

Date: 01-08-2019

To Corporate Relationship Department BSE Limited 1st Floor, Rotunda Building P.J Towers, Dalal Street, Mumbai-400 001.	To National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051.
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Dear Sir,

Subject: Notice of Annual General Meeting & Annual Report 2018-19.

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

Scrip Code: BSE- 541700/Stock Symbol: NSE- TCNSBRANDS

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, enclosed please find herewith Annual Report for the Financial Year 2018-19.

We also enclose herewith Notice convening 22nd Annual General Meeting of the members of the Company, scheduled to be held on **Monday, August 26, 2019 at 9:00 a.m.** at **Delhi Karnataka Sangha, Rao Tularam Marg, Sec-12, R.K. Puram, New Delhi 110022.** The Annual Report for the Financial Year 2018-19 is available on the website of the Company at www.wforwoman.com.

Thanking you,

Yours faithfully,

For TCNS CLOTHING CO. LIMITED


PIYUSH ASIJA
Company Secretary & Compliance Officer.



TCNS Clothing Co. Limited

119 & 127, W-HOUSE, NEELGAGAN TOWER, MANDI ROAD, SULTANPUR, MEHRAULI, NEW DELHI-110030, INDIA

PH: 011-42193193, Fax: 011-42193194, E-mail: corporatecommunications@tcnsclimbing.com, www.wforwoman.com, www.shopforaurelia.com

REGD. OFFICE: UNIT NO. 112, F/F RECTANGLE 1, D-4, SAKET, DISTRICT CENTRE, NEW DELHI- 110017, INDIA

CIN- L99999DL1997PLC090978

CELEBRATING THE OF THIS COUTURE IS DEDICATED TO WOMEN ROCK GOLD BRAND

CONTEMPORARY

Female Icons

TCNS
CLOTHING CO. LTD

W aurelia  WISHFUL

INDIA'S LEADING WOMEN'S
BRANDED APPAREL COMPANY



ACROSS THE PAGES

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Please find our online version at [<https://wforwoman.com/content/investor-relation>].

Disclaimer

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

INVESTOR INFORMATION

Market Capitalisation as at March 31, 2019	: 5019.60 crores
CIN	: L99999DLI997PLC090978
BSE Code	: 541700
NSE Symbol	: TCNSBRANDS
Bloomberg Code	: TCNSBR:IN
AGM Date	: 26 August 2019
AGM Venue	: Delhi Karnatka Sangha Auditorium, Rao Tularam Marg, Sector 12, R.K Puram, New Delhi - 110022

INTRODUCTION TO TCNS

OUR JOURNEY

Being #Unlikeboring is not a choice. It is who we are. It is the way we were born as a brand. Cliches bore us; conventions stifle us. We are not rebels, we merely think different. At TCNS, we endeavour to challenge the unsaid norms of fashion. And we have been doing this ever since we began.

THIS IS ART. THIS IS FASHION. THIS IS TCNS

2001

THE BEGINNING

A thought that would change Indian fashion landscape forever.



2002

THE PERFECT FIT DECODED

Path breaking study of the sizing of Indian women, First Brand to offer 6 sizes.



2003

THE ICONIC KNIT CHURIDAR

Combining functionality & fashion, knit churidar revolutionised this category.



2006

WISHFUL

Marks an era of understated elegance in occasion wear.



2011

FASHION AT FINGERTIP

Amongst the first Brands to have its own ecommerce portal.



2009

AURELIA BRAND INCEPTION

Birth of the ethnic jewel for suave women.

2012

REINTERPRETING FUSION WEAR

Palazzos and slim pants added an edge to fashion wear.



2013

THE FIRST 100

W Opens 100 stores across 50 cities.

2015

GOES INTERNATIONAL

Opens stores in Mauritius and Srilanka.



2016

INVESTMENT BY TA ASSOCIATES

Largest PE deal in the category with an investment of \$140 million by TA Associates.



2019

500+ STORES & OMNI FORWARD

500+ Stores across the country. Omni business launched.



2018

TCNS LISTED

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

2017

FIRST WISFUL STORE

Expands brand by opening first exclusive brand store.

INDIA'S LEADING WOMEN'S BRANDED APPAREL COMPANY

PLATFORM OF BRANDS

With an aim to provide fashion in a modern retail environment to the Indian woman, the company set up its first W store in Delhi in 2002-03. The brand grew out of contemporary Indian woman's need for innovative ready to wear that combines fashion and functionality.

We have come a long way in less than 2 decades from those initial days to becoming the leading exclusive women's ethnic/fusion apparel company in the country.

Incubating and scaling up home grown brands, we now have a portfolio of 3 segment defining brands, each having distinct positioning straddling across fashion sensibilities and value chain.

W

W is a Premium Fusion Wear Brand that essentially merges Indian and western sensibility with an emphasis on distinctive design and styling. This brand is targeted primarily at the modern Indian woman's work, casual and occasion wear requirements.



AURELIA

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

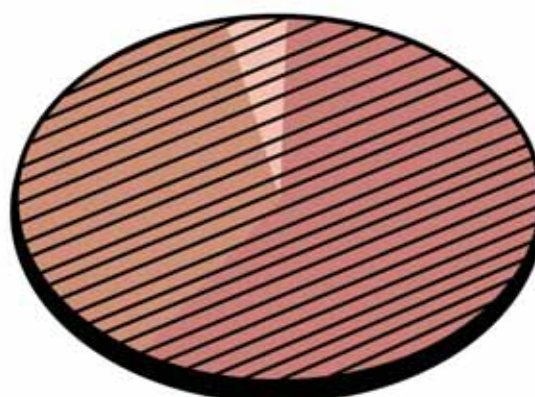


WISHFUL

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



SHARE OF BRANDS (%)



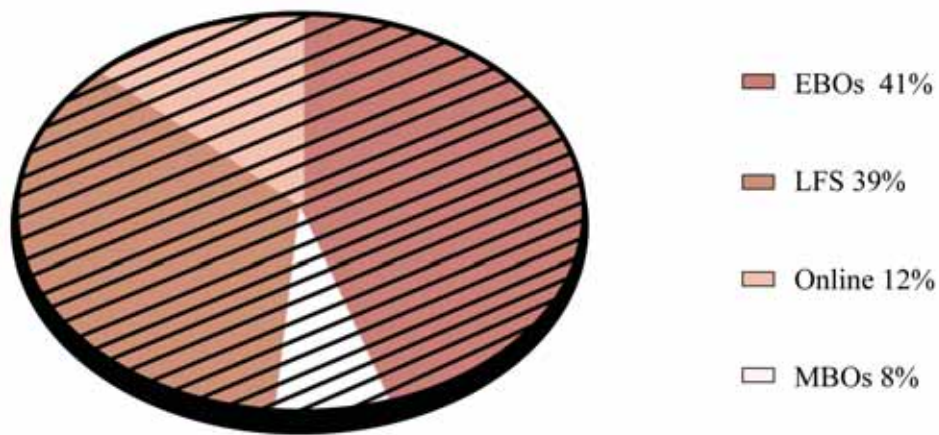
- W 60%
- Aurelia 34%
- Wishful 6%

PROVEN PRODUCT & RETAIL MODEL ACROSS CHANNELS & GEOGRAPHIES

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

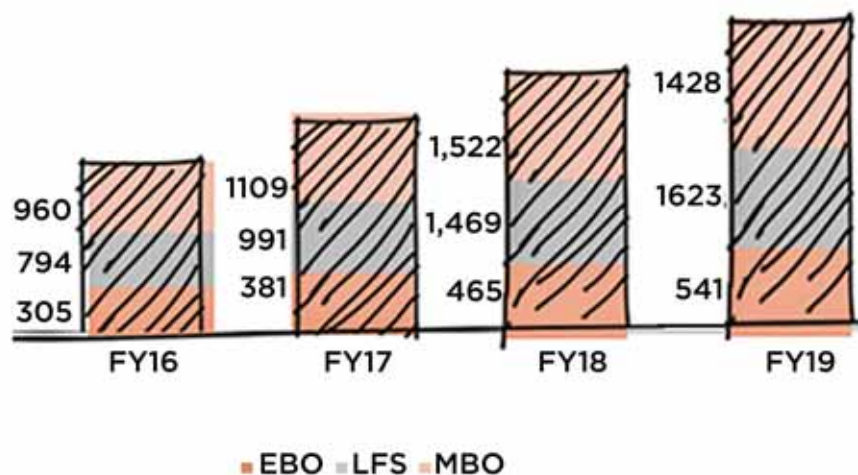
Every year we create 2000+ styles which are available at 3500+ point of sales across India and International markets.

PRESENCE ACROSS CHANNELS

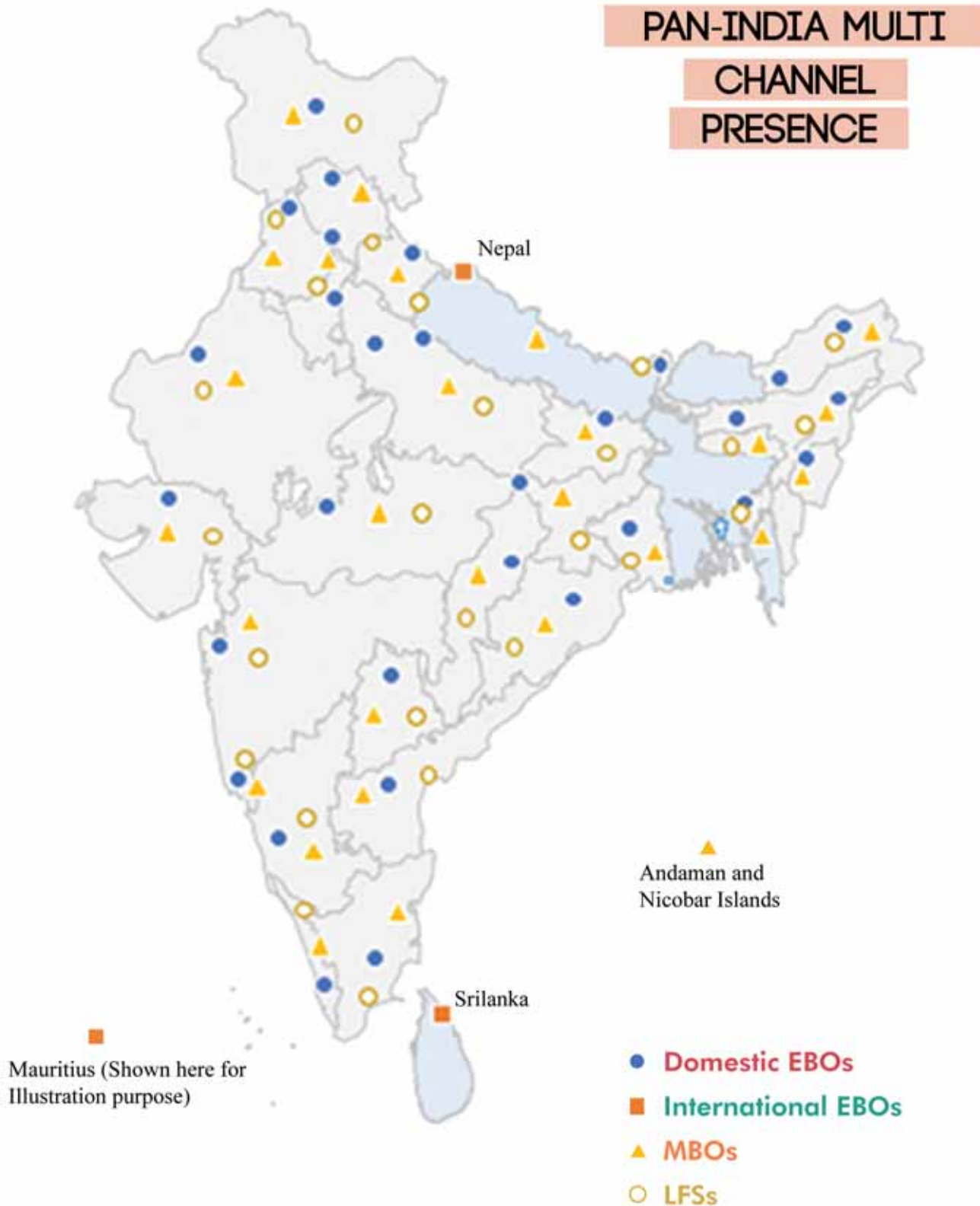


(Note: Pre- Ind AS 115 channel-wise shares EBOs: 48%, LFS: 28%, Online 14%, MBOs 10%.)

GROWING DISTRIBUTION NETWORK



PRESENCE ACROSS GEOGRAPHIES





INSTITUTIONALISED DESIGN PROCESS

We have a strong team of 40+ designers to drive the entire design process balancing commerce and creativity. Every product goes through an institutionalised design process which includes research with trend forecasting, concept development, fabric & textile design, styling followed by sample development and customer feedback.



25+

New concepts/stories every season across brands

2000+

Styles in a year across brands

EVERY 2-3 weeks

New styles launched in stores



ROBUST SUPPLY CHAIN

Women's ethnic wear is a complex product category that requires a robust, flexible and diversified supply chain base.

Over the years, we have worked in close partnership with over 250 suppliers ranging from artisan groups to large mills, to deliver a highly differentiated product every single time to the customer.

Our scalable supply chain, which has been built on the back of relentless focus and our relationship over the years, continues to be a key competitive advantage for the organisation.

