spends on Advertisement and Marketing was at ₹ 15.98 crs against ₹ 14.53 crs in previous year.

Finance Costs

The finance costs for the year was lower by 21% on account of retiring the high cost debt (Term loans) in April 2017 and reduced utilization of working capital facilities during the year under review.

Depreciation

Depreciation for the year was higher by ~34%. The Company had invested in interiors of new stores and renovated key stores during the year. Further the company also invested in new ERP which went live during the year under review. The investment in above has resulted in increase in depreciation charge.

Working Capital

The Net Working Capital was up by ~30% compared to previous year. The working capital holding on Inventories, Receivables net of Trade creditors remained flat at 160 days of revenues as of 31st March, 2018 against 152 days previous year. The rapid expansion of retail stores and department store doors in the past year coupled with the weakness in the wholesale markets post the implementation of GST led to a much higher level of overall inventory and receivables.

Internal Controls and Risk Management

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

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

Human Resources

The company had 686 employees as on 31st March, 2018. Your company firmly believes that talent is the driving force behind successful business. Accordingly, the company continuously invests, evaluates and improve development of human capital efforts. The top priorities of the Company include measures for employees' safety, their welfare and development.

The company follows a targeted approach in training, appraisal and retention of leaders and other employees.

Business Outlook

The year 2017-18 ended with a positive note for consumer spending that was emerging out of after effects of demonetization and mid-year roll of GST. Most consumer product categories witnessed a relatively healthy nominal growth of 8-15% over the previous year.

With increasing young population, typical consumer behavioral trend is shifting towards seeking greater degree of value across all segments and categories of purchases. In this context there is increase in emergence of value segment brands and retailers and this segment is expected to see the biggest growth in 2018-19.

As India's consumer market continues to grow, the Company is positioning itself to capture the emerging trends by suitable changes to business models and to meet the changing consumer needs and behaviors.

- Your company will continue to drive market expansion with a strategic mix of growth across all channels and with an emphasis on quality of revenues and optimisation of costs.
- The consumption across 12-15 major metros and mini-metros is quite strong. However, your company recognizes the imperative need to spread far and wide geographically to achieve a larger scale of business. There is renewed focus on expansion in semi-urban and rural areas and accordingly your company is strengthening its distribution tie-ups / network. This emphasis coupled with the adoption of newer technologies in ERP and Business Intelligence Tools will help drive the growth without the accompanied increase in Gross Working Capital.
- With consumer expecting better quality retail experience, the conventional wholesale business is undergoing a major shift in terms of retail presentation and experience. Your company in that context will continue to build customer centric model by increasing the presence of shop in shops in such stores. This shift is expected to provide the next leap to this channel.
- Ecommerce as a channel is expected to lead the growth in the major metros and Tier 1 cities with the consumers becoming more technology savvy. A market place driven model, with controlled inventory, substantial data analytics and targeted digital marketing will enable the channel to emerge not just a deep discounting one, but the one that reaches the next level of consumers. The revenues from this channel is expected to grow rapidly in the next 3 years and the revenue share is expected to be at 10%-15% of the overall revenues of the Company.
- Boyswear as a portfolio is undergoing a complete make over from product to distribution to marketing. This segment is to witness a rapid increase in the next two years with aggressive push in product and pricing strategies to offer high quality design aesthetic at very accessible prices. The Wholesale and E - Commerce Channels are expected to be the primary drivers of growth.
- Marketing spends will be accelerated to build the brand salience and visibility including increased digital spending. In addition to the traditional channels of Print, Television and the like, tie-up with B2C digital marketing platforms is expected to deliver the desired growth targets.
- Consumer Preferences and fashion trends are changing rapidly, a flexible and agile supply chain is the need of the hour to reduce inventories and consequently markdowns. Your company recognizes this as a crucial area of focus and accordingly is building the necessary sourcing model and strategic vendor partnerships to enable this.
- With the technology revolution upon us and the increasing young consumer dependence on smart phone and internet in influencing decisions, coming year will also witness upgradation of our technology including POS / data analytics tools / real time sale monitoring solutions embedding them in the workflows. The Company firmly believes that data and analytics will directly contribute to operational efficiency and productivity and accordingly will continue investing in the same.

The overall outlook for FY 2019 for the Company remains optimistic. FY 2019 will witness enhanced focus on store economics, optimized costs, return ratios and strengthening of balance sheet. As part of the same, your company is adopting suitable strategy across markets, channels and products and initiate appropriate measures to leverage the same.





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 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 6 (six) directors (as on 31st March, 2018) with knowledge and experience in diverse fields and 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 Managing Director and Chief Executive Officer under the supervision and guidance of the Board.

Board composition and category of Directors

During the financial year ended 31st March, 2018, composition of the Board and category of directors are as follows:

S. No.	Name of Directors	DIN	Designation	Category
1	Mr. Venkatesh Rajagopal	00003625	Chairman and Managing Director	Promoter, Executive and Non-Independent Director
2	Mrs. Rama Rajagopal	00003565	Whole time Director	Promoter, Executive and Non-Independent Director
3	Mr. N.K. Ranganath	00004044	Director	Non-Executive Independent Director
4	Mr. P.S. Raman	00003606	Director	Non-Executive - Independent Director
5	Mr. Manoj Mohanka	00128593	Director	Non-Executive - Independent Director
6	Mr. Harsh Bahadur	00724826	Director	Non-Executive - Independent Director

Note:

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

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

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 2017-18		No. of Directorship in other Boards as on 31st March 2018*	No. of Chairmanship/ Membership in other Committees of the Board**	
		Board meetings	Attendance at the last AGM		Membership	Chairmanship
1	Mr. Venkatesh Rajagopal	05/05	Yes	1	0	0
2	Mrs. Rama Rajagopal	03/05	No	1	0	0
3	Mr. N.K. Ranganath	05/05	Yes	4	2	2
4	Mr. P.S. Raman	02/05	No	2	2	0
5	Mr. Manoj Mohanka	04/05	No	7	3	1
6	Mr. Harsh Bahadur	02/05	No	1	2	0

* The Directorship held by the Directors, as mentioned above, includes the directorship held in Private Limited Companies

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

Profile of the Directors

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

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

Mr. Venkatesh Rajgopal has been the Chairman and Managing Director of Indian Terrain Fashions Limited since 1st October, 2010. 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 Rajgopal 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 Post Graduate in Economics from Bangalore University. She has been the Executive Director of Indian Terrain Fashions Limited since 29th September, 2009.

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 sales, marketing, finance, production and human resource disciplines.

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

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

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

Mr. Manoj Mohanka holds a Master Degree in Strategic Marketing from National University of Ireland, Chevening Scholar from London School of Economics. He has more than 24 years of experience in Business Management and he has 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, Board of Governers of Eastern Institute of Management, Young Presidents 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 34 years of rich experience in retail, branded FMCG and Music, Sportswear, Business services and jewelry industries. He is also an senior advisor at Pricewaterhouse Coopers (PWC). Mr. Harsh 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) – Additional Director (Independent Director)

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. He 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), 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, he played a stellar role in developing the IIT Alumni Club into a globally present facility for all IITians under the aegis of PanIIT. Mr. Suresh is an avid runner and six star finisher having completed the London, New York, Berlin, Chicago, Tokyo and the Boston marathon.

Number of Board meetings held

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

The notice of Board meeting is given well in advance to all the Directors. Usually, the meetings of the Board are held in Chennai. The Agenda of the Board and Committees meetings is set by the Company Secretary in consultation with the Chairman, Chief Executive Officer 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 2018, 05 (five) board meetings were held on 8th April, 2017, 26th May, 2017, 8th September, 2017, 14th December, 2017 and 13th February, 2018. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Board Support

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

Disclosure of relationship between the Directors inter-se

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

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

None of the Independent directors hold any equity shares in the Company as on the financial year ended 31st March, 2018 and the Company has not issued any convertible instruments.

Familiarisation Programme of Independent Director

The Independent directors are provided with necessary documents, reports, internal policies, documents and brouchers 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.

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. P.S. Raman and 01 (one) Executive non-independent director namely Mr. Venkatesh Rajagopal as the members. All the members of the Committee possess excellent financial and accounting knowledge and exposure.

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

Meetings and attendance during the financial year

The Committee met 05 (five) times on 8th April, 2017, 26th May, 2017, 8th September, 2017, 14th December, 2017 and 13th February, 2018 during the financial year ended 31st March, 2018.

S. No	Name of the Members of Audit Committee	Designation	No of Meeting Attended
1	Mr. N.K. Ranganath	Chairman	5/5
2	Mr. Venkatesh Rajagopal	Member	4/5
3	Mr. Harsh Bahadur	Member	2/5
4	Mr. Manoj Mohanka	Member	4/5
5	Mr. P.S. Raman	Member	2/5

The Company Secretary acts as the Secretary to the Committee. Mr. Charath Ram Narsimhan - Chief Executive Officer, Ms. L. Visalakshi – Chief Financial Officer, and Mr. R. Venkatakrishnan, Partner of M/s. RVKS & Associates, Internal Auditor of the Company are regular invitees to the meeting. The internal auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the Company's Annual General Meeting held on 25th September, 2017 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 is constituted with 04 (four) independent directors as its members viz., Mr. N K Ranganath being the Chairman of the committee, Mr. P.S. Raman, Mr. Harsh Bahadur and Mr. Manoj Mohanka as its members.

Meetings and attendance details during the financial year

The Committee met 1 (one) times on 26th May, 2017 during the financial year ended 31st March, 2018.