WELL BALANCED AND DIVERSIFIED SUPPLY BASE



STABLE AND SCALABLE SUPPLY CHAIN NETWORK





~ 180+ suppliers across India for printed & unprocessed fabric/trims

~ Collaborative effort of 80+ job workers for manufacturing of goods

~ 3000+ preliminary fabric prints designed

~ 2000+ products launched every year





SUMMER SUIT



THAT
DISHA
LOOK

aurelia

GET DISHA PATANI'S WARDROBE



Shop online at ShopForAurelia.com



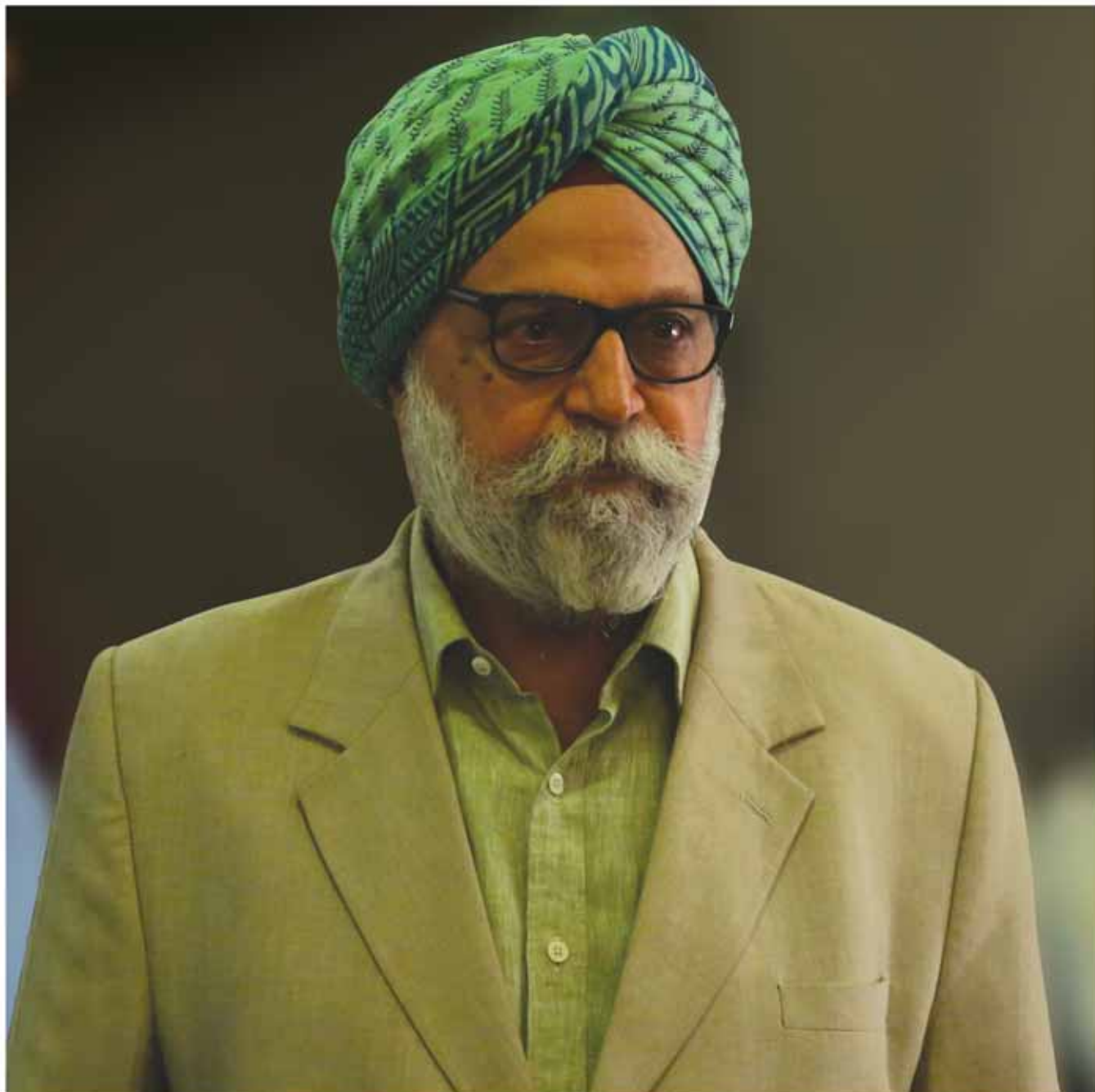
WISHFUL

WHO SAYS

YOU CAN'T REDEFINE TRADITION



CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS

Thank you for being part of our story. From the launch of our first store in 2002 to now presenting TCNS Clothing Co. Ltd.'s first Annual Report as a listed entity, it has been an extremely exciting journey, one with its share of successes and learnings. In a way, ours is a story of a truly Made in India business reflecting the aspirations and dreams of the ever changing, never changing Indian women.

It all started in late nineties, when the country was warming up to the idea of modern retailing and brand play. Rooted in exports business, we saw an opportunity in creating an apparel brand for the Indian consumer. The segment that clearly stood out was ethnic wear as there was little done in the space. With a vision to celebrate womanhood and inspiring these women to reach greater heights in all walks of life, W was conceived towards providing a complete wardrobe solution to the modern Indian woman. Since then, we have relentlessly come up with concepts and trends that have changed the way of dressing for the Indian women, making Indian wear aspirational and fashion forward. Today, we are proud to be the largest women's ethnic and fusion wear platform with segment leading brands – W, Aurelia and Wishful.

The driving force behind our success has been our team and culture. Your company, since inception, has always been managed by professionals who are also true entrepreneurs, guided by a strong board. We have been able to create a high performance culture, one where individual excellence effortlessly blends with teamwork and camaraderie. Our business partners, advisors, associates along with our employees present the execution framework that has made us who we are today.

On July 30th, 2018, your company became the first listed entity in the segment, receiving an overwhelming public and institutional response. I express my gratitude to each one of you for making this possible. From conceptualizing the fashion brand idea to being listed within two decades, your company has come a long way. All this would not have been possible without unwavering commitment and passion of various stakeholders.

I would take this opportunity to thank each one in this big TCNS family for making this success possible and look forward to your support and enthusiasm to keep this wonderful journey go on.

Best wishes,
Onkar Singh Pasricha
Chairman



MANAGING DIRECTOR'S MESSAGE



WE ARE THE LARGEST EXCLUSIVE WOMEN'S ETHNIC APPAREL COMPANY IN THE COUNTRY. WE ARE A FASHION PLATFORM WITH SEGMENT DEFINING BRANDS.

DEAR SHAREHOLDERS,

After a long successful run as a private limited company, on July 30, 2018, we became the first listed entity in our segment. The response was overwhelming and our Rs. 1,125 Cr Initial Public Offering (IPO) was oversubscribed. The successful listing was all the more special as it happened during a time when the capital market was going through a tough phase and several companies had postponed their IPOs. I thank you for the belief shown in us and assure you of the best intent and greatest intensity to build an institution that all of us can be proud of.

These are exciting times for the Indian womenswear fashion segment, which is in a nascent stage and holds enormous possibilities. The ever-increasing working women population, expansion of usage occasions, growing fashion obsolescence and shift from unorganised to organised players, are all driving the segment's growth. Our growth story reflects this fashion journey of the Indian women. From humble origins in 2002, TCNS has emerged as India's leading exclusive women's ethnic/fusion apparel company in less than two decades. Before I get to the business update, let's have a quick overview of our three key and interlinked focus areas.

BALANCING CREATIVITY AND COMMERCE

Your company is a fast-growing fashion platform with three segment leading brands – W, premium fusion wear brand; Aurelia, contemporary Indian wear brand; and Wishful, premium occasion wear brand. We have been deliberately following a strategy of carefully balancing creativity and commerce, which is at the heart of our business. Each and every product undergoes an institutionalised design process including research with trend forecasting, concept development, fabric & textile design, styling followed by sample development and customer

feedback. This keeps us ahead of the fashion curve and enables delivering the best in Indian and International fashion to our discerning customers. Backed by more than 3,500 points of sales, TCNS has its footprints across India and the global markets. Our widespread retail network and strong relationships with large format stores, multi-brand outlets and online retailers makes us the most accessible womenswear player in the country.

A DIVERSE AND COMPLEX YET HIGHLY STANDARDISED SUPPLY CHAIN

Ethnic wear is a complex product which requires a robust, diverse and agile supply chain. Ours is a business with low entry barriers but significant scaling up challenges. We work in close partnership with over 250 suppliers in creating more than 2,000 styles every year. This extensive sourcing network which has been built on the back of relentless focus over two decades, continues to be a key competitive advantage for the organisation.

INVESTING IN CUTTING EDGE TECHNOLOGY

Leveraging technology to deliver superior consumer experience and enabling efficient operations management has been a key focus area for the company. We have made significant investments in building omni channel and data analytics capabilities. We have launched an omni business module which seamlessly integrates our customer's online and offline channel experiences and gives a single view of customer and inventory. It has the potential to redefine existing ways of doing business. During the year, our upgraded ERP was also rolled out, which will strengthen the entire IT backbone and ensure long term scalability of the business.

We have expanded our retail footprint and added 76 EBO and 154 LFS doors in FY19. Fresh retail identities got carved for W and Aurelia, taking consumer store experience to the next level. We intend to add similar number of stores next year. We continue to invest in our brands to fully leverage the growth potential. Aurelia signed Bollywood celebrity Disha Patani as its brand ambassador and launched 'That Disha Look' campaign

this year which was well-received by the consumers. We continued its focus on the brand's "fashion leadership" positioning. The year saw launch of concepts like Gypsuits, Kaleido Kurta & the Yolo Dress setting new trends in the industry. The brand continues to win accolades across the industry including the prestigious "IMAGES Most Admired Fashion Brand" in its category for the fifth consecutive year.

As an organization, we take the ownership of giving back to the society and conserving the environment. We have piloted Harit Khadi products in association with Solar Charkha Mission to revive and promote the 'lost glory' of Khadi through a unique, solar energy-based production model while ensuring women empowerment in rural areas. The initiative provides employment through skill-based training to the rural women thereby making a huge impact on their economic and social status in the society. We took another step in building sustainable fashion with the launch of Yolo Dress, powered by Liva Eco fabric which enhances forestry, conserves water and has better biodegradability. We will continue to build on these initiatives.

This message would be incomplete without mention of the zeal and commitment of the TCNS team, which has made this journey possible. The open and empowering culture at TCNS facilitates team camaraderie and brings out the passion and entrepreneurial spirit of the individuals.

As mentioned earlier, these are very exciting times for the women's ethnic wear apparel business in India. We believe, the next decade shall see rise of mega Indian brands in the womenswear segment. We are uniquely positioned to take advantage of this opportunity and are excited about the possibilities. On behalf of the Board, I would like to again thank all the shareholders for the trust reposed in us and take this opportunity to express my gratitude to our employees, customers and partners for their commitment and support.

Best wishes,
Anant Kumar Daga
Managing Director

OMNI FORWARD!

THE WORLD IS MOVING TOWARDS OMNI-CHANNEL

As offline and online channels converge, the customer does not think of the two channels as different and we can not either.

There is an opportunity for us to leverage our physical stores network as well as our brand strength, offering a truly seamless Omni experience to consumers, bringing together the best of both worlds.

'YOUR WISH IS OUR COMMAND'

FAB LOOKS IN JUST A FEW CLICKS!

GET THE OMNI-CHANNEL EXPERIENCE WITH W NEW APP

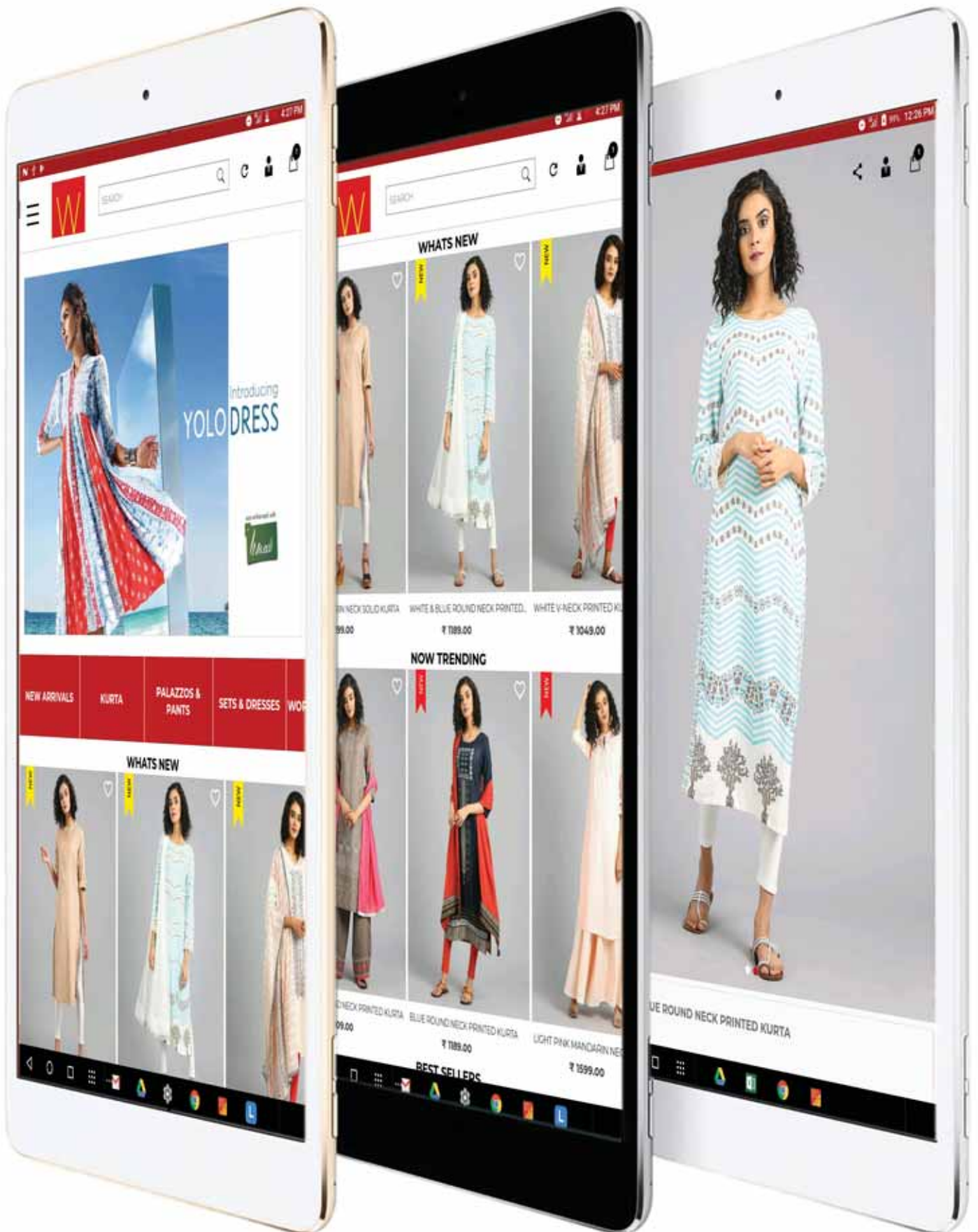
W
Fresh arrivals
FOR NEW OCCASIONS

- 📦 CAN'T FIND YOUR SIZE? GO FOR A DOORSTEP SURPRISE!
- 👗 GET YOUR ENTIRE ENSEMBLE IN MINUTES
- 👗 FORMALS, CASUALS OR FESTIVE WEAR, TAKE ON EVERY OCCASION WITH FLAIR
- 👕 COOL COTTON TO FRESHLY LINEN. GET THEM ALL IN OUR COLLECTION

The display features a large digital screen on the left showing a woman in a long, patterned dress. To the right, a rack of four long-sleeved dresses in blue, pink, yellow, and orange is displayed. Below the rack, an orange dress is draped over a white cylindrical pedestal. A small tablet is mounted on the wall between the main screen and the rack. The background is a light-colored wall with a subtle pattern of stars.