S. No.	Name of the Members of Nomination and Remuneration committee	Designation	No of Meeting Attended
1	Mr. N.K. Ranganath	Chairman	1/1
2	Mr. Harsh Bahadur	Member	1/1
3	Mr. Manoj Mohanka	Member	1/1
4	Mr. P.S. Raman	Member	0/1

The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September, 2017 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:

1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees

2) To formulate the criteria for evaluation of performance of independent directors and the board of directors;

3) To devise a policy on Board diversity

4) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and/or removal.

5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6) To recommend / review remuneration of the Whole-time Director(s), based on their performance and defined assessment criteria

7) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable

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 in 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 recommended to the Board for their approval and subject to the approval of the shareholders.

Remuneration to Non-executive Directors

The non-executive directors do not have any pecuniary relationship or transactions with the Company apart from receiving sitting fee for attending the Board and Committee meetings. The details of sitting fees paid to non-executive directors during the financial year ended 31st March, 2018 is given below. The executive directors are not eligible for sitting fees.

Name of the Non-Executive Director	Sitting Fee paid for Board and Committee meetings (In. ₹)
Mr. N.K. Ranganath	4,10,000
Mr. Harsh Bahadur	1,90,000
Mr. Manoj Mohanka	3,30,000
Mr. P.S. Raman	1,75,000

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

Disclosure with respect to Remuneration paid to Executive Directors

The Company pays remuneration by way of salary, perquisites, commission and allowances to the Managing Director and Executive Director of the Company. The details of remuneration package of the executive directors are summarized below under major groups during the year ended 31st March, 2018.

Name of the Director	Salary (₹ in Lakhs)	*Commission (₹ in Lakhs)	Retirement Benefits	Total (₹ in Lakhs)
Mr. Venkatesh Rajagopal	72.00	78.00	Nil	150.00
Mrs. Rama Rajagopal	42.00	Nil	Nil	42.00
Total				**192.00**

* 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 remaining tenure of his appointment i.e., 30th September, 2020 were duly approved by the Shareholders of the Company at the annual general meeting of the company held on 25th September, 2017

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 Managing Director in to the day to day operations for the overall growth of the Company especially in respect of exploring new domestic markets, deeper penetration of existing markets, enhancing brand value through various initiatives, financial growth of the Company, etc.

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

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

Details of service contracts, notice period, severance fees

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

During the year ended 31st March, 2018, 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 Stakeholders' Relationship Committee has been constituted with the following members.

S. No.	Name of the Members of Stakeholders' Relationship Committee	Designation	No of Meetings Attended
1	Mr. N.K. Ranganath	Chairman	No meetings were held during the year
2	Mr. Venkatesh Rajagopal	Member	
3	Mr. P.S. Raman	Member	

The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September, 2017 to answer the shareholders' queries.

Name and designation of Compliance Officer

Mr. Ravi B.S.G was appointed as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 28th November, 2016.

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, 2018.

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 during the financial year ended 31st March, 2018.

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 and Mrs. Rama Rajagopal as Member.

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. 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. N.K. Ranganath	Member	1/1

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

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

a. 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;

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

c. To monitor the CSR policy of the Company from time to time;

d. 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".

During the financial year ended 31st March 2018, the Corporate Social Responsibility committee met on 08th September, 2017.

vi) INDEPENDENT DIRECTORS MEETING:

During the financial year ended 31st March, 2018, the Independent Directors met on 13th February, 2018 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:

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

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The directors were satisfied with the evaluations. All the Independent Directors were present at 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)
SDF- IV & C2, 3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Monday, 25th September 2017	11.30 A.M	No special resolution was passed
SDF- IV & C2, 3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Friday, 30th September 2016	11.30 A.M	No special resolution was passed
SDF- IV & C2, 3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Friday, 25th September, 2015	11.30 A.M	No special resolution was passed

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

The Company has not passed any ordinary/special resolution during the year ended 31st March, 2018 through postal ballot.

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

5. MEANS OF COMMUNICATION

Quarterly results

The Company's quarterly financial results are announced within 45 (forty five) days of the close of the quarter (except for the first two quarters wherein results were published with an additional time of one month pursuant to SEBI circular CIR/CFD/FAC/62/2016 dated 05th July, 2016 due to first year of IND AS adoption) 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) except for the year ended 31st March, 2017 and for the quarter ended 30th June, 2017 which was published in Makkal Kural (vernacular newspaper).

Official New releases & Presentations made to Investors

The 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 the Company www.indianterrain.com.

Website

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

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 an exclusive email id: response.itfl@indianterrain.com 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 28th May, 2018 and the date, time and venue of the 9th Annual general meeting was not finalized in the said meeting. Therefore schedule of the annual general meeting and date of book closure have not been provided

Financial Year : 1st April to 31st March

Calendar of financial year ended 31st March, 2018

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, 2018 were held on the following dates:

First Quarter Results	8th September, 2017
Second Quarter and Half yearly Results	14th December, 2017
Third Quarter Results	13th February, 2018
Fourth Quarter and Annual Results	28th May, 2018

Tentative Calendar for financial year ending 31st March, 2019

The tentative month of meeting of Board of Directors for consideration of quarterly/ Half yearly/Annual financial results for the financial year ending 31st March, 2019 are as follows:

First Quarter Results	August, 2018
Second Quarter and Half yearly Results	November, 2018
Third Quarter Results	February, 2019
Fourth Quarter and Annual Results	May, 2019

Dividend payment date : Not Applicable

Listed on Stock Exchange :

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

Stock Code : BSE - Stock Code - 533329

: NSE - Stock Code - INDTERRAIN

ISIN : INE611L01021

Listing Fee

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

Payment of Depository Fees

Annual Custody / Issuer fee for the financial year 2018-19 has been paid by the Company to Central Depository Services Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) upon receipt of invoice.

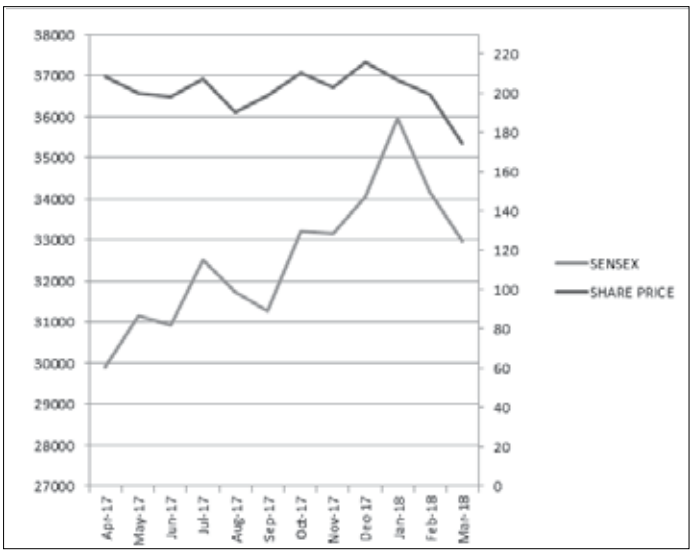
Market price data- high, low during each month in the previous financial year

Share price in (₹)

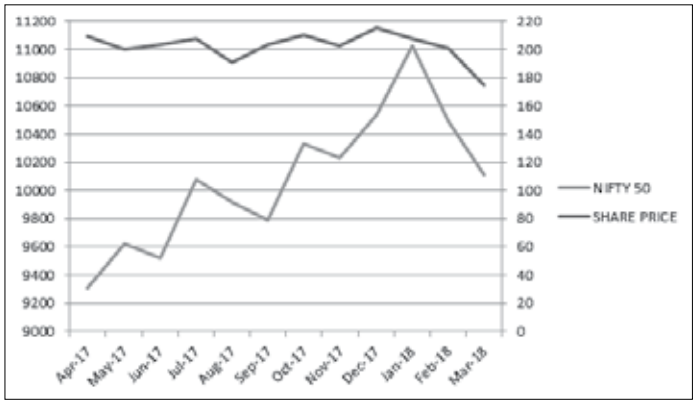
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-17	218.00	168.00	400178	218.25	165.25	2482844
May- 17	215.65	175.00	276740	214.00	177.00	1476855
Jun-17	215.00	186.00	417008	213.00	187.00	1018846
Jul-17	216.50	190.00	572286	219.75	189.90	624465
Aug-17	215.00	189.00	52835	209.90	189.50	424562
Sep-17	214.90	187.50	51909	214.80	182.50	371344
Oct-17	252.55	198.05	307275	253.00	199.90	907052
Nov-17	216.45	191.50	79143	213.25	191.50	1591077
Dec-17	227.50	197.00	317029	224.60	196.00	1019031
Jan-18	250.00	204.05	330171	224.00	203.50	929402
Feb-18	217.00	180.00	85176	219.00	181.20	512681
Mar-18	204.45	170.90	1030261	204.90	171.85	1211268

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 6000
Fax: +91 22 4918 6060
E-mail: pooja.mehta@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

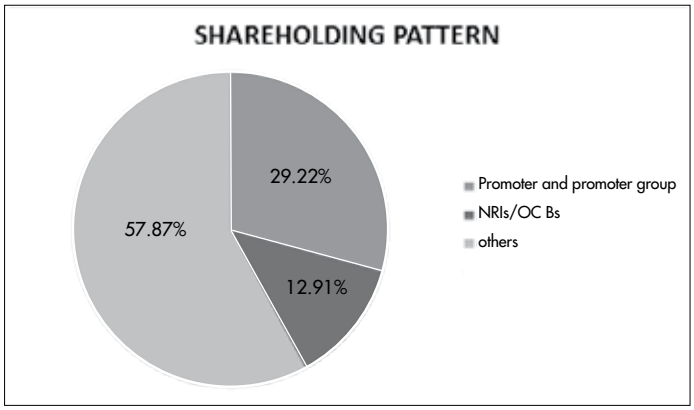
Distribution of Shareholding as on 31st March, 2018 is as under:

Range	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-500	9668	85.1506	1027405	2.7079
501-1000	719	6.3326	538896	1.4203
1001-2000	412	3.6287	600182	1.5819
2001-3000	182	1.603	463596	1.2219
3001-4000	82	0.7222	289329	0.7626
4001-5000	58	0.5108	269407	0.7101
5001-10000	93	0.8191	688917	1.8157
Above 10000	140	1.233	34063568	89.7797
Grand Total	**11354**	**100.00**	**37941300**	**100.00**

Shareholding Pattern as on 31st March, 2018

Category	No. of Shares	Percentage
Promoter and promoter group		
Promoter and promoter group	11086100	29.22
Subtotal (A)	**11086100**	**29.22**
NRIs/OCBs		
Foreign Company	1245140	3.28
Foreign Nationals	0	0.00
Non Resident Indians	295675	0.78
Foreign Portfolio Investor	3357554	8.85
Subtotal (B)	**4898369**	**12.91**
Others		
Clearing Members	49087	0.13
Private Corporate Bodies	1716701	4.53
Mutual Funds	9345536	24.63
Public	8018827	21.14
Others (HUF, NNB)	2826680	7.44
Subtotal (C)	**21956831**	**57.87**
Total (A+B+C)	**37941300**	**100.00**

Graphical Representation of the Shareholding pattern



Dematerialization of shares and liquidity as on 31st March, 2018

Particulars	No of Shares	% to Capital
National Securities Depository Limited	22957292	60.507
Central Depository Services (India) Limited	14982533	39.489
Subtotal -Demat (A)	37939825	99.996
Subtotal -Physical (B)	1475	0.004
Total (A+B)	**37941300**	**100.00**

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

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

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

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

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have much exposure to foreign exchanges requirements and the price fluctuations of raw materials required for manufacturing process are well managed as per the policy of the Company.

Plant location: The Company does not have any inhouse manufacturing facility as on date.

Address for correspondence:

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

Corporate Office
SDF - IV & C2, 3rd Main Road,
MEPZ - SEZ, Tambaram, Chennai - 600 045.
Tel: +91 44 4227 9100
Fax: +91 44 2262 2897
Email: investorservices@indianterrain.com/response.itfl@indianterrain.com
Website : www.indianterrain.com

Contact details of Designated Official for assisting & handling Investor Grievances

Mr. Ravi B.S.G.
Company Secretary & Compliance Officer
INDIAN TERRAIN FASHIONS LIMITED
SDF-IV & C2, 3rd Main Road
MEPZ-SEZ, Tambaram, Chennai-600 045
Tel : +91 44 4227 9100 (Board)
+91 44 4227 9241 (Direct)
Fax : +91 44 2262 2897
E-mail : ravi.bsg@indianterrain.com

7. OTHER DISCLOSURES:

Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

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 of ₹ 40 Crores towards related party transactions on Purchase of goods, Issue of Job Work Orders, FOB sales, washing charges, purchase of license scripts and lease rentals.

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 term 'ordinary course of business', as a matter of prudence 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 2018. The annual report contains a declaration to this effect signed by the Chairman and Managing Director.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. 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.

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.

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 in 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.

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

Particulars	No. of Shareholders	No. of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2017	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2018	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31st March, 2018 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Indian Terrain Fashions Limited

We have examined the compliance of conditions of Corporate Governance by Indian Terrain Fashions Limited for the financial year ended 31st March, 2018, as stipulated under Schedule V(E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

sd/-
C.N.Gangadaran
Partner
Membership No.011205

Date: 28th May, 2018
Place: Chennai

Compliance with Code of Conduct

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

I confirm that the Company has in respect of the financial year ended 31st March, 2018 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 as on 31st March, 2018.

For Indian Terrain Fashions Limited

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

Place: Chennai
Date: 28th May, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDIAN TERRAIN FASHIONS LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS Financial Statements of **Indian Terrain Fashions Limited** ("the Company"), which comprises the Balance sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other comprehensive income) and the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS 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 Ind AS Financial Statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind As Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements of the Ind AS financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profits (including other Comprehensive Income) and its cash flows and changes in Equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flows Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(g) with respect to the other matters to be included in the Auditor's Report in accordancewith Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact of pending litigations on as at 31st March, 2018 on its financial position in its Ind AS Financial Statements as referred to in Note 42 to the Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018;

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, 2018;

for **ANIL NAIR & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number
000175S

sd/-
G. ANIL
Partner
Membership Number: 022450

for **CNGSN & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number
004915S/S200036

sd/-
C.N. GANGADARAN
Partner
Membership Number: 011205

Chennai, May 28, 2018

ANNEXURE A

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

(Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of **Indian Terrain Fashions Limited** on the Ind AS Financial Statements for the year ended 31st March, 2018)

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 (ICAI) Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operate effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 Ind AS Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **ANIL NAIR & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number
000175S

sd/-
G. ANIL
Partner
Membership Number: 022450

for **CNGSN & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number
004915S/S200036

sd/-
C.N. GANGADARAN
Partner
Membership Number: 011205

Chennai, May 28, 2018

ANNEXURE B

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

The Annexure referred to in our Independent Auditors' Report to the members of **Indian Terrain Fashions Limited** on the Ind AS Financial Statements for the year ended March 31, 2018, we report that:

1. In respect of its Fixed Assets:

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

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

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

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

3. To the best of our knowledge and accordance to the information and explanation given to us, the Company has not granted secured/unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, in our opinion requirements of clause (iii) of paragraph 3 of the order are not applicable.

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

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal

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

7. In respect of Statutory dues:

a. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including provident fund, employees state insurance scheme, income tax, duty of customs, duty of excise, Goods and Services Tax, cess and other material statutory dues as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance scheme, income tax, duty of customs, duty of excise, Goods and Services Tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

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

Name of the Statue	Nature of Dues	Forum Where the dispute is pending	Period to which the amount relates	Amount (₹ in Lakhs)
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	**February 2012 to April 2012**	47.43
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	**May 2012 to September 2012**	32.18
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	**October 2012 to January 2013**	23.29
Central Excise Act, 1944	Excise duty	Commissioner, Central Excise, Chennai	**February 2013**	51.82
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	**October 2015**	42.65
Total				**197.37**

8. In our opinion 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 and borrowings to banks and loans and borrowings to financial institutions. There are no loans or borrowings from government nor the Company issued any debentures during the year.

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

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

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

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

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

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **ANIL NAIR & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number
000175S

sd/-
G. ANIL
Partner
Membership Number: 022450

for **CNGSN & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number
004915S/S200036

sd/-
C.N. GANGADARAN
Partner
Membership Number: 011205

Chennai, May 28, 2018

Balance Sheet as at 31st March, 2018

₹ In Crores

	Notes	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Assets				
Non-current assets				
Property, plant and equipment	2	45.74	34.03	26.56
Other intangible assets	2	3.47	0.48	-
Other intangible assets under development	2	-	2.03	-
Financial assets				
i) Loans	3	10.89	8.03	6.68
Deferred Tax Assets	15	-	4.67	6.55
Other non-current assets	4	1.63	1.10	0.23
Total non-current assets		**61.73**	**50.34**	**40.02**
Current assets				
Inventories	5	80.58	73.65	54.05
Financial assets				
i) Trade receivables	6	178.66	109.18	98.78
ii) Cash and cash equivalents	7	50.59	62.44	65.36
iii) Bank Balances (other than ii above)	8	1.04	1.92	1.86
iv) Loans	9	2.16	0.34	0.37
Other current assets	10	2.19	2.97	2.38
Total current assets		**315.22**	**250.50**	**222.80**
Total Assets		**376.95**	**300.84**	**262.82**
Equity and liabilities				
Equity				
Equity share capital	11	7.59	7.59	7.34
Other Equity	12			
i) Share Premium		76.71	76.71	74.52
ii) Retained Earnings		111.72	86.54	63.65
iii) Capital Reserve		8.01	8.01	8.01
Total equity		**204.03**	**178.85**	**153.52**
Liabilities				
Non-current liabilities				
Financial liabilities				
i) Borrowings	13	2.22	0.06	9.14
ii) Loans		-	-	-
ii) Other Financial Liabilities	14	15.83	12.88	8.77
Deferred tax liability	15	1.37	-	-
Liabilities for rent straight lining		0.89	0.45	0.45
Total non-current liabilities		**20.31**	**13.39**	**18.36**
Current liabilities				
Financial liabilities				
i) Borrowings	16	34.55	35.06	33.11
ii) Trade payables	17	83.65	47.51	39.47
iii) Other financial liabilities	18	25.52	20.14	11.15
Deferred Revenue	19	0.89	0.83	0.48
Current Tax Liabilities		1.25	1.98	4.61
Short Term Provisions	20	1.47	1.18	0.88
Other Payables	21	5.28	1.90	1.24
Total current liabilities		**152.61**	**108.60**	**90.94**
Total liabilities		**172.92**	**121.99**	**109.30**
Total equity and liabilities		**376.95**	**300.84**	**262.82**
Summary of Significant Accounting Policies	1			

The accompanying notes are an integral part of the financial statements

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

sd/-
G. Anil
Partner
Membership No. 022450

sd/-
Ravi B.S.G
Company Secretary

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

sd/-
C.N.Gangadaran
Partner
Membership No. 011205

sd/-
L. Visalakshi
Chief Financial Officer

For and on Behalf of the Board

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

sd/-
Rama Rajagopal
Director
(DIN :00003565)

Chennai
28th May, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

₹ In Crores (except per share data)

	Notes	Year Ended 31-Mar-18	31-Mar-17
Income			
Revenue from operations	22	401.45	325.91
Other income	30	2.50	5.30
Total Income		**403.95**	**331.21**
Expenses			
Cost of materials consumed	23	42.86	56.62
Purchase of Finished Goods	23	181.44	131.11
(Increase) / Decrease in Inventories of Finished Goods, Work-In-Progress & Bought-Out Goods	24	(7.24)	(19.08)
Garment Processing Costs	25	24.25	24.78
Employee Benefits Expense	26	29.31	21.85
Other Expenses	27	82.97	70.61
Total Expenses		**353.59**	**285.89**
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)		**50.36**	**45.32**
Less:			
Depreciation and amortisation expense	28	4.22	3.14
Finance Costs	29	7.04	8.93
Profit / (Loss) Before Tax		**39.10**	**33.25**
Income tax expense			
Current tax		6.84	11.90
Deferred tax		6.82	(0.32)
(Excess) / Short Provision of previous years			(1.17)
Total Tax Expense		13.66	10.41
Profit / (Loss) for the Year		**25.44**	**22.84**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains / (losses) on defined benefit plans		(0.38)	0.08
Income Tax effect	31	0.13	(0.03)
Other Comprehensive Income for the Year		**(0.25)**	**0.05**
Total Comprehensive Income for the Period		**25.19**	**22.89**
Earnings per equity share [nominal value of share ₹ 2/- (31st March, 2017 : ₹ 2/-)]	32		
Basic in ₹ per share		6.71	6.12
Diluted in ₹ per share		6.71	6.12
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

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

sd/-
G. Anil
Partner
Membership No. 022450

sd/-
Ravi B.S.G
Company Secretary

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

sd/-
C.N.Gangadaran
Partner
Membership No. 011205

sd/-
L. Visalakshi
Chief Financial Officer

For and on Behalf of the Board

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

sd/-
Rama Rajagopal
Director
(DIN :00003565)

Chennai
28th May, 2018

Statement of Cash Flows for the year ended 31st March, 2018

₹ In Crores

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash flow from operating activities		
Profit before income tax	**39.10**	**33.25**
Adjustments for		
Depreciation and amortisation expense	4.22	3.14
Deferred Revenue	0.06	0.35
Interest on fair valuation of security deposits	0.31	0.25
Income from sale of investments	(1.97)	(4.84)
Interest income	(0.15)	(0.11)
Finance costs	7.04	8.93
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(69.48)	(10.40)
(Increase) in inventories	(6.93)	(19.60)
Increase in trade payables	36.14	8.04
Increase/(decrease) in other financial liabilities	17.02	6.11
Increase in other payables and provisions	3.28	1.04
(Increase) in other financial assets	(1.98)	(1.41)
(Increase)/decrease in other non-current assets	(0.53)	(0.87)
(Increase)/decrease in other current assets	0.78	(0.59)
Cash generated from operations	**26.91**	**23.29**
Income taxes paid	8.21	11.20
Net cash inflow from operating activities	**18.70**	**12.09**
Cash flows from investing activities		
Payments for property, plant and equipment (net)	(16.90)	(13.10)
Loans to employees	(1.82)	0.03
Income from Investments	1.97	4.84
Interest received	0.15	0.11
Net cash outflow from investing activities	**(16.60)**	**(8.13)**
Cash flows from financing activities		
Share Capital	-	0.25
Share Premium	-	2.19
Short Term Borrowings	(0.51)	1.95
Long Term Borrowings (net)	(6.40)	(2.34)
Interest paid	(7.04)	(8.93)
Net cash inflow (outflow) from financing activities	**(13.95)**	**(6.88)**
Net increase (decrease) in cash and cash equivalents	(11.85)	(2.92)
Cash and cash equivalents at the beginning of the financial year	62.44	65.36
Cash and cash equivalents at end of the year	**50.59**	**62.44**

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
2. Purchase of property, plant and equipment / intangible assets include movement of capital work-in-progress and intangible assets under development

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

sd/-
G. Anil
Partner
Membership No. 022450

sd/-
Ravi B.S.G
Company Secretary

Chennai
28th May, 2018

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

sd/-
C.N.Gangadaran
Partner
Membership No. 011205

sd/-
L. Visalakshi
Chief Financial Officer

For and on Behalf of the Board

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

sd/-
Rama Rajagopal
Director
(DIN :00003565)

Statement of Changes in Equity for the year ended 31st March, 2018

₹ In Crores

a)

Equity Share Capital	No. of Shares	₹ In Crores
Equity shares of Rs.2 each issued, subscribed and fully paid up		
As at 1st April, 2016	367,11,300	7.34
Exercise of Options (Note 36)	12,30,000	0.25
Balance as at 31st March, 2017	**379,41,300**	**7.59**
As at 1st April, 2017	**379,41,300**	**7.59**
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2018	**379,41,300**	**7.59**

b)

Other Equity (Refer Note 12)	Reserves and surplus (Note 13)			
	Share Premium	Capital reserve	Retained earnings	Total
As at 1st April, 2016	**74.52**	**8.01**	**63.65**	**146.18**
Profit for the year			22.84	22.84
Other comprehensive income (Refer Note 31)			0.05	0.05
Total Other Comprehensive Income			22.89	22.89
Premium on exercise of Share Options	2.19			2.19
As at 31st March, 2017	**76.71**	**8.01**	**86.54**	**171.26**
As at 1st April, 2017	**76.71**	**8.01**	**86.54**	**171.26**
Profit for the year			25.44	25.44
Other comprehensive income (Refer Note 31)			(0.25)	(0.25)
Total Other Comprehensive Income			25.19	25.19
As at 31st March, 2018	**76.71**	**8.01**	**111.72**	**196.45**

The accompanying notes are an integral part of the financial statements

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

sd/-
G. Anil
Partner
Membership No. 022450

sd/-
Ravi B.S.G
Company Secretary

Chennai
28th May, 2018

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

sd/-
C.N.Gangadaran
Partner
Membership No. 011205

sd/-
L. Visalakshi
Chief Financial Officer

For and on Behalf of the Board

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

sd/-
Rama Rajagopal
Director
(DIN :00003565)

Notes to the Accounts as at 31st March 2018

1 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.

1.1 Statement of compliance

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

Upto the year ended 31st March, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. Refer Note 39 for an explanation of transition from previous GAAP to Ind AS and its impact on financial position and financial performance. The date of transition to Ind AS is April 1, 2016.

1.2 Basis of preparation and presentation

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

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

The principal accounting policies are set out below:

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

1.3 Going concern

The board of directors have considered the financial position of the Company at 31st March, 2018 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

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

1.4 Use of estimates and judgments

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

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

Significant Estimates

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation- Refer Note - 38

Estimation of revenue to be recognised on sale of loyalty points- Refer Note - 1.5.3 and Note 19

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

Recognition of deferred tax asset -Refer Note 15

1.5 Revenue recognition

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

1.5.1 Sale of goods

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

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

1.5.2 Income from service

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

1.5.3 Revenue Recognition - Loyalty Points

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

1.6 Foreign currencies

1.6.1 Functional and presentation currency

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

1.6.2 Transactions and balances

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

1.7 Employee Benefits

1.7.1 Short Term Obligations

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

1.7.2 Other long term employee benefit

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as 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.

1.7.3 Post employment obligation

The Company operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, and

b) Defined contribution plans such as provident fund.

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

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

1.7.4 Share based payments: ESOP

The fair value of options granted under the ESOP are recognised as an employee benefits expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

1.7.5 Bonus plans

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

1.8 Taxation

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

1.8.1 Current tax

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

1.8.2 Deferred tax

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

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

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

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

1.8.3 Current and deferred tax for the year

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

1.9 Property, plant and equipment

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

1.10 Intangible assets

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

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

1.10.1 Deemed cost on transition to Ind AS

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

1.11 Impairment of tangible and intangible assets

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

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

1.12 Inventories

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

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.13 Provisions and contingencies

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

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

1.14 Financial instruments

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

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

1.15 Financial assets

1.15.1 Classification of financial assets

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

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

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

Debt instruments

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

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

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

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

Equity instruments

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

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

1.15.2 Trade receivables

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

1.15.3 Cash and cash equivalents

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

Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

1.15.4 Impairment of financial assets

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

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

1.15.5 Interest Income recognition on financial assets

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

1.16 Financial liabilities

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

1.17 Trade and other payables

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

1.18 Borrowings

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

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

1.19 Foreign exchange gains or losses

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

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

1.20 Segment reporting

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

1.21 Leases

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

1.22 Borrowing costs

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

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

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

1.23 Government grants

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

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

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

1.24 Earning Per Share

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

1.25 Dividends

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

1.26 Accounting for Corporate Social Responsibility

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

1.27 New Amendments issued yet not effective:

Ind AS 115, Revenue from contracts with customers

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

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

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

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

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

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

a. The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.