We have piloted and scaled up the “*Endless Aisle*” concept across our EBOs, offering consumers access to the entire product range irrespective of the size and selection at the store. Collectively, it gives us an opportunity to show complete looks/ensembles that can drive store throughputs.





NEW-AGE DROP-SHIP ECOMMERCE MODEL FOR OPTIMAL USE OF INVENTORY!

We have rolled out direct-to-consumer capabilities from a common pool of inventory and have gone live across all major marketplaces to give a consistent consumer experience across channels.



PEOPLE STORY

OUR CULTURE IS WHAT DEFINES US

Coming together is a beginning; keeping together is progress; working together is success.



Our organization derives strength from the team and culture.

A stable team with highly committed and passionate individuals sharing camaraderie built by working together over the years has been the key to success through our exciting journey.

Together, we have built a work place that values diversity. Our team comprises of people from varied backgrounds, age groups, and areas of expertise. We nurture talent via best learning opportunities enabling them to grow with the company.



We believe in holistic development of our team including adequate avenues for learning & training, spiritual well-being courses and sports events.

Being an inclusive organisation, we employ differently abled individuals in our organisation on the basis of their capabilities.

THE THREAD THAT BINDS US ALL!

We believe one of India's strengths is the development of villages/rural areas. We did our bit by giving one such village a makeover. Jayalgarh, a village in Uttarakhand saw our team cleaning its streets, repairing structures and picking up paint brushes to beautify houses, the village temple and the village school. The finished product was a picturesque village which the inhabitants were proud of.



GO GREEN!

Tree plantation drives were organized by the team to make Delhi greener for the future. Apart from participating in planting seeds, the team took the responsibility of regularly nurturing these plants.



SUSTAINABLE FASHION!

OUR CULTURE IS WHAT DEFINES US

We, as an organization, take the ownership of giving back to the society via responsible fashion. We have launched the Harit Khadi range, which promotes sustainable fashion and women empowerment.



For the Harit Khadi collection, we have partnered with Solar Charkha Mission, to revive and promote the 'lost glory' of Harit Khadi through a unique, solar energy-based production model that would provide employment to thousands of women in the rural and sub urban sectors of India.





Weaving Harit Khadi using Solar power-driven charkhas and looms is eco-friendly as well as scalable. The increased production gives us a wider scope to use 'Harit Khadi' in mass scale retail.







AND WHAT GOOD IS
THE GOOD, IF IT ISN'T
GOOD FOR ALL?



In the mainstream fashion industry, sustainability is a relatively new concept. We strongly believe brands today have a crucial role to play in contributing to a sustainable future. Our association with Liva Eco is another such step in converting goals to sustainable results.

We have an exclusive collaboration with Liva Eco by Aditya Birla Group to offer an eco-friendly range of styles, thus giving back to the nature we all thrive in. The “YOLO” collection is the perfect balance of sustainability and everything trendy.



YOLO DRESS







INDUSTRY RECOGNITION AND AWARDS

AWARDS & ACCOLADES DRIVING EXCELLENCE EVERY
TIME ;



**Images Most Admired Fashion Brand of the year 2018
(5th Consecutive Year)**

Consumer Company of the Year by VCCircle Awards 2018

**Best Search Marketing Campaign of the Year –
Master of Modern Marketing Awards 2018**



**Images Most Admired Retailer of the Year -
Store Design & VM
(By Images Retail Awards 2018)**

**Images North India Retail Awards' 18 –
Images Most Admired Retailer of the Year :
Innovative Retail Concept (Mughal Gown)**

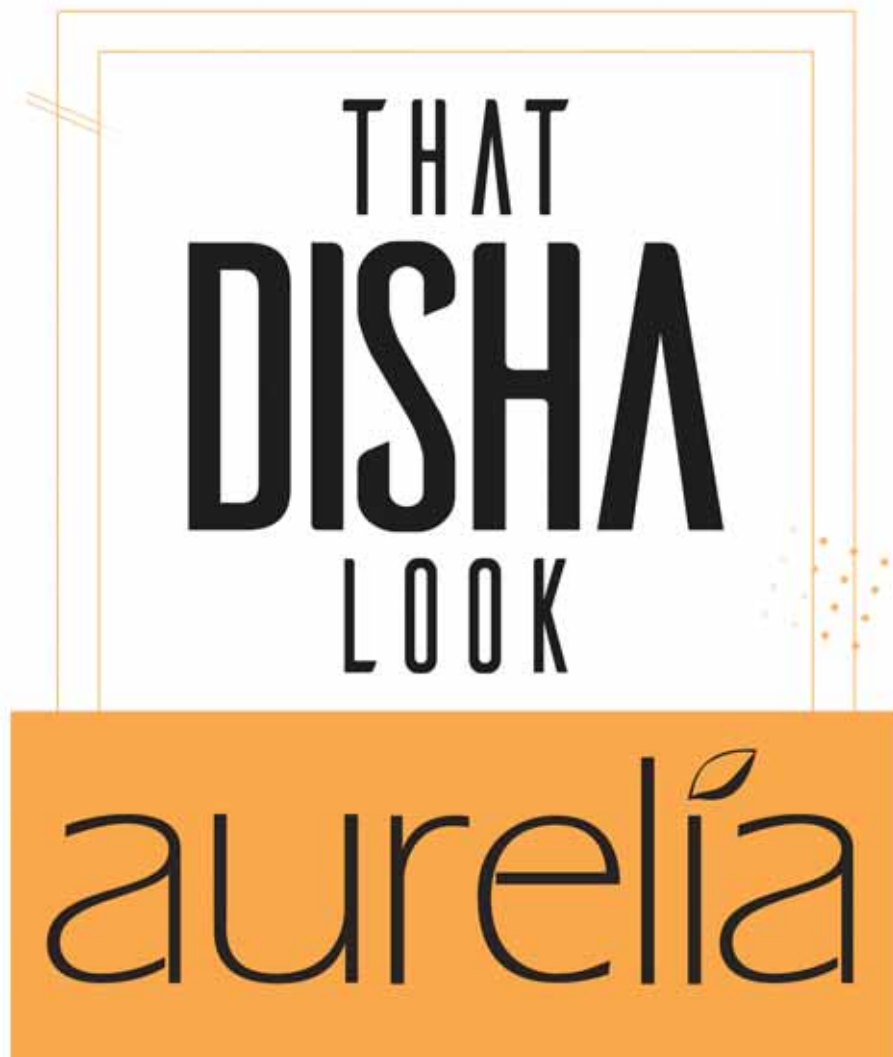
**Images North India Retail Awards' 18 –
Images Most Admired Retailer of the Year :
Marketing & Promotions (Inseparables)**

MARKETING CAMPAIGNS

WE CONTINUE TO STRENGTHEN OUR BRANDS THROUGH NEW INITIATIVES AND CAMPAIGNS.

AURELIA

This year was truly special for us at Aurelia as we welcomed the talented Bollywood actress Disha Patani onboard. We are more than happy in associating with someone who is dynamic and passionate about what she does. As she is a true blend of modernity and Indian-ness, she creates a natural connect with the brand Aurelia. The campaign highlights the various categories by the brand, from flowy dresses & elegant work wear to classy ensembles to turn heads at every occasion.



GET DISHA PATANI'S WARDROBE



W

W takes pride in presenting styles that differentiate you from the crowd. Moving beyond the set definitions of loud or subtle, elaborate or minimalistic, formals or casuals, we present a whole new dimension of dressing up. The year saw concepts like Gypsuits, Kaleido Kurta & the Yolo Dress eco enhanced by Liva Eco.

AT W, IT IS NOT JUST FASHION. IT IS A FASHION INTERVENTION WITH LOOKS THAT ARE UNSEEN, UNDONE & UNUSUAL!





BOARD OF DIRECTORS



MR ONKAR SINGH PASRICHA
CHAIRMAN AND EXECUTIVE DIRECTOR

He holds a bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi. One of the Co-founders of TCNS Clothing Co Ltd., he has been on our Board since December 3, 1997. He has more than 40 years of experience in the apparel industry, including retail/trading from the early 1970s, manufacturing and exporting of apparel to international brands and setting up contract manufacturing operations in other countries to serve global markets. He has been awarded Images North Indian Award for Entrepreneur of the year.



MR ANANT KUMAR DAGA
MANAGING DIRECTOR

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



MR NARESH PATWARI
NON-EXECUTIVE DIRECTOR

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



MS NEERU ABROL
INDEPENDENT DIRECTOR

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



MS SANGEETA TALWAR
INDEPENDENT DIRECTOR

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



MR BHASKAR PRAMANIK
INDEPENDENT DIRECTOR

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



STATUTORY REPORTS AND FINANCIAL SECTION

MANAGEMENT DISCUSSION & ANALYSIS

ANNEXURE A

ECONOMIC ENVIRONMENT

Considered one of the fastest growing major economies in the world, India experienced growth in GDP from 6.7% in fiscal 2017-18 to 7.1% in 2018-19 (Source: estimate released by the IMF World Economic Outlook). The economy is also forecasted to become the fifth largest economy in the world in FY 19-20. Continued implementation of structural and financial sector reforms, with efforts to reduce public debt, remain essential to secure the economy's growth prospects.

As per the estimates of IMF World Economic Outlook in April 2019, India's growth is projected to pick up and reach 7.3% in 2019 and 7.5% in 2020. Continued recovery of investment and robust consumption amidst a more expansionary stance of monetary policy as well as some expected impetus from fiscal policy is predicted to make this happen.

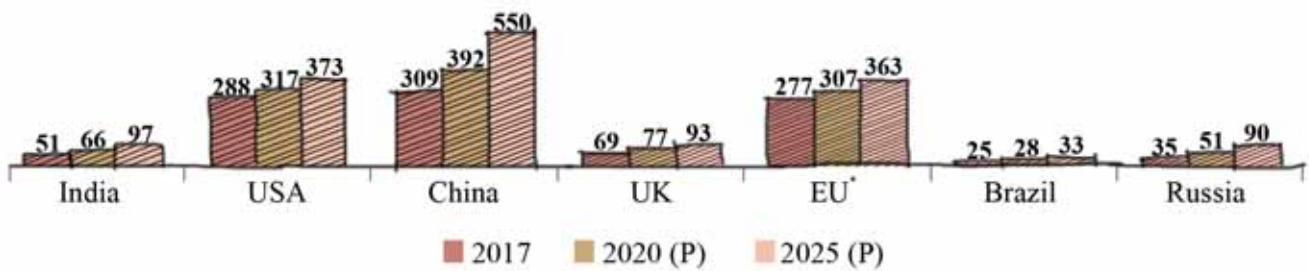
INDIAN RETAIL

When it comes to retail space, India is ranked world's fifth-largest global destination. With a market size of around USD 710 billion, the overall retail market in India is expected to witness 6.4% CAGR within the period of 2018-23. It accounts for over 10% of the country's GDP and around 8% of the employment.

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

APPAREL MARKET IN INDIA

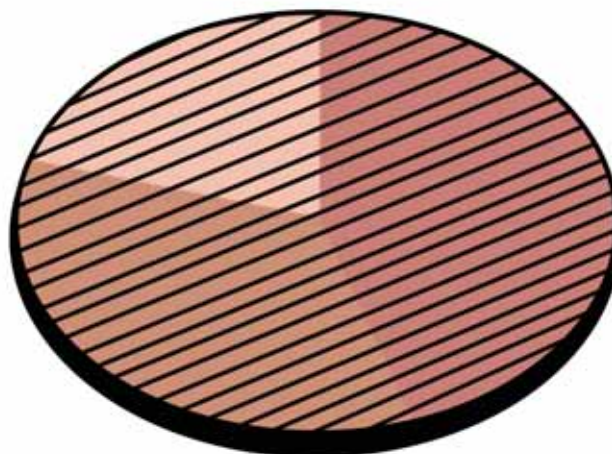
The apparel market in India in Fiscal 2017, was smaller compared to global apparel markets. The following chart sets forth the size of the markets: (in US\$ billion)






*Includes Germany, Italy, France, Spain and 7 other countries only; Year indicates Fiscal (Source: Marketline 1£=US\$ 1.3)

The apparel market in India was estimated to be around USD 51Bn in 2017 and expected to grow at around 9% CAGR.

With men's apparel constituting more than 42% of the total apparel market in Fiscal 2017 and kid's apparel constituting 20%, the balance 38% share was contributed by Women's apparel.



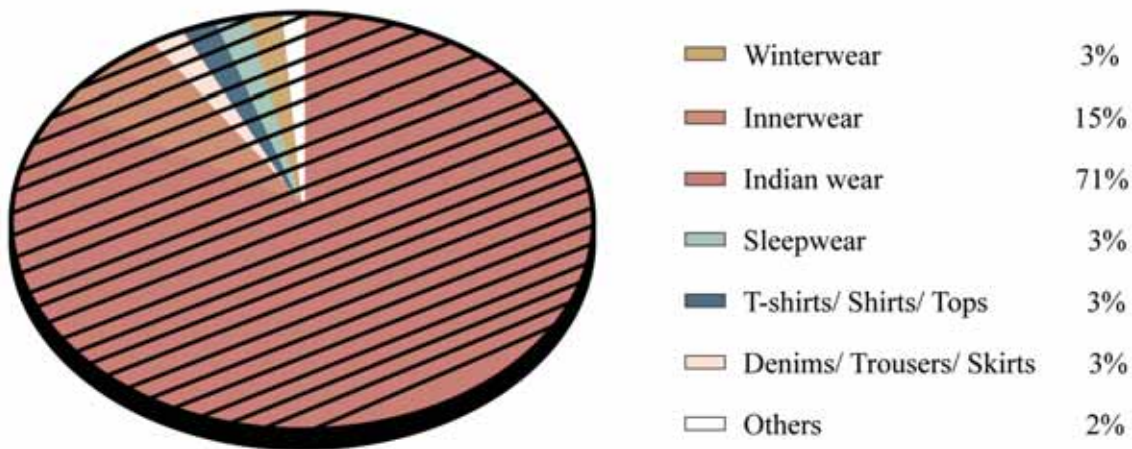
	Kid's Apparel	20%
	Men's Apparel	42%
	Women's Apparel	38%

WOMEN'S APPAREL WEAR INDUSTRY AND ETHNIC WEAR

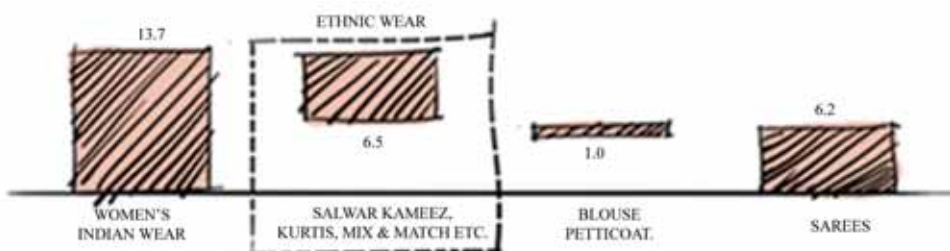
Women's wear is 38 % of the total apparel market and amounts to USD 19.1 billion.

India is expected to witness continuous growth in the share of women's wear. This would be driven by a shift in socio-cultural mind-set, modern trade channels, changing consumer behaviours and increasing number of working women.

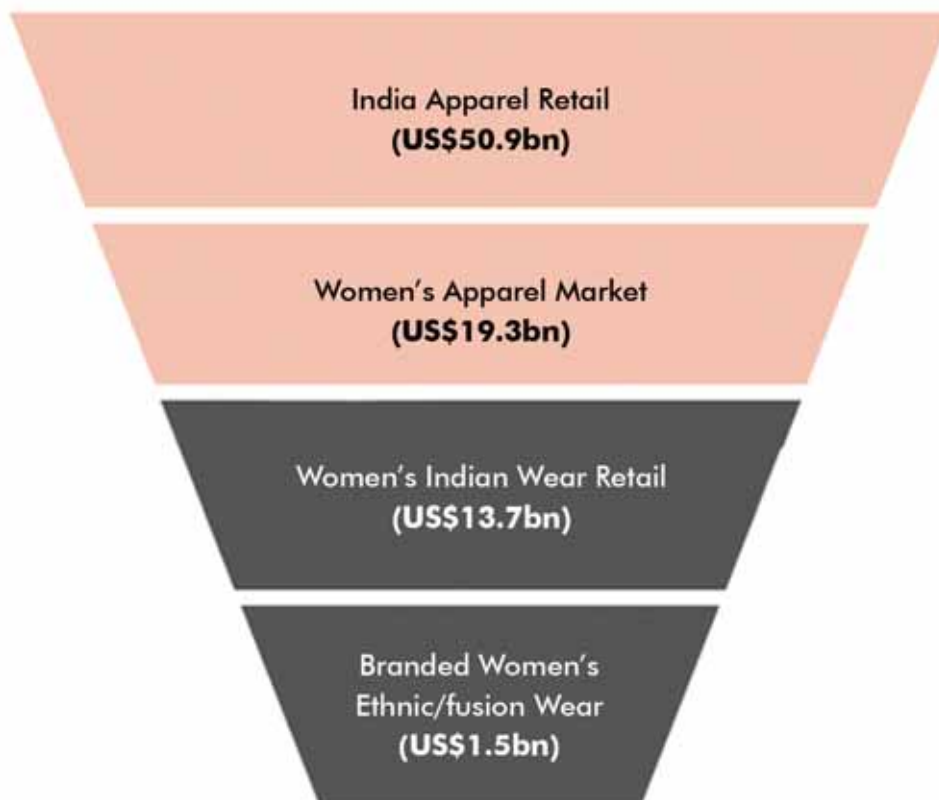
Of the women's apparel market, around 71% or USD 13.7 billion is contributed by Indian wear. The high share of ethnic wear is unique to the Indian apparel market. In any other major apparel markets, including Asian countries, majority of the market is made up of western apparel categories. The appeal of apparels inspired by local/regional designs, raw material, styles is restricted to occasion apparel and does not extend to daily apparel use like work apparel. However, in India, Ethnic fashion has succeeded in retaining its mainstream appeal for daily apparel for women, and that makes its construct distinctive to India. This uniqueness gives rise to opportunities for indian apparel to create truly mega Indian brands.



The Indian wear market of USD 13.7 billion comprises of the following sub-segments.



The Indian apparel market structure can be represented as follows:



The branded women's ethnic wear segment is expected to grow the fastest in the apparel industry.

While a large number of brands and formats form the landscape of women's Indian apparel, few national brands dominate this sector along with popular regional players. While most players tend to be focused on a specific women's apparel category and single price positioning, few players have differentiated themselves through a multi-brand platform strategy straddling across price points and consumer segments to capture a larger share of the overall market.

TRENDS & GROWTH DRIVERS IN THE WOMEN'S ETHNIC WEAR MARKET

There is an ongoing shift in the women's apparel market from the unorganized to organized segment and from the unbranded to branded segment. There is also a shift in consumer preference from Sarees to Ethnic wear.

Increased penetration of mobile internet usage, convenience of online shopping and the widening reach of online players has resulted in a rapid growth in ecommerce. The organized women's apparel market is benefitting from this growth.

The demand for convenient work wear and day wear is increasing due to increased spending power, aided also by expanding number of women entering the workforce.



FINANCIAL REVIEW

The Company's overall financial performance has been good.

Financial Highlight for 2018-19

(₹ Million)

Particulars	2018-19	2017-18	% Increase
Revenue	11,479.53	10,009.91	14.7
EBIDTA	1,843.47	1,621.70	13.7
PBT	1,616.23	1,448.28	11.6
PAT	1,314.35	980.97	34.0
Total Asset	7,858.93	5,969.09	
Earning per Share (EPS) (in ₹)	20.95	16.12	

Note: As mentioned in the audited statements, we have received a significant one off tax benefit this year

Adjusted for Pre-Ind AS 115 adjustment, proforma adjustment for GST increase in Q1' FY 19 vs Q1' FY 18 and proforma adjustment for constant tax rate, the % increase for FY 19 vs FY 18 would be as follows:

- Adjusted revenue growth 15.4%,
- Adjusted EBITDA growth 16.1% and
- Adjusted Pat growth 14.3%.

INTERNAL CONTROL SYSTEMS

Adequate internal control system of the company ensures that transactions are authorised, recorded and reported correctly. The internal control is exercised through procedures and rights authorised in the ERP system. The controls are supplemented by a program of internal audit. The audit observations and the corrective measures taken thereon, are periodically reviewed by the audit committee to ensure effectiveness of the internal control system.

RISK MANAGEMENT

The Company is governed by a risk management framework, comprising regular risk assessment by a committee, review of processes and controls over data flow.

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

All our products are designed through an institutionalised process which includes constant feedback. Structured range architecture and a strong design team helps in ensuring balanced ranges on a timely basis while maintaining an edge in fashion.

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

We have developed a wide base of suppliers, both for fabric sourcing, as well as manufacturing. We have long term relationships with our suppliers, who have continued to grow with us. We keep developing new sources, expanding in new geographies to de-risk dependency on existing base of suppliers.

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

Our team has been a key reason for our success. The entrepreneurial culture along with a widely distributed ESOP pool has led to a stable team. Key employees are stakeholders and have long continuity in the company.

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

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

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

Around 35% of our inventory is Raw Material and WIP for ongoing seasons, which are fresh and do not carry significant risk. We constantly monitor the freshness of Finished Goods and ensure that more than 90% of our stocks are less than three seasons old. Our aggressive dormancy provisioning policy ensures that older stocks are valued below historical realisation values.

HUMAN RESOURCES

We believe that our team is the most valuable resource for our organisation. The company's HR philosophy is to establish and build a high performing entrepreneurial organization, where everyone is motivated to perform to their fullest capacity. We pride ourselves upon having a professional and healthy work culture, built around strong corporate values. Employees are provided with a enabling working environment and culture, with equal opportunity for learning and individual growth. The company has a total of 3808 employees, as of March 31, 2019.

OUTLOOK

Globally, India is seen as one of the key consumer markets from where future growth is likely to emerge. The growth in consumption will be driven by both services and private consumption.

Indian Retail market is one of the fastest growing in the world. Organised Retail estimated at USD 67Bn in 2017 is expected to grow to USD 252 Bn by 2025. The apparel market is expected to grow from USD 51Bn in 2017 to USD 97 Bn by 2025. Within that, Women's ethnic wear category is projected to be one of the fastest growing segment.

In the Women's ethnic wear segment, no short to mid-term competition from global fashion brands / retailers is expected, given their own business limitations to do so. Organised local players with ability to scale up and continue to differentiate would continue to have the opportunity to grow.

CAUTIONARY STATEMENT

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

Notice of the 22nd Annual General Meeting

Notice is hereby given that the 22nd (Twenty Second) Annual General Meeting ("AGM") of the Members of TCNS Clothing Co. Limited will be held on **Monday the 26th day of August 2019 at 09:00 a.m.** at Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sec-12, R.K. Puram New Delhi-110022 to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.**
2. **To re-appoint a Director in place of Mr. Onkar Singh Pasricha (DIN: 00032290) who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. **Approval of Related Party Transactions:**

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

"RESOLVED THAT pursuant to the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR) Regulations, 2015) (as amended from time to time) and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force, approval of the members be and is hereby accorded for entering into transactions, contracts or arrangements on such terms and conditions as the Board may think proper and beneficial for the Company with TCNS Limited, in which Directors/promoters of the Company are considered to be interested, for the financial year 2019-20 up to ₹ 75 Crore (Rupees Seventy Five Crore Only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and settle the terms and conditions of related party transactions and all other matters incidental thereto and to give such directions as considered necessary including delegating all or any of the powers conferred to any Committee of Directors, Managing Director, Director(s) and/or any officers

of the Company, and authorise them to sign and execute all agreements, applications, contracts, deeds, and/or documents that may be required, on behalf of the Company and the Board hereby further authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental thereto without being required to seek any further consent or approval thereto, for the purpose of giving effect to this resolution."

4. **Approval of payment of remuneration to Mr. Saranpreet Pasricha, Head (International Business):**

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") and the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments or re-enactment thereof for the time being in force) on the recommendation of Nomination and Remuneration Committee and Audit Committee and approval of the Board, the approval of the members of the Company be and is hereby accorded for granting remuneration to Mr. Saranpreet Pasricha, son of Mr. Onkar Singh Pasricha (Chairman and Executive Director of the Company), who is in employment of the Company holding office or place of profit, as Head (International Business) of the Company, at a remuneration not exceeding ₹ 10 Lacs (Rupees Ten Lacs only) per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc., as detailed in the Explanatory Statement forming part of this notice.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to review and determine from time to time, change in designation, responsibilities and the term of holding of the said office or place of profit/employment of Mr. Saranpreet Pasricha, including his remuneration at its discretion, within the maximum remuneration as approved by the Members and to do all such necessary acts, deeds, matters and things as are required to be done in this regard."

Notice (Contd.)

“RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, any of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as may be considered necessary, for the said purpose including filling of necessary documents/forms with any authority.”

5. Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the Company.

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

“RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the members be and is hereby accorded for the payment of remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government to Mr. Anant Kumar Daga, (DIN: 07604184), Managing Director of the Company on such terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this notice, notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.”

“RESOLVED FURTHER THAT the overall managerial remuneration payable to Mr. Anant Kumar Daga shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration committee, but not exceeding ₹ 2.62 Crore (excluding any perquisite value arising out of exercise of Employee stock option which may be exercised during the year) at any point of time and that the terms and conditions of the aforesaid remuneration payable to Mr. Anant Kumar Daga be varied/altere/d/ revised within aforesaid overall limit, as decided

and approved by the Board/Nomination and Remuneration Committee as may be required during aforesaid period of 1 (One) year.”

“RESOLVED FURTHER THAT the overall managerial remuneration amounting to ₹ 61.98 crores (including arising out of exercise of Employee stock option value of ₹ 59.57 crores) as already approved by the Board of Directors and paid for the financial year 2018-19 be and is hereby ratified.”

“RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactments thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this notice be paid as minimum remuneration to Mr. Anant Kumar Daga, Managing Director of the Company.”

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

6. Approval for Payment of Commission to Independent Directors:

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

“RESOLVED THAT in accordance with the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) including statutory modification or re-enactments thereof, the Articles of Association of the Company and subject to such other approval(s) as may be required, the approval of the Members be and is hereby accorded for the payment of commission from Financial Year 2019-20 to the Independent Directors of the Company as may be decided by the Board from time to time, provided that the total commission payable collectively to the Independent Directors per annum for the year shall not exceed one percent of the net profits of the Company for that year as computed in the manner specified under Section 198 of the Act, with authority to the Board to determine the

Notice (Contd.)

manner and proportion in which the amount be distributed among Independent Directors.”

“RESOLVED FURTHER THAT the commission mentioned above shall be in addition to the sitting fees payable to the Director(s) to attend the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and with reimbursement of expenses for participation in the Board and other meetings.”