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

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

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

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

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

2. Property, Plant and Equipment

	Freehold land	Buildings	Plant and equipment	Electrical Installation	Office Equipments	Computers	Vehicles	Furniture & Fixtures	Total Tangible Assets	Computer Software	Total Non-Tangible Assets	Intangibles under development	Total
Deemed Cost													
As at 1st April, 2016	8.22	6.15	1.04	0.03	0.08	0.19	1.63	9.22	**26.56**	-	**-**	-	**26.56**
Additions	-	0.61	0.01	-	0.24	0.15	0.01	9.48	**10.50**	0.59	**0.59**	2.03	**13.12**
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	-	-	**-**	-	**-**	-	**-**
As at 31st March, 2017	**8.22**	**6.76**	**1.05**	**0.03**	**0.32**	**0.34**	**1.64**	**18.70**	**37.06**	**0.59**	**0.59**	**2.03**	**39.68**
As at 1st April, 2017	**8.22**	**6.76**	**1.05**	**0.03**	**0.32**	**0.34**	**1.64**	**18.70**	**37.06**	0.59	**0.59**	2.03	**39.68**
Additions	-	0.01	0.21	0.54	0.44	0.88	0.70	13.38	**16.16**	3.62	**3.62**	-	**19.78**
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	0.85	-	**0.85**	-	**-**	2.03	**2.88**
As at 31st March, 2018	**8.22**	**6.77**	**1.26**	**0.57**	**0.76**	**1.22**	**1.49**	**32.08**	**52.37**	**4.21**	**4.21**	**-**	**56.58**
Depreciation and Impairment													
As at 1st April, 2016	-	-	-	-	-	-	-	-	**-**	-	**-**	-	**-**
Additions	-	0.21	0.08	0.01	0.05	0.11	0.32	2.25	**3.03**	0.11	**0.11**	-	**3.14**
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	-	-	**-**	-	**-**	-	**-**
As at 31st March, 2017	**-**	**0.21**	**0.08**	**0.01**	**0.05**	**0.11**	**0.32**	**2.25**	**3.03**	**0.11**	**0.11**	**-**	**3.14**
As at 1st April, 2017	-	0.21	0.08	0.01	0.05	0.11	0.32	2.25	**3.03**	0.11	**0.11**	-	**3.14**
Additions	-	0.23	0.08	0.02	0.08	0.27	0.26	2.66	**3.60**	0.63	**0.63**	-	**4.23**
Disposals / Capitalisation of CWIP	-	-	-	-	-	-	-	-	**-**	-	**-**	-	**-**
As at 31st March, 2018	**-**	**0.44**	**0.16**	**0.03**	**0.13**	**0.38**	**0.58**	**4.91**	**6.63**	**0.74**	**0.74**	**-**	**7.37**
Carrying amount as on 1st April, 2016	**8.22**	**6.15**	**1.04**	**0.03**	**0.08**	**0.19**	**1.63**	**9.22**	**26.56**	**-**	**-**	**-**	**26.56**
Carrying amount as on 31st March, 2017	**8.22**	**6.55**	**0.97**	**0.02**	**0.27**	**0.23**	**1.32**	**16.45**	**34.03**	**0.48**	**0.48**	**2.03**	**36.54**
Carrying amount as on 31st March, 2018	**8.22**	**6.33**	**1.10**	**0.54**	**0.63**	**0.84**	**0.91**	**27.17**	**45.74**	**3.47**	**3.47**	**-**	**49.21**

Net Book Value	As at **31-Mar-18**	As at **31-Mar-17**	As at **1-Apr-16**
Property, plant and Equipment	45.74	34.03	26.56
Other intangible assets	3.47	0.48	-
Other intangible assets under development	-	2.03	-

Notes:

1. Intangible assets under development mainly comprises of amounts paid towards development of ERP Software
2. Property, plant and equipment and Intangible assets have been carried at deemed cost as at 1st April, 2016 i.e. measured at carrying value as per previous GAAP
3. Computers include assets capitalised under finance lease - ₹ 0.48 crores (Previous year - NIL). For terms of the finance lease refer note 13(iii).

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

		As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
3	**Loans**			
	Unsecured, considered good			
	Security Deposits	10.89	8.03	6.68
	Total	**10.89**	**8.03**	**6.68**
4	**Other non-current assets**			
	Capital advances	1.46	0.93	-
	Balances with government authorities	0.17	0.17	0.23
	Total	**1.63**	**1.10**	**0.23**
5	**Inventories**			
	Raw Materials	1.03	1.15	1.05
	Trims and Packing Materials	0.49	0.68	0.59
	Work-in-Progress	1.07	3.44	1.08
	Finished Goods / Bought-out Goods	77.99	68.38	51.33
	Includes Goods-in-transit of ₹ 1.03 crs, (Previous year 4.73 crs, 1.53 crs for 1st April, 2016)			
	Total	**80.58**	**73.65**	**54.05**
6	**Trade receivables**			
	Secured, considered good	-	-	-
	Unsecured, considered good	178.66	109.18	98.78
	Total	**178.66**	**109.18**	**98.78**
	No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are unsecured and non-interest bearing with credit terms ranging from 45 to 120 days.			
7	**Cash and cash equivalents**			
	Balances with banks			
	Current Accounts	50.58	62.38	65.32
	Cash on hand	0.01	0.06	0.04
	Total	**50.59**	**62.44**	**65.36**
	For the purpose of Statement of cash flows, Cash and cash equivalents comprises of above balances			
8	**Bank Balances**			
	Fixed Deposits with Bank	1.04	1.92	1.80
	The above deposits are being held as margin money under lien to bank for borrowings / bank guarantee			
	Interest accrued on Fixed Deposits	-	-	0.06
	Total	**1.04**	**1.92**	**1.86**
9	**Loans**			
	Unsecured, considered good			
	Loans and advances to employees	2.16	0.34	0.37
	Total	**2.16**	**0.34**	**0.37**
10	**Other Current assets**			
	Prepaid expenses	1.24	0.86	0.83
	Advances to Suppliers	0.95	2.11	1.55
	Total	**2.19**	**2.97**	**2.38**

11 **Equity share capital**

Authorised Share Capital

	No. of Shares	₹ In Crores
As at 1st April, 2016	600,00,000	12.00
Increase during the year	-	-
As at 31st March, 2017	600,00,000	12.00
Increase during the year	-	-
As at 31st March, 2018	600,00,000	12.00

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

Issued, Subscribed and Paid-up Capital

	No. of Shares	₹ In Crores
As at 1st April, 2016	367,11,300	7.34
Increase during the year	12,30,000	0.25
As at 31st March, 2017	**379,41,300**	**7.59**
Increase during the year	-	-
As at 31st March, 2018	**379,41,300**	**7.59**

i) Terms and rights attached to equity shares

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

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

iii) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31-Mar-18		As at 31-Mar-17		As at 1-Apr-16	
	No. of shares held	% holding	No. of shares held	% holding	No. of shares held	% holding
Mr. Venkatesh Rajagopal	47,47,115	12.51%	47,47,115	12.51%	47,47,115	12.93%
Mrs. Rama Rajagopal	62,02,930	16.35%	62,02,930	16.35%	62,02,930	16.90%
Reliance Capital Trustee Co. Ltd - A/c Reliancesmall Cap Fund	37,39,390	9.86%	-	0.00%	-	0.00%
SBI Magnum Multi Cap Fund	35,75,000	9.42%	35,39,000	9.33%	35,75,000	9.19%
DSP Blackrock Small and Mid Cap Fund	11,19,541	2.95%	29,52,442	7.78%	28,48,860	7.76%

iv) Shares reserved for issuance

Employee Stock Options granted

The Employee Stock Option Scheme which was outstanding for exercise were fully exercised during the financial year 2016-17.

Accordingly there were no Stock Options pending for issuance as at 31st March, 2017. (Refer Note 36)

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

vi) The Shareholders of the Company approved the sub-division of each equity share having a face value of ₹ 10/- each into five equity shares having a face value of ₹ 2/- each through postal ballot on 1st December, 2015. The record date for the sub-division was December 22, 2015.

All shares and per share information in the finance statements reflect the effect of sub-division for each of period presented.

12 Other Equity

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Share Premium	76.71	76.71	74.52
Retained earnings	111.72	86.54	63.65
Capital Reserve	8.01	8.01	8.01
Total	**196.44**	**171.26**	**146.18**
a) Share Premium			
As at the beginning of the year	76.71	74.52	74.52
Proceeds received during the year	-	2.19	-
As at the end of the year	**76.71**	**76.71**	**74.52**
b) Retained earnings			
As at the beginning of the year	86.54	63.65	63.65
Profit for the Year	25.44	22.84	
Other Comprehensive Income (Refer Note 31)	(0.25)	0.05	
As at the end of the year	**111.72**	**86.54**	**63.65**
c) Capital Reserve			
As at the beginning of the year	8.01	8.01	8.01
Additions / (Utilisation)			
As at the end of the year	**8.01**	**8.01**	**8.01**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	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.			
iii)	Capital Reserve - Capital Reserve was created out of the demerger in financial year 2010-11			
13	**Borrowings**			
	Non-Current			
	Secured			
i)	Term Loans from Banks	0.09	-	9.06
ii)	From Others	0.06	0.06	0.08
iii)	Finance Lease Obligations	0.33	-	-
	Unsecured			
i)	From Others	1.74	-	-
	Total	**2.22**	**0.06**	**9.14**

a) The secured term loan availed from State Bank of India has been pre-closed in full in April 2017. Accordingly the entire loan outstanding of ₹ 9 crs in financial year 2016-17 has been grouped under Other Current Liabilities

b) Secured Term loan from Axis Bank Limited represents the vehicle loan and the final instalment was repaid during FY2017-18

c) Secured Term loan from ICICI Bank Limited amounting to ₹ 0.12 crs (Previous Year "Nil") represents the vehicle loan availed which carries interest rate of 8.30% p.a. This loan is repayable in 60 monthly installments 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	2018-19	2019-20	2020-21	2021-22	2022-23
ICICI Bank Limited	8.30%	0.02	0.02	0.02	0.03	0.02

d) **Secured Term loan from others represents:**

Loan from Kotak Mahindra Prime Limited (Secured)

Vehicle loan availed from Kotak Mahindra Prime Limited carries interest rate of 10% p.a. This loan is repayable in 60 monthly instalments from the date of the loan.