7. Ratification of Pre- IPO TCNS ESOP Scheme 2014-17.

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

“RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act 2013 read with rules framed thereunder, the Memorandum of Association and Articles of Association of the Company and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable regulations, rules and circulars /guidelines in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including Nomination and Remuneration Committee, which may exercise its powers, including the powers conferred by this resolution), **“TCNS ESOP Scheme 2014-17”** as approved by the members of the Company in its Extra-Ordinary General Meeting dated February 02, 2018 held prior to Initial Public Offering (IPO) of Shares of the Company with such relevant details as mentioned in the explanatory statement annexed to this notice of Annual General Meeting, be and is hereby ratified within the meaning of

Regulation 12 of SEBI (SBEB) Regulations, 2014 and the consent of the members of the Company be and is hereby accorded to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the employment of the Company, including Directors of the Company whether whole time or otherwise whether working in or outside India, excluding Independent Directors, the Stock Options exercisable into equity shares already approved under the **TCNS ESOP Scheme 2014-17.”**

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue Equity shares upon exercise of such option from time to time in accordance with **TCNS ESOP Scheme 2014-17** and such equity shares shall rank pari-passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the stock options under **TCNS ESOP Scheme 2014-17** shall be deemed to be increased/adjusted to the extent of such additional stock options issued.”

“RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations, 2014 and such other applicable laws and regulations to the extent relevant and applicable to the **TCNS ESOP Scheme 2014-17.”**

“RESOLVED FURTHER THAT the Company has used the Black-Scholes Model which is one of the commonly used methodologies for valuation of such options.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, the Board and/or the Nomination and Remuneration Committee be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the **TCNS ESOP Scheme 2014-17** from time to time or to suspend, withdraw or revive the **TCNS ESOP Scheme 2014-17**, from time to time, as may be specified by any statutory authority or otherwise

Notice (Contd.)

and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose in conformity with the Companies Act, 2013, the Memorandum and Articles of Association of the Company, the SEBI (SBEB) Regulations, 2014 as amended from time to time and any other applicable laws and with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board and/or the Nomination and Remuneration Committee to secure any further consent or approval of the members of the Company.”

8. Ratification of Pre-IPO TCNS ESOP Scheme 2018-23:

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

“RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act 2013 read with rules framed thereunder, the Memorandum of Association and Articles of Association of the Company and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and in accordance with circulars / guidelines issued by SEBI and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable regulations, rules and circulars /guidelines in force, from time to time and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including Nomination and Remuneration Committee, which may exercise its powers, including the powers conferred by this resolution), **“TCNS ESOP Scheme 2018-23”** as approved by the members of the Company in its Extra-Ordinary General Meeting

dated February 02, 2018 held prior to Initial Public Offering (IPO) of Shares of the Company with such relevant details as mentioned in the explanatory statement forming part of this Notice be and is hereby ratified within the meaning of Regulation 12 of SEBI (SBEB) Regulations, 2014 and the approval of the members of the Company be and is hereby accorded to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the employment of the Company, including Directors of the Company whether whole time or otherwise whether working in or outside India, excluding Independent Directors, the Stock Options exercisable into equity shares already approved under the **TCNS ESOP Scheme 2018-23.**”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue Equity shares upon exercise of such option from time to time in accordance with **TCNS ESOP Scheme 2018-23** and such equity shares shall rank pari-passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the stock options under **TCNS ESOP Scheme 2018-23** shall be deemed to be increased/adjusted to the extent of such additional stock options issued.”

“RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations, 2014 and any other applicable laws and regulations to the extent relevant and applicable to the TCNS ESOP Scheme 2018-23.”

“RESOLVED FURTHER THAT the Company has used the Black-Scholes Model which is one of the commonly used methodologies for valuation of such options.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, the Board and/or the Nomination and Remuneration Committee be and is hereby authorised to make any modifications, changes, variations, alterations

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or revisions in the **TCNS ESOP Scheme 2018-23** from time to time or to suspend, withdraw or revive the **TCNS ESOP Scheme 2018-23**, from time to time, as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose in conformity with the Companies Act, 2013, the Memorandum and Articles of Association of the Company, the SEBI (SBEB) Regulations, 2014 as amended from time to time and any other applicable laws and with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board and/or the Nomination and Remuneration Committee to secure any further consent or approval of the members of the Company.”

9. Ratification of resolutions passed by the Company for grant of options more than 1% of the issued capital to specified employees under TCNS ESOP Scheme 2018-23:

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI (SBEB) Regulations”), issued by the Securities and Exchange Board of India (“SEBI”) and such other applicable laws (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee

(hereinafter referred to as “the Committee”) to exercise its powers, including the powers conferred by this resolution), as approved by the members of the Company in its Extra-Ordinary General Meeting dated February 02, 2018, held prior to Initial Public Offering (IPO) of Shares of the Company, be and is hereby ratified and consent of the Members be and is hereby accorded to create, offer and grant from time to time, in a financial year, employees stock options in excess of 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) at the time of grant of options to employees identified by the Board/ Nomination and Remuneration Committee and that each such option shall be exercisable into one fully paid-up equity share in the Company of face value of ₹ 2/- (Rupees Two) each on the terms and conditions as may be determined by the Nomination and Remuneration Committee under **TCNS ESOP Scheme 2018-23**.

“**RESOLVED FURTHER THAT** the Directors and Company Secretary of the Company be and are hereby severally authorised to issue/ provide certified true copies of these resolutions and to do all such acts, deeds or things as may be necessary for giving effect to this resolution.”

10. Amendment in TCNS ESOP Scheme 2018-23:

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act 2013 read with the Memorandum of Association and Articles of Association of the Company and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, for the time being in force and subject to the such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Nomination and Remuneration Committee,

Notice (Contd.)

which may exercise its powers, including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to amend “**TCNS ESOP Scheme 2018-23**” within the meaning of Regulation 7 of SEBI (SBEB) Regulations, 2014 and as per the details of such amendments mentioned in the explanatory statement annexed to this notice.”

“RESOLVED FURTHER THAT the Board (including the Nomination and Remuneration committee) be and is hereby authorised to issue Equity shares upon exercise of such option from time to time in accordance with amended **TCNS ESOP Scheme 2018-23** and such equity shares shall rank pari-passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the stock options under amended **TCNS ESOP Scheme 2018-23** shall be deemed to be increased/adjusted to the extent of such additional stock options issued.”

“RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations, 2014 and any other applicable laws and regulations to the extent relevant and applicable to the amended TCNS ESOP Scheme

2018-23.”

“RESOLVED FURTHER THAT the Company has used the Black-Scholes Model which is one of the commonly used methodologies for valuation of such options”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, the Board and/or the Nomination and Remuneration Committee be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the amended **TCNS ESOP Scheme 2018-23** from time to time or to suspend, withdraw or revive the amended **TCNS ESOP Scheme 2018-23**, from time to time, as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose in conformity with the Companies Act, 2013, the Memorandum and Articles of Association of the Company, the SEBI (SBEB) Regulations, 2014 as amended from time to time and any other applicable laws and with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board and/or the Nomination and Remuneration Committee to secure any further consent or approval of the members of the Company.”

On order of the Board of Directors

For TCNS Clothing Co. Limited

Sd/-

Piyush Asija

Company Secretary and Compliance Officer

ACS 21328

Date: May 28, 2019

Place: New Delhi

Notice (Contd.)

Notes:

1. **The explanatory statement pursuant to section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under item nos. 3 to 10 of the notice, is annexed hereto. the relevant details, pursuant to regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and secretarial standard on general meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.**
A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.
2. **Pursuant to Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014, a person shall not act as proxy for more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.**
3. **Proxy forms in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by appropriate resolution/ authority letter, as applicable.**
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 20, 2019 to August 26, 2019 (both days inclusive) for the purpose of Annual General Meeting (AGM) of the Company.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the AGM.
6. The Members are informed that in case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider and convert their holdings to dematerialised form. The ISIN of the Company is **INE778U01029**. Members may contact the Company or Registrar and Transfer Agent for assistance in this regard.
8. As per the provisions of Section 72 of the Act, the facility for nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Karvy in case the shares are held in physical form.
9. In terms of Section 152 of the Act, Mr. Onkar Singh Pasricha, Director of the company (DIN- 00032290), retires by rotation at the AGM and being eligible, offer himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommends his re-appointment.
10. All documents referred to in the accompanying Notice and the explanatory statement, are open for inspection by the members at the Registered Office and the copies thereof shall also be available for inspection at the Corporate Office of the Company on all working days except Saturday(s) and Sunday(s) and public holiday up to the date of AGM i.e. Monday August 26, 2019 between 11:00 AM to 5:00 PM. The same shall also be available during the meeting.
11. Statutory registers such as register of Directors and Key Managerial Personnel and their shareholding and register of Contracts or Arrangements in which Directors are interested shall be available at the AGM venue during the meeting.
12. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their

Notice (Contd.)

Depository Participants (“DPs”) in case the shares are held by them in electronic form and with Karvy in case the shares are held by them in physical form.

13. Certificate from the Statutory Auditors of the Company certifying that TCNS ESOP Scheme 2014-17 and TCNS ESOP Scheme 2018-23 (ESOP Schemes of the Company) are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution of the members of the Company, will be available for inspection by the Members at the AGM.
14. The members approved appointment of M/s Deloitte Haskin and Sells Chartered Accountants (ICAI Firm Registration no. 117366W/W-100018-), as Statutory Auditors of the Company to hold office for a period of five years at AGM dated August 27, 2017, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of Statutory auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 22nd AGM.
15. **M/s. Karvy Fintech Pvt. Ltd.** (formerly known as KCPL Advisory Services Pvt. Ltd), Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, is the Registrar and Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
16. A route map showing the directions to reach the venue of the 22nd Annual General Meeting is annexed hereto.
17. Members seeking any information or clarification on the financial statements are requested to send queries in writing to the Registered Office or Corporate Office of the Company, at least one week before the date of the meeting. Replies shall be provided in respect of such written queries at the meeting.
18. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
19. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
20. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agents and members holding shares in electronic form may obtain the Nomination form from their respective Depository Participants.
21. The notice of the 22nd Annual General Meeting is available on the website of the Company www.wforwoman.com and website of RTA i.e. <https://evoting.karvy.com>.
22. Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
23. In case of change in residential status of Non-Resident Indian Shareholders, the same should be immediately informed to the Registrar & Share Transfer Agents of the Company along with particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank.
24. **Registration of e-mail addresses for sending annual reports, communications, etc.:** Members are requested to register their e-mail addresses and changes therein from time to time with the Registrar and Share Transfer Agents (in case of physical shares) or with the concerned Depository Participant (in case of electronic holdings) so that the Company will use the same for sending notices, annual reports and other communications. Copies of annual report 2018-19 are being sent under electronic mode only, to all the members whose e-mail addresses are registered with the Registrars and Share Transfer Agents of the Company i.e. Karvy Fintech Private Limited/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have

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not registered their e-mail addresses, physical copies of the Annual Report 2018-19 are being sent by a permitted mode. Further Members holding multiple folios are requested to get their holdings consolidated.

25. That the Company is providing facility for voting by electronic means and the business may be transacted through such voting as mentioned here under;

26. Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd) for facilitating e-voting to enable

the Members to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

A. In case a member receives an email from Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Pvt. Ltd) (Karvy):

- I. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- II. Enter the login credentials (i.e., User ID and password mentioned in your email/ AGM Notice). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User ID:	For Members holding shares in Demat form:
	a. For NSDL: 8 character DP ID followed by 8 digits Client ID.
	b. For CDSL: 16 digit Beneficiary ID/Client ID
Password:	For Members holding shares in Physical form:
	Event No. (EVENT) followed by Folio No. registered with the Company.
	Your unique password is printed on the AGM Notice/ provided in the email forwarding the electronic notice.

III. After entering these details appropriately, Click on "LOGIN".

IV. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value(0-9)and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

V. You need to login again with the new credentials.

VI. On successful login, the system will

prompt you to select the "EVENT" i.e., **TCNS Clothing Co. Limited.**

VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

VIII. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.

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- IX. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e mail ID: sanjaygrover7@gmail.com and investors@tcnsclothing.com, with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
- B. In case of Members receiving AGM Notice by Post:**
- I. User ID and initial password as provided in the AGM Notice Form.
- II. Please follow all steps from Sr. No (I) to (IX) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on **August 23, 2019 at 09:00 A.M and ends on August 25, 2019 at 05:00 P.M.** In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website.
- D. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member(s)/beneficial owner(s) (in case of electronic shareholding) as on the **cut-off date i.e. August 19, 2019**. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date, i.e. August 19, 2019** will be entitled to avail the facility of remote e-voting/Insta Poll.
- E. Once the vote on a resolution is cast by member(s), the member(s) shall not be allowed to change it subsequently or cast the vote again.
27. That the facility for voting either through electronic voting system or ballot or polling paper/ Insta Poll shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
28. That the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
29. Kindly note that the Members can opt only one mode of voting i.e. either by e-voting or polling paper/ Insta Poll. If they are opting for e-voting, then they cannot vote physically also and vice versa. However, in case Members cast their vote physically as well as through e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
30. Mr. Sanjay Grover, Managing Partner (FCS 4223; C.P. No. 3850) failing him, Mr. Devesh Kumar Vasisht, Partner (FCS 8488; C.P. No. 13700) of M/s. Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi has been appointed as the Scrutiniser by the Company to scrutinise the entire voting process in a fair and transparent manner.
31. The Scrutiniser, after the conclusion of e-voting at the AGM, will scrutinise the votes cast at the AGM (through Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or any other person authorised by him in writing. The results of voting will be declared within 48 hours from the conclusion of the AGM i.e. on or before August 28, 2019 and result so declared along with the consolidated Scrutiniser's Report will be placed on the website of the Company i.e. www.wforwoman.com and on the website of Karvy at: <https://evoting.karvy.com>. The result will simultaneously be communicated to the stock exchanges where the securities of the Company are listed.
32. Mr. Piyush Asija, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances of Members in relation to this Annual General Meeting including e-voting. He can be contacted at Email: investors@tcnsclothing.com, Phone No : 011-42193193.
33. The members may download a copy of the notice of this meeting and the results declared along with the Scrutiniser's Report from the website

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of the Company www.wforwoman.com or from <https://evoting.karvy.com>.

34. Brief Profile of Director, Mr. Onkar Singh Pasricha (DIN- 00032290) seeking re-appointment at the 22nd Annual General Meeting (pursuant to Regulation 26(4) and 36(3) of SEBI(LODR) Regulations, 2015) and as required under Secretarial Standards-2 on General Meetings issued by The Institute of Company Secretaries of India is attached to this Notice as **Annexure-A**.
35. SEBI vide its Circular No. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that Members holding physical shares have not updated the said information. Therefore, such Members are requested to please send the following documents

to the Company's RTA:

- i. Self-attested copy of PAN card including that of joint Members;
- ii. An original cancelled cheque of 1st shareholder. (Name of 1st shareholder should be printed on cheque leaf). If name of 1st shareholder is not printed on cheque leaf, photocopy of pass book or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained).

Members are also requested to update Email ID for our records and to send their consent for receiving communications by electronic means in accordance with various circulars issued by the appropriate authorities from time to time.

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

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

ITEM NO. 3.

Pursuant to the regulation 23 of SEBI (LODR) Regulation, the Company is ensuring to comply with the applicable provisions of SEBI (LODR) Regulations, 2015. As part of that it is proposed to take the approval of Members for the related party transactions which were being entered by the Company with TCNS Limited for execution of job work contracts which are at arm's length basis and in the ordinary course of business.

Details of transactions is as under:

Name of the Related Party	TCNS Limited
Nature of Relationship	Group Company (Company owned by the promoters)
Nature of the contract and particulars of the contract or arrangement	Job work and purchase
Duration of the contract	Perpetual as approved by the Board
Material terms of the contract or arrangement including the value	a) Payment : Bill to Bill b) Price : Piece rate basis c) Contract : Total Job work and purchase contract value shall not be more than ₹ 75 Crore during the financial year.
Advance paid or received for the contract or arrangement	Payment on bill to bill basis
The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing of each job-work contract is fixed on arm's length basis taking into consideration the prevailing market price in the industry.
Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Not Applicable
Any other information relevant or important for the Board to take a decision on the proposed transaction	Not Applicable

None of the related party transactions are material in nature.

Except Mr. Onkar Singh Pasricha, Chairman and Executive Director along with his relatives, none of the Directors or Key managerial persons of the Company including their relatives are interested in the above resolution.

The Board recommends the resolution set forth in Item No.3 for approval of the members as **Ordinary Resolution**.

The transactions relating to job work transaction entered into with TCNS Limited is in ordinary course of business and is of continuous in nature and are not for a specific period. Terms and conditions will certainly be at arm's length basis taking into consideration the prevailing market terms and conditions. All factors relevant to the respective contracts including the price will be with the prior approval of Audit Committee and the Board of Directors. Mr. Onkar Singh Pasricha, Chairman & Executive Director, along with his relatives is considered to be interested in the above said resolution being the promoter and director of TCNS Limited.

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ITEM NO. 4.

As per the provisions of Section 188 of The Companies Act, 2013, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and Audit Committee, at their meeting held on May 28, 2019 had consented for increase of remuneration payable to Mr. Saranpreet Pasricha (son of Mr. Onkar Singh Pasricha, Chairman and Executive Director) for holding office or place of profit in Company.

The details of the increased remuneration are given below:

Overall Remuneration: Upto ₹ 10,00,000/- (Rupees Ten Lakhs) per month.

Remuneration includes:

- Basic Salary: Not exceeding Rupees Ten Lakhs per month.
- HRA @ 15% per month of the Basic Salary.
- Telephone: Mobile/Telephone facility as per the Company's rules.
- Leave encashment as per the Company's rules.
- Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by them from time to time, in connection with the Company's business.

The Board recommends the resolution set forth in Item No.4 for approval of the members as **Ordinary Resolution.**

Except Mr. Onkar Singh Pasricha, Chairman and Executive Director along with his relatives, None of the Directors or Key Managerial Personnel of the Company including their relatives are interested in the above resolution.

ITEM NO. 5

Mr. Anant Kumar Daga, was appointed and designated as Managing Director of the Company by the Board at its Meeting held on September 7, 2016 for a period of 5 years i.e. from September 7, 2016 to September 5, 2021. Further, as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on May 28, 2019 approved the revision

in the remuneration of Mr. Anant Kumar Daga for his remaining tenure effective from 01.04.2019 on terms and conditions enumerated in the Resolution.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013 but is in compliance with Schedule V of the Companies Act 2013. The Members are requested to consider the revision in remuneration of Mr. Anant Kumar Daga, Managing Director of the Company. The proposed remuneration of Mr. Daga would be as under:

- Salary: ₹ 2.62 crore
- Commission: Nil
- Perquisites: Perquisites include HRA, Expenses pertaining to fuel, Electricity, other utilities, medical Reimbursement, Leave Travel Concession, Conveyance, Personal Accident Insurance, Car usage, Telephone Expenses but excludes any perquisite benefit arising upon the exercise of stock options since it can't be predetermined.
- Retirals: As per policy of the Company and applicable laws.
- Sitting Fee: Nil

Details of Employee Stock Options for Anant Kumar Daga

Granted as on March 31, 2019	10,772,710
Vested, as on March 31, 2019	2,065,566
Unvested	2,457,144
Exercised in 18-19	3,102,029
Balance (To be exercised including Unvested)	4,522,710

The Employee stock options have been granted at a discount.

During the year, the Managing Director's salary and benefits aggregated to ₹ 24.14 million (excluding perquisite value of exercised ESOPs). In addition, the Managing Director in current year exercised 6,204,057 stock options (equivalent to 3102029 equity shares) granted to him under TCNS ESOP Scheme 2014-17 in the years ended March 31, 2015 and March 31, 2016 which resulted into a perquisites value of ₹ 595.74 million, under Income Tax Act 1961. Considering the said perquisites value of the exercised stock options in computation of managerial remuneration under Section 198 of The Companies Act, 2013, the managerial remuneration for the current year aggregating to ₹ 616.88 million, exceeded the limit as prescribed under Section 197 of the act by ₹ 537.41

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million. The Company, supported by legal opinion, is of the view that the excess managerial remuneration above the prescribed limit is due to underlying stock option plans which were already approved by the Members in earlier years.

The Directors recommend the Resolution at Item No. 5 of the accompanying Notice, for the approval of the members of the Company by way of **special resolution**.

Except Mr. Anant Kumar Daga, none of Directors, Key Managerial Personnel and their relatives are considered to be concerned or interested financially or otherwise, in the said Resolution.

Statements in terms of Schedule V of the Companies Act, 2013 relating to Remuneration payable to Managerial Personnel is annexed as **Annexure B**.

ITEM NO.6

The members of the Company at the Extraordinary General Meeting held on January 5, 2018 approved the appointment of Independent Directors of the Company on the terms and conditions as per the appointment letter including , the payment of remuneration by way of commission to the Independent Directors of the Company collectively, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act for a period of 5 years commencing from 2018-19.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and taking into account the roles and responsibilities of the Directors, it is proposed that the Independent Directors other than the Managing Director and the Whole-time Directors be paid for each of the five (5) financial years of the Company commencing from FY 2018-19, commission not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This amount by way of remuneration will be distributed amongst all Independent Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

This remuneration shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in

the Board and other meetings

Accordingly, approval of the Members is sought by way of a Ordinary Resolution under the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, for payment of commission by way of commission to the Independent Directors of the Company for their remaining tenure commencing from April 1, 2019 as set out in the Resolution at Item No.6 of the Notice.

The Board recommends the resolution set forth in Item No.6 for approval of the members as **Ordinary Resolution**.

Except the Independent Directors, None of the Directors or Key Managerial Personnel including their immediate relatives are interested in the above resolution.

ITEM NO. 7.

The Members of the Company at the Extraordinary General Meeting, held on February 2, 2018 has approved the issuance of ESOPs and accordingly, the Board of Directors of the Company consolidated the pre-existing employee stock option plans and framed the **TCNS ESOP Scheme 2014-17**. Under this Scheme, Stock Options have been granted by the Company to its employees. As per Regulation-12 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'), no Company shall make any fresh grant of ESOPs which involves allotment or transfer of shares to its employees under any ESOP Schemes formulated prior to its IPO and prior to the listing of its equity shares (Pre-IPO Scheme) unless (i) such pre-IPO scheme is in conformity with SBEB Regulations; and (ii) such pre-IPO scheme is ratified by its Members subsequent to IPO. The Company came out with a Public Issue of its Equity shares in July, 2018 and its equity shares were listed at BSE and NSE on July 30, 2018, the Company's Pre-IPO TCNS ESOP Scheme 2014-17, needs to be ratified by the Members of the Company pursuant to Regulation 12 of the SEBI (SBEB) Regulations, 2014.

Accordingly, the ESOP scheme of the Company is placed before the Members for their ratification in terms of Regulation 12 of the SEBI (SBEB) Regulations, 2014. The said Scheme is in conformity with the SEBI (SBEB) Regulations, 2014 and the Company has not granted any fresh grant of options to employees as on date after the public issue of the Company, and the same has been verified and confirmed by the Statutory Auditors of the Company.

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The **TCNS ESOP Scheme 2014-17** confirms to the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Further as required under clause no. (o) of Regulation 6(2) of SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 17, 2015, the members are hereby informed that, The Company shall conform to the accounting policies specified in the SEBI Guidelines, and/or such other guidelines or accounting standards as may be applicable, from time to time.

Further as required under clause (p) of Regulation 6(2) of SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 17, 2015; The members are hereby informed that, for the valuation of ESOPs, the Company to use the Black-Scholes Model which is one of the commonly used methodologies for valuation of such options. Under the Black-Scholes Model, the value of options is calculated as an output of the following fundamental detriments of option value:

1. The Market Value/Fair Value of the underlying asset (share).
2. The Exercise price of the option.
3. The time to expiry of the option.
4. The dividend yield of the underlying asset (share).
5. The prevailing level of the risk free interest rate.

6. The expected volatility of the value of the underlying asset (Share).

Members are requested to note that the Pre-IPO **TCNS ESOP Scheme 2014-17** shall be open for inspection by the Members of the Company at the Registered & Corporate Office of the Company during 11:00 am to 5:00 pm on all working days, except Saturday(s) and Sunday(s) up to and including the date of the Annual General Meeting. The same shall also be available for inspection at the AGM Venue.

Disclosures under TCNS ESOP Scheme 2014-17:

The **TCNS ESOP Scheme 2014-17** is the consolidated scheme emerged out of five TCNS ESOP Plans namely TCNS Employee Stock option plan 2014, TCNS Senior Management Stock Option Plan, 2015, TCNS Employee Stock Option Plan, 2015, TCNS Senior Executive Stock Option Plan 2015 and TCNS Employee Stock option plan 2017 as consolidated and approved by the Members in their meeting held on February 02, 2018. Details pertaining to options under TCNS ESOP Scheme 2014-17 are as mentioned below:

a) Reconciliation Statement under TCNS ESOP Scheme 2014-17:

A	Options reserved under the Scheme	11,782,500
Less:	Option granted (including lapsed options eligible for re-issue)	11,732,500
Add:	Option lapsed and added to the pool	125,000
Less:	Option lapsed and not eligible for re-issue	107,500
Less:	Further grant	62,500
B.	Balance Options in pool (Un-granted Shares)	5,000
C.	Allotted before IPO and got listed during the IPO	938,4631
D.	Options vested and were unexercised before IPO	162,4901
E.	Options Un-vested	660,468
F.	Total number of shares for which In Principle approval is received.	2,285,369
Less:	Options exercised Post IPO and listed	5,000
	Options Unexercised	2,280,369

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b) Description of the TCNS ESOP Scheme 2014-17

Particulars	Details
Brief Description of the TCNS ESOP Scheme 2014-17	
Total number of stock options to be granted	Previous stock option Plans have been consolidated in Scheme 2014-17 under which the Company has earlier resolved to grant 2,35,65,000 options.
Identification of classes of employees entitled to participate and be beneficiaries in the scheme	<p>All permanent employees of the Company and or of subsidiary or holding Company working in India or out of India and Directors (whether Managing/ Whole Time Director or not) (except for those who either by themselves or through their relatives or through any body corporate hold directly or indirectly more than 10 % of the issued and subscribed share capital of the Company) of the Company and its Holding Company or Subsidiaries (excluding promoters and employees belonging to Promoter Companies) and further excluding Independent Director as may be decided by the Nomination and Remuneration Committee, from time to time would be entitled to Options under the Scheme 2014-17</p> <p>The Employees to whom the Options would be Granted and their Eligibility Criteria (including but not limited to performance, merit, grade, conduct, length of service of the Employee, Relevant Date etc.) would be determined by the Nomination and Remuneration Committee, in its absolute discretion. The Option granted to an employee will not be transferable or assignable to any person except in the event of death of the grantee and the Option shall be exercisable, during such employee's lifetime, only by him or by his Beneficiary in accordance with the Scheme 2014-17.</p>
Requirements of vesting and period of vesting	The vesting shall take place as per applicable laws and regulations prevailing from time to time, from the date of grant of Options. The Nomination and Remuneration Committee may, in its discretion, lay down certain performance parameters subject to which Options would vest. The requirements of vesting and period of vesting shall be mentioned in the Letter of Grant.
Maximum period within which the options shall be vested	The Options Granted would vest not earlier than one year from the respective Grant Date(s) or such other period or manner as may be provided in SEBI Guidelines or determined by the Nomination and Remuneration Committee from time to time on the Grant Date. The Vesting Period for the Options granted under the Scheme 2014-17, from time to time, shall be determined by the Nomination and Remuneration Committee and shall be communicated to the Option Grantee in the Letter of Grant
Exercise price or pricing formula	<p>The Exercise Price for the Options would be determined by the Nomination and Remuneration Committee, provided that the Option Exercise Price shall not be less than the face value of the equity Shares of the Company on the date of grant of Options as determined in accordance with SEBI guidelines.</p> <p>The Option Exercise Price will be specified in the relevant Letter of Grant given to the Grantee at the time of the Grant of Options.</p>

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Particulars	Details
Exercise period and process of exercise	<p>The Options Granted to a Grantee under Scheme 2014-17 shall be capable of being Exercised within a period not exceeding 10 years from the date of Grant of the respective Options or such other period as may be determined by the Nomination and Remuneration Committee from time to time.</p> <p>The Options will be exercisable by the Employees by a written application to the Company to exercise the Options in such manner, and on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time.</p> <p>The Options will lapse if not exercised within the specified Exercise Period.</p> <p>Special provisions shall apply in case of death, resignation/ abandonment of service, permanent disability/ incapacity, retirement, termination on account of misconduct or other than misconduct, dissolution etc.</p>
Lock-in period	nil
The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility of the Employees will be specified by the Nomination and Remuneration Committee, and will be based on criteria such as role/level of the Employee, past performance record, future potential of the Employee, balance number of years of service until normal retirement age and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion.
Maximum number of options to be issued per employee and in aggregate	The number of Options that should be granted to an employee under Scheme 2014-17 shall be decided by the Nomination and Remuneration Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1 (one) % of the issued and paid up share capital as on the date of grant (excluding outstanding warrants and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.
Maximum quantum of benefits to be provided per employee under a scheme	The quantum of benefit that should be provided to an employee under Scheme 2014-17 shall be decided by the Nomination and Remuneration Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1 (one) % of the issued and paid up share capital as on the date of grant (excluding outstanding warrants and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.
Whether the scheme(s) is to be implemented and administered directly by the Company or through a trust	The Scheme will be implemented and administered directly by the Company through Board/ Nomination and Remuneration Committee.
Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both	The Scheme will involve new issue of shares by the Company in accordance with the SEBI guidelines.