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

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

Term Loan from Others	Rate of Interest	2018-19	2019-20	2020-21
Kotak Mahindra Prime Ltd	10.00%	0.03	0.03	0.02

e) **Finance lease obligations**

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

Term Loan from Others	Rate of Interest	2018-19	2019-20	2020-21	2021-22	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.08	0.09	0.10	0.11	0.03

f) **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 financing of Software licenses and development. The loan is repayable in 20 Quarterly instalments and carries an interest rate of 10.8%

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

Term Loan from Others	Rate of Interest	2018-19	2019-20	2020-21	2021-22	2022-23
Hewlett Packard Financial Services (India) Private Limited	10.80%	0.43	0.47	0.53	0.59	0.16

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

Total Long Term Loans	2.78	9.17	11.52
Considered under Current Liabilities			
State Bank of India	-	8.95	2.25
Axis Bank Limited - Vehicle Loan	-	0.12	0.11
ICICI Bank Limited - Vehicle Loan	0.02	-	-
Finance Lease Obligations from HPFES	0.08	-	-
Unsecured Loan from HPFES	0.43	-	-
Kotak Mahindra Prime Ltd - Vehicle Loan	0.03	0.04	0.02
Total current maturities of long term borrowings	**0.56**	**9.11**	**2.38**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
14 Other Financial Liabilities			
Non-current			
Security deposits received	15.83	12.88	8.77
Total other non-current financial liabilities	**15.83**	**12.88**	**8.77**
15 Deferred Tax - (liabilities) / asset			
The balance comprises temporary differences attributable to:			
Depreciation	(4.29)	(3.34)	(1.17)
Provision for employee benefits	0.51	0.41	0.30
Others	-	5.84	3.48
MAT Credit Entitlement	2.41	1.76	3.94
Net deferred tax (liabilities) / asset	**(1.37)**	**4.67**	**6.55**

Movement in deferred tax (liabilities) / asset

	Depreciation	Provision for employee benefits	Others	MAT Credit	Total
At 1st April, 2016	(1.17)	0.30	3.48	3.94	6.55
(Charged)/credited to deferred tax:					
- to profit or loss	(2.17)	0.14	2.36	-	0.32
- to other comprehensive income	-	(0.03)	-	-	(0.03)
(Debited)/credited to current tax payable:	-	-	-	(2.18)	(2.18)
At 31st March, 2017	**(3.34)**	**0.41**	**5.84**	**1.76**	**4.67**
(Charged)/credited:					
- to profit or loss	(0.95)	(0.03)	(5.84)	-	(6.82)
- to other comprehensive income	-	0.13	-	-	0.13
(Debited)/credited to current tax payable:	-	-	-	0.65	0.65
At March 31, 2018	**(4.29)**	**0.51**	**-**	**2.41**	**(1.37)**

Significant Estimate

The company has recognised MAT credit entitlement under Deferred Tax Asset based on the estimated future taxable income. MAT credit entitlement can be carried forward for 15 years

16 Borrowings			
Current			
Loans Repayable on Demand			
Cash Credit from State Bank of India (Secured)	34.55	35.06	33.11
Total	**34.55**	**35.06**	**33.11**

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

The loan is further secured by the following collaterals:

i) Hypothecation of plant & machinery

ii) Equitable Mortgage over land and building situated at 70/2 & 70/3A, Agaram Road, Thiruvenchery, Chennai - 600 073

iii) Pledge of Promoters Shares in the Company to an extent of 76,46,450 Equity Shares and

iv) Personal guarantee of the promoters

17 Trade payables			
Trade Payable (Refer Note below)			
Amount Due to related parties (Refer Note 37)	2.71	3.62	1.55
Others	80.94	43.89	37.92
	83.65	**47.51**	**39.47**

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, 2018

₹ In Crores

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	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			
	Particulars			
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11.05	7.79	2.49
	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	-	-	-
18	**Other financial liabilities**			
	Current maturities of long term borrowings (Note 13)	0.56	9.11	2.38
	Salaries, Wages and Other benefits payable	2.97	2.24	1.64
	Accrued Expenses	21.99	8.79	7.13
	Total	**25.52**	**20.14**	**11.15**
19	**Deferred Revenue**			
	As at the beginning of the year	0.83	0.48	
	Deferred during the year	1.28	2.13	
	Released to the Statement of Profit and Loss	(1.22)	(1.78)	
	As at the end of the year	**0.89**	**0.83**	
	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.			
20	**Short Term Provisions**			
	Provision for unavailed leave	0.72	0.69	0.50
	Provision for Gratuity (Refer Note 38)	0.75	0.49	0.38
	Total	**1.47**	**1.18**	**0.88**
21	**Other Payables**			
	Withholding and Other Taxes payables	5.28	1.90	1.24
	Total	**5.28**	**1.90**	**1.24**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

		Year Ended 31st March, 2018	Year Ended 31st March, 2017
22	**Revenue from Operations**		
	Sale of goods	400.23	324.13
	Revenue from redemption of loyalty points (refer Note 19)	1.22	1.78
	Total	**401.45**	**325.91**
23	**Cost of Material Consumed**		
(a)	**Raw material consumed**		
	Raw materials at the beginning of the year	1.83	1.64
	Add: Purchases	42.55	56.81
	Less: Inventory at the end of the Year	1.52	1.83
	Cost of Raw material consumed	**42.86**	**56.62**
(b)	**Purchases of Bought-Out goods**		
	Purchases of Bought-Out goods	181.44	131.11
	Total Purchases of Bought-out Goods	**181.44**	**131.11**
24	**(Increase) / Decrease in inventories of finished goods, work-in-progress and bought-out goods**		
	Opening Inventory		
	Work-in-progress	3.44	1.08
	Finished goods / Bought-out goods	68.38	51.33
		71.82	**52.41**
	Closing Inventory		
	Work-in-progress	1.07	3.44
	Finished goods / Bought-out goods	77.99	68.38
		79.06	**71.82**
	Variation in Excise Duty Provision	-	0.33
	(Increase) / Decrease	**(7.24)**	**(19.08)**
25	**Garment Processing Costs**		
	Subcontracting and other Garment Processing Costs	24.25	24.78
	Total	**24.25**	**24.78**
26	**Employee Benefits Expense**		
	Salaries, wages and bonus	25.97	19.43
	Contribution to Provident and Other funds	1.66	1.27
	Gratuity Expense (Refer Note 38)	0.23	0.18
	Staff welfare expenses	1.45	0.97
	Total	**29.31**	**21.85**
27	**Other Expenses**		
	Advertisement	15.98	14.53
	Auditor's Remuneration	0.07	0.08
	Bad Debts	0.60	-
	Books, Periodicals & Subscriptions	0.34	0.26
	Communication Expenses	0.82	0.55
	Consultancy Charges	4.25	3.38
	Corporate Social Responsibility	0.20	-
	Distribution Costs	7.69	5.24
	Entertainment & Sales Promotion Expenses	7.66	8.52
	Insurance	0.75	0.56
	Other Miscellaneous Expenses	4.15	2.17
	Rent, Rates and Taxes	16.27	15.20
	Remuneration to Directors	1.92	1.76
	Selling Commission	13.08	11.45
	Selling Expenditure	2.30	1.51
	Showroom Maintenance	1.51	1.63
	Traveling & Conveyance	5.38	3.77
	Total	**82.97**	**70.61**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

		Year Ended 31st March, 2018	Year Ended 31st March, 2017
	Details of Auditors' Remuneration:		
	Payments to Statutory Auditors:		
	For Audit Fee (including Limited Review Fee)	0.05	0.05
	For Tax Audit	0.01	0.01
	For Other Services	0.01	0.01
	For Reimbursement of Expenses	-	0.03
		0.07	**0.10**
	Payments to Secretarial Auditor:		
	For Audit Fee	0.01	0.01
	Payment towards Corporate Social Responsibility		
	Swabodhini Charitable Trust, Chennai (Special Children Education)	0.03	-
	Rotary Club of Madras South Trust (Paediatric Heart Surgery)	0.05	-
	Rally for Rivers (Save Water Campaign)	0.06	-
	Rotary Club of Madras East Trust (Skill Development)	0.06	-
		0.20	**-**
28	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (Refer Note 2)	3.60	3.03
	Amortisation of intangible assets (Refer Note 2)	0.62	0.11
	Total	**4.22**	**3.14**
29	**Finance Cost**		
	Interest Expense	5.11	6.92
	Other Borrowing Costs	1.93	2.01
	Total	**7.04**	**8.93**
30	**Other income**		
	Gain on Sale of Investments	1.97	4.84
	Interest income earned on financial assets that are not designated at fair value through profit or loss		
	Interest income	0.15	0.11
	Gain / (loss) on foreign exchange translation	(0.05)	-
	Unwinding of discount on Security deposits	0.31	0.25
	Miscellaneous income	0.12	0.10
	Total	**2.50**	**5.30**
31	**Other Comprehensive Income**		
	Remeasurement gains / (losses) on defined benefit plans (net of tax)	(0.25)	0.05
	Total	**(0.25)**	**0.05**

32 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

Earnings Per Share (EPS) is calculated as under:

Profit / (Loss) as per the Statement of Profit and Loss	(A)	25.44	22.84
Weighted average number of equity shares for calculation of Basic EPS	(B)	379,41,300	373,11,108
Basic EPS (In ₹)	**(A/B)**	**6.71**	**6.12**
Weighted average number of equity shares outstanding for calculation of Basic EPS		379,41,300	373,11,108
Weighted average number of potential equity shares		-	-
Weighted average number of equity shares outstanding for calculation of Diluted EPS	(C)	379,41,300	373,11,108
Diluted EPS (In ₹)	**(A/C)**	**6.71**	**6.12**
Nominal Value of Shares (In ₹)		**2.00**	**2.00**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