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Particulars	Details
The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.	The Scheme is being implemented directly by the Company through Board/ Nomination and Remuneration Committee and accordingly, no loan would be required to be provided to trust
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme	Not Applicable, as no secondary acquisition is contemplated
Accounting and Disclosure Policies	The scheme conforms with the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations, 2014 and any other applicable laws and regulations to the extent relevant and applicable to the TCNS ESOP Scheme 2014-17
The method which the Company shall use to value its options or SARs;	The method which the Company shall use to value its options (valuation methodology) which shall be used by the Company is as mentioned herein below: For the valuation of ESOPs, we have used the Black-Scholes Model which is one of the commonly used methodologies to value such options. Under the Black-Scholes Model, the value of options is calculated as an output of the following fundamental detriments of option value: <ol style="list-style-type: none"> 1. The Market Value/Fair Value of the underlying asset (share). 2. The Exercise price of the option. 3. The time to expiry of the option. 4. The dividend yield of the underlying asset (share). 5. The prevailing level of the risk free interest rate. 6. The expected volatility of the value of the underlying asset (Share).
The conditions under which option vested in employees may lapse e.g. in case of termination of employment form is conduct or otherwise.	As determined by Nomination and Remuneration Committee
The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	As determined by Nomination and Remuneration Committee
a statement to the effect that the Company shall conform to the accounting policies specified in regulation 15;	The Company shall conform to the accounting policies specified in the SEBI Guidelines, and/or such other guidelines or accounting standards as may be applicable, from time to time.

The Board and the Nomination and Remuneration committee recommended the Resolution set forth in Item No. 7 for approval of the members as **Special Resolution**.

Except Mr. Anant Kumar Daga and all the other Key Managerial Personnel of the Company along with their relatives to the extent of the employee stock options granted / may be granted to them, none of the Directors or their immediate relatives are interested in the said resolution.

Notice (Contd.)

ITEM NO. 8.

The Members of the Company at the Extraordinary General Meeting, held on February 02, 2018 has approved the issuance of ESOPs and accordingly, the Board of Directors of the Company formulated the **TCNS ESOP Scheme 2018-23**. Under this Scheme, Stock Options have been granted by the Company to its employees. As per Regulation-12 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'), no Company shall make any fresh grant of ESOPs which involves allotment or transfer of shares to its employees under any ESOP Schemes formulated prior to its IPO and prior to the listing of its equity shares (Pre-IPO Scheme) unless (i) such pre-IPO scheme is in conformity with SBEB Regulations; and (ii) such pre-IPO scheme is ratified by its Members subsequent to IPO. The Company came out with a Public Issue of its Equity shares in July, 2018 and its equity shares were listed at BSE and NSE on July 30, 2018, the Company's Pre-IPO **TCNS ESOP Scheme 2018-23**, needs to be ratified by the Members of the Company pursuant to Regulation 12 of the SEBI (SBEB) Regulations, 2014.

Accordingly, the ESOP scheme of the Company is placed before the Members for their ratification in terms of Regulation 12 of the SEBI (SBEB) Regulations, 2014. The said Scheme is in conformity with the SEBI (SBEB) Regulations, 2014 and the Company has not granted any fresh grant of options to employees as on date after the public issue of the Company, and the same has been verified and confirmed by the Statutory Auditors of the Company.

The **TCNS ESOP Scheme 2018-23** conforms to the accounting policies specified in Regulation 15 of the

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Further as required under point no. (o) of Regulation 6(2) of SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 17, 2015, the members are hereby informed that, the Company shall conform to the accounting policies specified in the SEBI Guidelines, and/or such other guidelines or accounting standards as may be applicable, from time to time.

Further as required under point no. (p) of Regulation 6(2) of SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 17, 2015; the members are hereby informed that, for the valuation of ESOPs, the Company will use the Black-Scholes Model which is one of the commonly used methodologies for valuation of such options. Under the Black-Scholes Model, the value of options is calculated as an output of the following fundamental detriments of option value:

1. The Market Value/Fair Value of the underlying asset (share).
2. The Exercise price of the option.
3. The time to expiry of the option.
4. The dividend yield of the underlying asset (share).
5. The prevailing level of the risk free interest rate.
6. The expected volatility of the value of the underlying asset (Share).

Members are requested to note that the Pre-IPO **TCNS ESOP Scheme 2018-23** shall be open for inspection by the Members of the Company at the Registered & Corporate Office of the Company on all working days, except Saturday(s) and Sunday(s) and public holiday from 11:00 am to 5:00 pm up to and including the date of the Annual General Meeting. The same shall also be available for inspection at the AGM Venue.

Notice (Contd.)

Disclosures under TCNS ESOP Scheme 2018-23:

a) Reconciliation statement under TCNS ESOP Scheme 2018-23:

A.	Options reserved under the Scheme	6,467,817
Less:	Options Un-granted	1,395,066
	Options granted for which In Principle Approval Received	5,072,751

b) Description of TCNS ESOP Scheme 2018-23:

Brief Description of the Scheme	Details
Total number of stock options to be granted	Total options to be granted under the Scheme 2018-23 (under various sub-plans as may be formulated from time to time): 6,467,817 options
Identification of classes of employees entitled to participate and be beneficiaries in the scheme	<p>All permanent employees of the Company and or of subsidiary or holding Company working in India or out of India and Directors (whether Managing/ Whole Time Director or not) (except for those who either by themselves or through their relatives or through any body corporate hold directly or indirectly more than 10 % of the issued and subscribed share capital of the Company) of the Company and its Holding Company or Subsidiaries (excluding promoters and employees belonging to Promoter Companies) and further excluding Independent Director as may be decided by the Nomination and Remuneration Committee, from time to time would be entitled to Options under the Scheme 2018-23</p> <p>The Nomination and Remuneration Committee would determine the number of Awards / Options to be granted to various Employees, on a case by case basis, based on eligibility criteria determined by the Nomination and Remuneration Committee, which shall include but not be limited to parameters like qualifications, experience, past performance levels, potential of the Employee measured against future performance indicators and criticality of the functions performed by the Employee. Decision of the Nomination and Remuneration Committee with regard to the eligibility criteria or the number of Options granted to particular Employees shall be final and shall not be disputed.</p> <p>The Option granted to an employee will not be transferable or assignable to any person except in the event of death of the grantee and the Option shall be exercisable, during such employee's lifetime, only by him or by his Beneficiary in accordance with the Scheme 2018-23.</p>
Requirements of vesting and period of vesting	The vesting shall take place as per applicable laws and regulations prevailing from time to time, from the date of grant of Options. The requirements of vesting and period of vesting shall be mentioned in the Letter of Grant.
Maximum period within which the options shall be vested	Except as permitted under Applicable Law, there shall be a minimum period of 1 (one) year between the date of grant of Award and the Vesting of Options comprising such Award. The Vesting Period for the Options granted under the Scheme 2018-23 or plans/ sub-schemes formulated under Scheme 2018-23, from time to time, shall be determined by the Nomination and Remuneration Committee and shall be communicated to the Participant in the Letter of Grant
Exercise price or pricing formula	The Exercise Price for each Share comprising the Options granted to a Participant shall be INR 373.26/- (Indian Rupees Three Hundred Seventy Three and Twenty Six Paise only).

Notice (Contd.)

Brief Description of the Scheme	Details
Exercise period and process of exercise	<p>Option that have Vested in the hands of the Participant in accordance with Vesting Schedule can be exercised after such Vesting. Provided further that upon occurrence of a Liquidity Event, the Company shall be entitled to require the Participants to compulsorily exercise such number of Vested Options as the Company may direct.</p> <p>The Participant shall exercise the Option by submitting to the Company, during the Exercise Period, an 'exercise application', in the format prescribed by the Nomination and Remuneration Committee, along with a cheque / demand draft, favouring the Company, for the total amount payable by the Participant in respect of the Exercise Price, calculated as the number of Options exercised multiplied by the Exercise Price per Option plus any amount payable towards Taxes.</p> <p>Any Vested Options that have not been exercised by the Participant, within a period of 10 (ten) years commencing from the date of grant of such Options, shall lapse and shall not thereafter be capable of being exercised by the Participant .However, the Nomination and Remuneration Committee shall be authorised to extend the permissible time limit for exercise of any Options issued</p> <p>Special provisions shall apply in case of death, resignation/ abandonment of service, permanent disability/ incapacity, retirement, termination on account of misconduct or other than misconduct, dissolution etc.</p>
Lock-in period	Nil
The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility of the Employees will be specified by the Nomination and Remuneration Committee
Maximum number of options to be issued per employee and in aggregate	The number of Options that should be granted to an employee under Scheme 2018-23 shall be decided by the Nomination and Remuneration Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1 (one) % of the issued and paid up share capital as on the date of grant (excluding outstanding warrants and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.
Maximum quantum of benefits to be provided per employee under a scheme	The quantum of benefit that should be provided to an employee under Scheme 2018-23 shall be decided by the Nomination and Remuneration Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1 (one) % of the issued and paid up share capital as on the date of grant (excluding outstanding warrants and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.
Whether the scheme(s) is to be implemented and administered directly by the Company or through a trust	The Scheme will be implemented and administered directly by the Company through Board/ Nomination and Remuneration Committee.
Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both	The Scheme will involve new issue of shares by the Company in accordance with the SEBI guidelines.
The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.	The Scheme is being implemented directly by the Company through Board/ Nomination and Remuneration Committee and accordingly, no loan would be required to be provided to trust

Notice (Contd.)

Brief Description of the Scheme	Details
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme	Not Applicable, as no secondary acquisition is contemplated
Accounting and Disclosure Policies	The scheme confirms with the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations, 2014 and any other applicable laws and regulations to the extent relevant and applicable to the TCNS ESOP Scheme 2018-23 .
The method which the Company shall use to value its options or SARs;	The method which the Company shall use to value its options (valuation methodology) which shall be used by the Company is as mentioned herein below: For the valuation of ESOPs, we have used the Black-Scholes Model which is one of the commonly used methodologies to value such options. Under the Black-Scholes Model, the value of options is calculated as an output of the following fundamental detriments of option value: 1. The Market Value/Fair Value of the underlying asset (share). 2. The Exercise price of the option. 3. The time to expiry of the option. 4. The dividend yield of the underlying asset (share). 5. The prevailing level of the risk free interest rate. 6. The expected volatility of the value of the underlying asset (Share).
The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct or otherwise.	As determined by Nomination and Remuneration Committee
The specified time period within which the employees shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	As determined by Nomination and Remuneration Committee
a statement to the effect that the Company shall conform to the accounting policies specified in regulation 15;	The Company shall conform to the accounting policies specified in the SEBI Guidelines, and/or such other guidelines or accounting standards as may be applicable, from time to time.

The Board and the Nomination and Remuneration Committee recommend the resolution for approval of the Members by way of **Special Resolution**.

Except Mr. Anant Kumar Daga, Managing Director and all the other Key Managerial Personnel of the Company along with their relatives may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them, None of the Director's or their relatives are interested in the said resolution.

ITEM NO. 9

The Members of the Company in their meeting held on February 02, 2018 has already approved to create, offer and grant from time to time, in a financial year, employees stock options in excess of 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) at the time of grant of options to employees identified by the Board/ Nomination and Remuneration Committee

(including but not limited to Mr. Anant Kumar Daga).

However, in terms of Regulation 6(3) (d) of the SEBI (Share Based Employee Benefit) Regulations, 2014, a separate resolution is required to be passed by Members if it is intended to Grant of option to identified employees, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option.

Notice (Contd.)

In furtherance to the approval and ratification of Employee Incentive Scheme namely **TCNS ESOP SCHEME 2018-2023**, It is further proposed to ratify the aforesaid resolution passed by the Members of the Company, prior to the IPO of the Company to create, offer and grant from time to time, in a financial year, employees stock options in excess of 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) at the time of grant of options to employees identified by the Board/ Nomination and Remuneration Committee (including but not limited to Mr. Anant Kumar Daga) under **TCNS ESOP SCHEME 2018-2023** on the terms and conditions as may be determined by the Nomination and Remuneration Committee under **TCNS ESOP SCHEME 2018-2023**.

The approval of the Members shall be required for grant of stock options to employees in excess of 1% of the issued capital.

Members are requested to note that the aforementioned resolution as earlier passed by the members of the Company shall be open for inspection by the Members of the Company at the Registered & Corporate Office of the Company on all working days, except Saturday(s) and Sunday(s) and public holidays from 11:00 am to 5:00 pm up to and including the date of the Annual General Meeting. The same shall also be available for inspection at the AGM Venue.

The Board and the Remuneration Committee recommend the Resolution at Item No. 9 of the

accompanying Notice, for the approval of the members of the Company by way of **Special Resolution**.