33 Fair value measurements

Financial instruments by category

	31st March, 2018	31st March, 2017	April 1, 2016
		Amortised cost	
Financial assets			
Security deposits	10.89	8.03	6.68
Trade receivables	178.66	109.18	98.78
Cash and cash equivalents	50.59	62.44	65.36
Other bank balances	1.04	1.92	1.86
Loans and advances to employees	2.16	0.34	0.37
Total financial assets	**243.34**	**181.91**	**173.05**
Financial liabilities			
Borrowings	37.33	44.23	44.63
Trade payables	83.65	47.51	39.47
Salaries and wages	2.97	2.24	1.64
Security Deposits	15.83	12.88	8.77
Accrued Expenses	21.99	8.79	7.13
Total financial liabilities	**161.77**	**115.65**	**101.64**

All financial assets and liabilities are held under amortised cost

(i) Fair value hierarchy

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

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

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

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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

Fair value of financial assets and liabilities held at amortised cost

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

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

34 Financial risk management

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

(A) Credit risk

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

Credit risk management

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

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

(B) Liquidity risk

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

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:

	31st March, 2018	31st March, 2017	1st April, 2016
Fixed Rate			
Expiring within one year (cash credit facility)	2.20	1.69	3.64

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 analyses 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

	31st March, 2018			31st March, 2017			1st April, 2016		
Non-derivatives	**Maturing within 1 year**	**Maturing after 1 year**	**Total**	**Maturing within 1 year**	**Maturing after 1 year**	**Total**	**Maturing within 1 year**	**Maturing after 1 year**	**Total**
Borrowings									
Trade payables	83.65	-	83.65	47.51	-	47.51	39.47	-	39.47
Salaries and wages	2.97	-	2.97	2.24	-	2.24	1.64	-	1.64
Security Deposits	-	15.83	15.83	-	12.88	12.88	-	8.77	8.77
Accrued Expenses	21.99		21.99	8.79	-	8.79	7.13	-	7.13
Cash Credit from Bank	34.55		34.55	35.06	-	35.06	33.11		33.11
Long Term Borrowings (including interest thereon)	0.81	2.59	3.40	9.47	0.07	9.54	3.62	9.16	12.78
Total non-derivative liabilities	**143.97**	**18.42**	**162.39**	**103.07**	**12.95**	**116.02**	**84.97**	**17.93**	**102.90**

(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

	31st March, 2018
Financial liabilities	
Trade payables	
Exposure to foreign currency risk (liabilities)	2.81
Net exposure to foreign currency risk	**2.81**

The flucuations in foreign currency exchange rates does not have a significant impact on the Company's profitability.

35 Capital management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optimal gearing ratio . The gearing ratios were as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Net debt	13.26	18.21	20.73
Total equity	204.03	178.85	153.52
Net debt to equity ratio	**6.5%**	**10.2%**	**13.5%**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

Loan covenants

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

Minimum Current Ratio of 2.21

The company has complied with the above covenant throughout the year

36 Share based payments

(a) Employee option plan

The Shareholders in the Annual General Meeting held on 30th September 2011, have approved the issue of 11,16,000 Options under the Scheme titled "Employee Stock Option Scheme (ESOP) 2011" to Key Managerial Executives of the Company.

Each Option comprises one underlying Equity Share. The Details of the Scheme is provided in the Annexure to the Directors' Report.

The difference between the Fair Price of the Share underlying the Options on the date of grant and the exercise price of the Options (being the intrinsic value of the option) representing Stock Compensation expense is expensed over the Vesting Period.

i) Summary of options granted under plan :

	31st March, 2018		31st March, 2017		1st April, 2016	
	Avg. exercise price per share option	Number of options	Avg. exercise price per share option	Number of options	Avg. exercise price per share option	Number of options
Opening balance	-	-	19.80	12,30,000	19.80	20,10,000
Granted during the year	-	-	-	-	-	-
Exercised during the year	-	-	19.80	12,30,000	19.80	7,80,000
Forfeited during the year	-	-	-	-	-	-
				-		**12,30,000**

ii) Share options outstanding at the end of year have following expiry date and exercise prices

	Grant Date	Expiry Date	Exercise Price	Share options 31st March, 2018	31st March, 2017	1st April, 2016
Growth Options	September 30, 2011	September 30, 2018	19.80	-	-	12,30,000
				-	-	**12,30,000**

37 Related party transactions

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

Key Managerial Personnel:

Mr. V. Rajagopal

Relatives of Key Managerial Personnel

Mrs. Rama Rajagopal

Ms. Anjali Rajagopal

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

M/s Celebrity Fashions Limited

Others

ITFL Employees Gratuity Fund**

Transactions carried out with Related Parties during the Year	31st March, 2018	31st March, 2017
Managerial Remuneration	1.92	1.76
Salaries	0.12	-
Consultancy Charges	-	0.06
Purchase of goods, Job work charges, Rentals - Celebrity Fashions Limited	25.35	25.47

Outstanding Balances	31st March, 2018	31st March, 2017	1st April, 2016
Payable as Managerial Remuneration	0.88	0.91	0.07
Salaries	0.01	-	-
Consultancy Charges	-	-	0.01
Trade Payables - Celebrity Fashions Limited	2.71	3.62	1.55

** Transaction and balances with Gratuity fund has been disclosed in Note 38

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

38 Employee benefit plans

Defined benefit plans

Gratuity

Particulars	For the year Ended	
	31st March, 2018	31st March, 2017
Present Value of obligations at the beginning of the year	0.73	0.71
Current service cost	0.21	0.14
Interest Cost	0.04	0.05
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	(0.01)	0.03
- Actuarial gains and losses arising from experience adjustment	0.40	(0.11)
Benefits paid	(0.30)	(0.10)
Present Value of obligations at the end of the year	**1.07**	**0.72**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	0.27	0.35
Interest Income	0.02	0.02
Actuarial gain/loss	(0.01)	-
Contributions from the employer	0.35	-
Benefits Paid	(0.31)	(0.10)
Fair Value of plan assets at the end of the year	**0.32**	**0.27**
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	1.06	0.73
Fair value of plan assets at end of the year	(0.34)	(0.27)
Funded status of the plans – Liability recognised in the balance sheet	**0.72**	**0.46**
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.21	0.15
Net Interest Expense	0.02	0.03
Net Cost in Profit or Loss	**0.23**	**0.18**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	(0.01)	0.03
- Actuarial gains and losses arising from experience adjustment	0.40	(0.11)
Return on plan assets	(0.01)	-
Net Cost in Other Comprehensive Income	**0.38**	**(0.08)**
Assumptions		
Discount rate	7.5%	7.3%
Expected rate of salary increases	5.0%	5.0%
Expected rate of attrition	7.0%	7.0%
Average age of members	28.59	27.99
Mortality (IALM (2006-2008) Ultimate)		
Sensitivity Analysis		
Impact on change in assumptions on liability		

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

Particulars	March 31,2018
Discount rate	
- 1% increase	0.97
- 1% decrease	1.16
Salary growth rate	-
- 1% increase	1.15
- 1% decrease	0.98
Attrition rate	-
- increase of 1% of attrition rate	1.07
- decrease of 1% of attrition rate	1.05
Mortality rate	-
- increase of 10% of mortality rate	1.06

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.

39 Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of opening Ind AS balance sheet at 1st April, 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying values.

A.1.2 Employee Stock Options Plans (ESOP)

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash-alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to equity instruments that vested before the date of transition to Ind AS

Accordingly, the company has elected not to remeasure the ESOP vested prior to transition date at fair value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.
- Estimate of revenue to be deferred on account of loyalty points

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C: Notes to first-time adoption:

Note 1: Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

Note 2: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 decreased by ₹ 0.08 crores. There is no impact on the total equity as at 31st March, 2017.

Note 3: Security deposits and rent straight lining

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, The company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

The rent has been accounted on straight line basis after providing for rent free period and not considering escalations which is in-line with inflation.

Due to the above impact retained earning reduced by ₹ 0.46 crores as at 31st March, 2017 (1st April, 2016 ₹ 0.46 crores).

Note 4: Loyalty Points

The company operates a customer reward points program. The programme allows customers to accumulate points products. The points can be redeemed by the customers for free products/reduction in future price of products sold.

Under Ind AS, sales consideration received has been allocated between the products sold and the reward points issued. The consideration allocated to the customer reward points has been deferred and will be recognised as revenue when the reward points are redeemed or lapsed. Accordingly, the company has recognised deferred revenue to the extent of ₹ 0.83 crores as at 31st March, 2017 (1st April, 2016 – ₹ 0.48 crores) with corresponding adjustment to retained earnings.

Note 5: Borrowing cost

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31st March, 2017 have been reduced by ₹ 0.08 crores (1st April, 2016 – ₹ 0.11 crores) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2017 decreased by ₹ 0.04 crores.

Note 6: Revenue Recognition

Reassessment of revenues under the previous GAAP where there is a right to return – The Company under the previous GAAP recognised revenues net of returns and provisions (where there is a right to return) based on historical trends. In keeping with contemporaneous shift towards a more a retail centric / modern trade business environment, the Company has reassessed its revenue where there is a right to return and has accordingly made changes.

Consequent to the same, the revenues for the year ending 31st March, 2017 has been restated and the impact net of expenses has been correspondingly adjusted to the retained earnings. Profits for the year ended 31st March, 2017 decreased by ₹ 6.42 crs and the total equity decreased by ₹15.65 crs as at 31st March, 2017 (₹ 9.23 crs as at 1st April, 2016).

Note 7: Discounts

Under previous GAAP, dealer discounts were shown under selling expenses, As per Ind-AS any form of discounts given has to be netted of to Revenue, consequent to this revenue and other expenses has reduced by ₹ 63.67 crores in the year ended 31st March, 2017 and there is no impact in profit or equity to this extent.

40 Reconciliations between previous GAAP and Ind AS

i) Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

₹ In Crores

Particulars	Notes	31st March, 2017	1st April, 2016
Equity under previous GAAP		**190.99**	**160.96**
Impact of revenue reassessment based on risk and reward net off additional provision for returns	6	(15.65)	(9.23)
Deferral of revenue on account of loyalty points	4	(0.83)	(0.48)
Impact of rental deposits discounting and rent accounted on straight line basis	3	(0.46)	(0.66)
Impact of fair valuation of security deposits on rent	3	-	0.20
Other adjustments	5	0.08	0.11
Tax impact on Ind AS adjustments	1	4.72	2.62
Equity as per Ind AS		**178.85**	**153.52**

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

ii) Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Notes	2016-17
Profit after tax as per previous GAAP		27.59
Impact of revenue reassessment based on risk and reward net off additional provision for returns	6	(6.42)
Deferral of revenue on account of loyalty points	4	(0.35)
Impact of rental deposits discounting, rent accounted on straight line basis and fair valuation of security deposits	3	-
Reclassification of remeasurement gains / (losses) on defined benefit plans to Other Comprehensive Income	2	(0.08)
Other adjustments	5	(0.04)
Tax impact on Ind AS adjustments	1	2.14
Profit after tax as per Ind AS		**22.84**
Other comprehensive income (net of tax)		
Remeasurement of gains / (losses) on defined benefit plans (net of tax)	**2 & 1**	**0.05**
Total comprehensive income as per Ind AS (net of Tax)	**-**	**22.89**

iii) Impact of Ind AS adoption on cash flow statement

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	12.27	(0.18)	12.09
Net cash flow from investing activities	(8.28)	0.15	(8.13)
Net cash flow from financing activities	(6.91)	0.03	(6.88)
Net increase/(decrease) in cash and cash equivalents	**(2.92)**	**-**	**(2.92)**
Cash and cash equivalents as at 1st April, 2016	**65.36**	**-**	**65.36**
Cash and cash equivalents as at 31st March, 2017	**62.44**	**-**	**62.44**

Other disclosures

	31-Mar-18	31-Mar-17	1-Apr-16
41 Commitments			
(a) Capital commitments			
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:			
Property, plant and equipment	2.00	0.73	1.02
Intangible assets under development	0.23	0.70	

(b) Non-cancellable operating leases

The Company has entered agreement for leasing Commercial / Office / Warehouse space on lease

The lease term ranges from 3 year to 9 years

The escalation clauses generally trigger once in 3 years

The options on renewal are at mutually agreed terms

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	31st March, 2018	31st March, 2017
Within one year	1.60	1.50
Later than one year but not later than five years	10.93	12.16
Rental expense relating to operating leases		
Minimum lease payments	11.67	10.55
Contingent rent	0.67	0.86
Total rental expense relating to operating leases	12.34	11.41

Notes to Financial Statements for the financial year ended 31st March, 2018

₹ In Crores

42 Contingent liabilities

		31st March, 2018	31st March, 2017	1st April, 2016
i)	Claims against Company not acknowledged as Debts, being demands from Commissionerate of Central Excise on availing Input Credit of Service Tax. Based on the advise of its legal counsels and interpretation of the relevant regulations governing the levy of Excise Duty, the Company is of the opinion that the issues raised in the demand notice are unlikely to be sustained. Accordingly no provision has been made for such demands.	1.97	1.97	1.97
ii)	Guarantees given by Banks and Counter Guaranteed by the Company	0.04	0.09	0.05
iii)	On account of Letters of Credit issued by Bankers on behalf of the Company	1.89	0.50	3.33

43 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.

44 Previous year figures have been regrouped and reclassified wherever necessary to be in conformity with current year disclosure requirements.

The accompanying notes are an integral part of the financial statements

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

sd/-
G. Anil
Partner
Membership No. 022450

sd/-
Ravi B.S.G
Company Secretary

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

sd/-
C.N.Gangadaran
Partner
Membership No. 011205

sd/-
L. Visalakshi
Chief Financial Officer

For and on Behalf of the Board

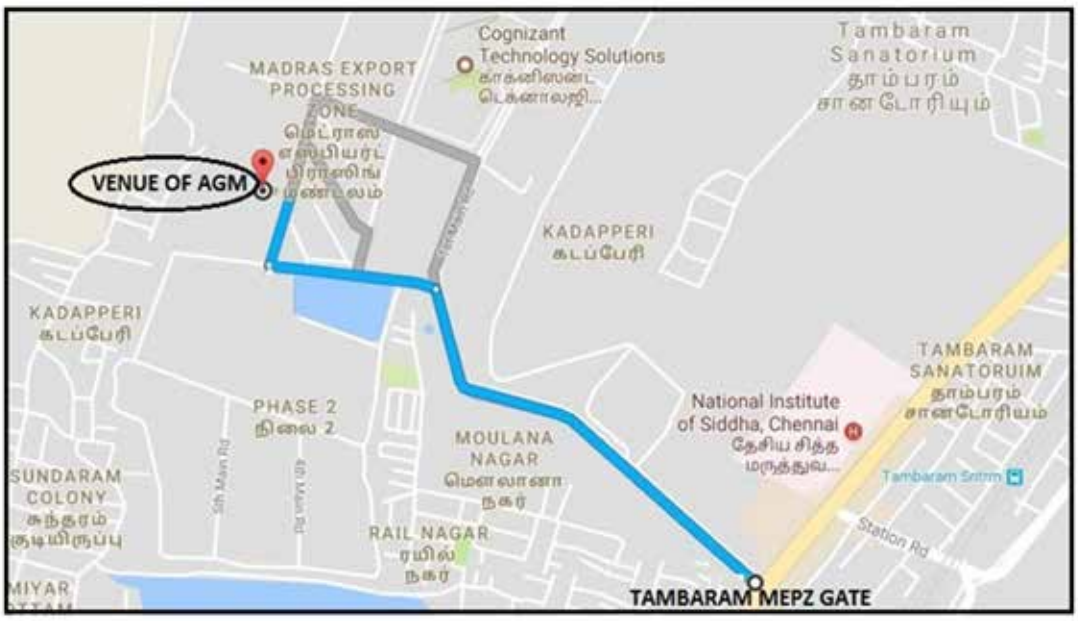
sd/-
V. Rajagopal
Chairman & Managing Director
(DIN :00003625)

sd/-
Rama Rajagopal
Director
(DIN :00003565)

Chennai
28th May, 2018

ROUTE MAP TO THE 9TH AGM VENUE

Address: SDF - IV & C2, 3rd MAIN ROAD, MEPZ – SEZ, CHENNAI-600045



PROXY FORM

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

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

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

1. Name :
   Address :
   E-mail ID :
   Signature : ……..……or falling him / her.

2. Name :
   Address :
   E-mail ID :
   Signature : ……..……or falling him / her.

as my / our proxy to attend and vote (on a poll) for me / us on my behalf at the 9th Annual General Meeting of the Company to be held on Tuesday, 25th September, 2018 at 11.30 a.m. at SDF-IV& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 and at any adjournment thereof in respect of such resolutions are indicated below:

Item No.	Resolutions	For	Against
1	To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon.		
2	Appointment of Mrs. Rama Rajagopal, a Director retiring by rotation		
3	Appointment of Mr. Kalpathi Subramanian Suresh as an Independent Director		
4	Appointment of Mr. Charath Ram Narsimhan as Director		
5	Appointment of Mr. Venkatesh Rajagopal as Executive Chairman and Whole Time Director		
6	Appointment of Mr. Charath Ram Narsimhan as Managing Director and Chief Executive Officer		

INDIAN TERRAIN FASHIONS LIMITED

CIN: L18101TN2009PLC073017

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

Phone No.91-44-4227 9100; Fax No. +91-44-2262 2897; email: response.itfl@indianterrain.com Website: www.indianterrain.com.

ATTENDANCE SLIP

*DP ID		Folio No	
*Client ID		No of Shares	

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company and I hereby record my presence at the 9th ANNUAL GENERAL MEETING of the Company at SDF-IV & C2, 3rd Main Road, MEPZ- SEZ, Tambaram, Chennai - 600 045 on Tuesday, 25th September, 2018 at 11.30 a.m

Shareholder's/Proxy's name in BLOCK LETTERS

Signature of Shareholder/Proxy

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

PROXY FORM

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

7	Re-appointment of Mr. Nugahalli Krishna Ranganath as an Independent Director		
8	Re-appointment of Mr. Manoj Mohanka as an Independent Director		
9	Re-appointment of Mr. Harsh Bahadur as an Independent Director		
10	Re-appointment of Mr. Pattabi Sundar Raman as an Independent Director		

Affix ₹ 1
Revenue Stamp

Signed this _____ day of September, 2018.

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Note: This form of proxy in order to be effective, should be duly completed and deposited at SDF-V& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 not less than 48 hours before the commencement of the 9th AGM.

-XXX-


INDIAN TERRAIN
THE CHAMPIONS SPORTIVE 2017
Chennai.
Where Heart meets Spirit.
#NoTerrainTooTough
INDIAN TERRAIN
CHOOSE A BICYCLE
THE CHAMPIONS
SPORTIVE
2017
montra


PLAY THE
GAME!


PLAY THE

If undelivered please return to
No. 208, Velachery, Tambaram Road,
Narayanapuram, Pallikaranai, Chennai - 600 100.
Tel : +91 44 4227 9100