Except for Mr. Anant Kumar Daga and all the other Key Managerial Personnel of the Company along with their relative may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them, Except them, none of the Directors of the Company or the relatives of the aforementioned persons are interested in the said resolution.

ITEM NO. 10.

Pursuant to Regulation 7 of The SEBI (SBEB) Regulations, 2014 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Company may vary, by way of a Special Resolution, the terms of the Employees Stock Options not yet exercised by the employees provided that such variation is not prejudicial to the interests of the option holders.

The modifications do not specifically benefit any of the option holders but are being carried out to bring the Scheme in line with the applicable provisions of the Act. The Nomination and remuneration committee of the Company considered the matter of amendment in **TCNS ESOP Scheme 2018-23**, regarding the vesting schedule for ungranted portion under the scheme and recommends such amendment to the members of the Company for their necessary approval, pursuant to Regulation 7 of SEBI (SBEB) Regulations, 2014.

Notice (Contd.)

Disclosures under TCNS ESOP Scheme 2018-23:

a) Reconciliation statement under TCNS ESOP Scheme 2018-23:

A.	Options reserved under the Scheme	6,467,817
Less:	Options Un-granted	1,395,066
	Options granted for which In Principle Approval Received	5,072,751

b) Description of TCNS ESOP Scheme 2018-23:

Brief Description of the Scheme	Details
Total number of stock options to be granted	Total options to be granted under the Scheme 2018-23 (under various sub-plans as may be formulated from time to time): 6,467,817 options
Identification of classes of employees entitled to participate and be beneficiaries in the scheme	<p>All permanent employees of the Company and or of subsidiary or holding Company working in India or out of India and Directors (whether Managing/ Whole Time Director or not) (except for those who either by themselves or through their relatives or through any body corporate hold directly or indirectly more than 10 % of the issued and subscribed share capital of the Company) of the Company and its Holding Company or Subsidiaries (excluding promoters and employees belonging to Promoter Companies) and further excluding Independent Director as may be decided by the Nomination and Remuneration Committee, from time to time would be entitled to Options under the Scheme 2018-23</p> <p>The Nomination and Remuneration Committee would determine the number of Awards / Options to be granted to various Employees, on a case by case basis, based on eligibility criteria determined by the Nomination and Remuneration Committee, which shall include but not be limited to parameters like qualifications, experience, past performance levels, potential of the Employee measured against future performance indicators and criticality of the functions performed by the Employee. Decision of the Nomination and Remuneration Committee with regard to the eligibility criteria or the number of Options granted to particular Employees shall be final and shall not be disputed.</p> <p>The Option granted to an employee will not be transferable or assignable to any person except in the event of death of the grantee and the Option shall be exercisable, during such employee's lifetime, only by him or by his Beneficiary in accordance with the Scheme 2018-23.</p>
Requirements of vesting and period of vesting	The vesting shall take place as per applicable laws and regulations prevailing from time to time, from the date of grant of Options. The requirements of vesting and period of vesting shall be mentioned in the Letter of Grant.
Maximum period within which the options shall be vested	Except as permitted under Applicable Law, there shall be a minimum period of 1 (one) year between the date of grant of Award and the Vesting of Options comprising such Award. The Vesting Period for the Options granted under the Scheme 2018-23 or plans/ sub-schemes formulated under Scheme 2018-23, from time to time, shall be determined by the Nomination and Remuneration Committee and shall be communicated to the Participant in the Letter of Grant
Exercise price or pricing formula	The Exercise Price for each Share comprising the Options granted to a Participant shall be INR 373.26/- (Indian Rupees Three Hundred Seventy Three and Twenty Six Paise only).

Notice (Contd.)

Brief Description of the Scheme	Details
Exercise period and process of exercise	<p>Option that have Vested in the hands of the Participant in accordance with Vesting Schedule can be exercised after such Vesting. Provided further that upon occurrence of a Liquidity Event, the Company shall be entitled to require the Participants to compulsorily exercise such number of Vested Options as the Company may direct.</p> <p>The Participant shall exercise the Option by submitting to the Company, during the Exercise Period, an 'exercise application', in the format prescribed by the Nomination and Remuneration Committee, along with a Cheque / demand draft, favouring the Company, for the total amount payable by the Participant in respect of the Exercise Price, calculated as the number of Options exercised multiplied by the Exercise Price per Option plus any amount payable towards Taxes.</p> <p>Any Vested Options that have not been exercised by the Participant, within a period of 10 (ten) years commencing from the date of grant of such Options, shall lapse and shall not thereafter be capable of being exercised by the Participant .However, the Nomination and Remuneration Committee shall be authorised to extend the permissible time limit for exercise of any Options issued</p> <p>Special provisions shall apply in case of death, resignation/ abandonment of service, permanent disability/ incapacity, retirement, termination on account of misconduct or other than misconduct, dissolution etc.</p>
Lock-in period	Nil
The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility of the Employees will be specified by the Nomination and Remuneration Committee
Maximum number of options to be issued per employee and in aggregate	The number of Options that should be granted to an employee under Scheme 2018-23 shall be decided by the Nomination and Remuneration Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1 (one) % of the issued and paid up share capital as on the date of grant (excluding outstanding warrants and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.
Maximum quantum of benefits to be provided per employee under a scheme	The quantum of benefit that should be provided to an employee under Scheme 2018-23 shall be decided by the Nomination and Remuneration Committee. However, no employee shall be granted, in any fiscal year of the Company, Options to purchase more than or equaling to 1 (one) % of the issued and paid up share capital as on the date of grant (excluding outstanding warrants and conversions) unless approval of members in the general meeting by way of separate resolution has been obtained.

Notice (Contd.)

Brief Description of the Scheme	Details
Whether the scheme(s) is to be implemented and administered directly by the Company or through a trust	The Scheme will be implemented and administered directly by the Company through Board/ Nomination and Remuneration Committee.
Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both	The Scheme will involve new issue of shares by the Company in accordance with the SEBI guidelines.
The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.	The Scheme is being implemented directly by the Company through Board/ Nomination and Remuneration Committee and accordingly, no loan would be required to be provided to trust
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme	Not Applicable, as no secondary acquisition is contemplated
Accounting and Disclosure Policies	The scheme confirms with the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations, 2014 and any other applicable laws and regulations to the extent relevant and applicable to the TCNS ESOP Scheme 2018-23 .
The method which the Company shall use to value its options or SARs;	<p>The method which the Company shall use to value its options (valuation methodology) which shall be used by the Company is as mentioned herein below:</p> <p>For the valuation of ESOPs, we have used the Black-Scholes Model which is one of the commonly used methodologies for valuation of such options. Under the Black-Scholes Model, the value of options is calculated as an output of the following fundamental detriments of option value:</p> <ol style="list-style-type: none"> 1. The Market Value/Fair Value of the underlying asset (share). 2. The Exercise price of the option. 3. The time to expiry of the option. 4. The dividend yield of the underlying asset (share). 5. The prevailing level of the risk free interest rate. 6. The expected volatility of the value of the underlying asset (Share).
The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct or otherwise.	As determined by Nomination and Remuneration Committee

Notice (Contd.)

Brief Description of the Scheme	Details
The specified time period within which the employees shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	As determined by Nomination and Remuneration Committee
a statement to the effect that the Company shall conform to the accounting policies specified in regulation 15;	The Company shall conform to the accounting policies specified in the SEBI Guidelines, and/or such other guidelines or accounting standards as may be applicable, from time to time.

c) Details of the variations in the Scheme

The following clauses of the TCNS ESOP Scheme 2018-2023 shall be inserted/ modified, as set out below:

1. A new term "Other Employees Additional ESOP Pool" be inserted in Clause 2 (Definitions) of the TCNS ESOP Scheme 2018-2023, immediately after the existing term "Minimum Vesting Period", as follows:

Term	Reference
Other Employees Additional ESOP Pool	5.1

2. Shares Subject to the TCNS ESOP Scheme 2018-2023

The existing Clause 5.1 of the TCNS ESOP Scheme 2018-2023 shall be substituted as follows:

5.1 Share Reserve

The maximum aggregate number of Shares that may be awarded under the Scheme 2018-23 shall be 6,467,817, which shall be apportioned as under:

- (i) 649,066 Shares shall be categorised as "**AD Upfront ESOP Pool**" and shall be utilised exclusively for grant of Options in favour of AD;
- (ii) 379,704 Shares shall be categorised as "**Other Employees Upfront ESOP Pool**" and shall be utilised exclusively for grant of Options in favour of Employees other than AD;
- (iii) 269,362 Shares shall be categorised as "**Other Employees Additional ESOP Pool**" and shall be utilised exclusively for grant of Options in favour of Employees other than AD;
- (iv) 868,079 Shares shall be categorised as "**AD Threshold 1 ESOP Pool**" and shall be utilised exclusively for grant of Options in favour of AD;
- (v) 965,352 Shares shall be categorised as "**Other Employees Threshold 1 ESOP Pool**" and shall be utilised exclusively for grant of Options in favour of Employees other than AD;
- (vi) 1,589,065 Shares shall be categorised as "**AD Threshold 2 ESOP Pool**" and shall be utilised

exclusively for grant of Options in favour of AD; and

- (vii) 1,747,189 Shares shall be categorised as "**Other Employees Threshold 2 ESOP Pool**" and shall be utilised exclusively for grant of Options in favour of Employees other than AD.

3. Vesting Conditions

A new clause 8.2.4 shall be inserted immediately after the existing clause 8.2.3 of the TCNS ESOP Scheme 2018-2023, as follows:

8.2.4 Other Employees Additional ESOP Pool

Options granted out of the Other Employees Additional ESOP Pool shall vest in a tranche-wise manner over a period ranging from 1 (one) to 5 (five) years from the date of grant, as may be determined by the Nomination and Remuneration Committee at the time of each grant.

4. The existing clause 9.1 of the TCNS ESOP Scheme 2018-23 shall be substituted as below:

The Exercise price for each share comprising the options granted to a participant shall be INR 373.26/- (Indian Rupees Three Hundred Seventy Three and Twenty Six paise only) or as may be decided by the Nomination and remuneration committee.

5. A new Part A - 1 shall be inserted immediately after Part A of Annexure I of the TCNS ESOP Scheme 2018-2023, as follows:

Notice (Contd.)

Part - A1

[to be used for grant of Options under Other Employee Additional ESOP Pool]

Date: [●]

To,

Mr. / Ms. / Mrs. [●]

[●]

Subject: Grant Letter pursuant to the Scheme 2018-23

Dear [●]

We are pleased to inform you that your name has been recommended and approved by the Nomination and Remuneration Committee for grant of Options under the Scheme 2018-23.

The details of the proposed grant of Options in your favour are as under:

Name of the Employee: [●]

Employee ID: [●]

Designation: [●]

Department: [●]

No. of Options granted: [●]

No. of Shares Subject to each Option: [●] [insert number]

Grant Date: [●]

Exercise Price per Share: INR [●]/- (Indian Rupees [●] only) or such other higher amount as may be determined by the Nomination and Remuneration Committee at its discretion.

Vesting Schedule: The Options shall vest in you automatically upon expiry of [insert quantum of Options that will vest in each tranche and identify the timeline for vesting ranging from 1 (one) to 5 (five) years from the Grant Date, as determined by the Nomination and remuneration Committee in relation to this grant of Options].

Exercise of Vested Options: You shall be entitled to exercise the Vested Options in accordance with the procedure and timelines set out in the Scheme 2018-23.

You understand and agree that the Options are granted subject to and in accordance with the terms of the Scheme 2018-23 annexed hereto. You agree and undertake to be bound by the terms of the Scheme 2018-23 and the terms of the Options set forth in the Scheme 2018-23. From time to time, upon request from the Company, you agree to execute any documents, agreements, forms and/or provide such undertakings, as may be required to implement the Scheme 2018-23.

This letter and the Scheme 2018-23 along with the documents envisaged therein constitute the entire agreement between you and the Company in connection with the employee stock option of the Company and supersede all previous communication or commitments made to you, whether in writing or otherwise, on this matter.

The terms not defined under this letter shall have the meaning ascribed to them in the Scheme 2018-23 annexed hereto.

We take this opportunity to thank you for your contribution to the Company and look forward to your support and commitment.

Kind regards,

For and on behalf of TCNS Clothing Co. Limited

By:

Notice (Contd.)

The Nomination and Remuneration Committee recommends to members of the Company for the amendment of TCNS ESOP Scheme 2018-23 regarding the vesting schedule of ungranted portion in terms of Regulation 7 of The SEBI (SBEB) Regulations, 2014.

The said Scheme is in conformity with the SEBI (SBEB) Regulations, 2014 and the Company has not granted any fresh grant of options to employees as on date after the public issue of the Company, and the same has been verified and confirmed by the Statutory Auditors of the Company.

The Board and Nomination and Remuneration Committee recommends the Resolution at Item No. 10 of the accompanying Notice, for the approval of the members of the Company by way of **Special Resolution**.

The Directors (excluding Independent Directors) and Key Managerial Persons of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them. Except them, none of the relatives of the Directors of the Company or of the Key Managerial Personnel of the Company are concerned or interested in the passing of the Resolution at Item No. 10.

Date: May 28, 2019

Place: New Delhi

On order of the Board of Directors

For TCNS Clothing Co. Limited

Sd/-

Piyush Asija

Company Secretary and Compliance Officer

ACS 21328

Notice (Contd.)

Annexure - A

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

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mr Onkar Singh Pasricha	Mr Anant Kumar Daga
Date of Birth	21/09/1950	28/04/1977
Age (years)	69	42
Date of first Appointment	03/12/1997	07/09/2016
Relationship with Directors, Manager and other KMP	Not related to any Director of the Company	Not related to any Director of the Company
Expertise in specific functional area	Has been Chairman of the Company since its foundation and has more than 40 years of experience in the apparel industry.	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 7, 2016. Prior to joining our Company, Anant Kumar Daga has worked with Reebok and with ICICI bank.
Qualification	B-Tech, Electrical Engineering, IIT-Delhi.	Bachelor's degree in commerce from the University of Calcutta and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad
Experience	He holds a bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi. He has been on our Board since December 3, 1997 and was last re-appointed on January 5, 2018. He has more than 40 years of experience in the apparel industry.	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 7, 2016. Prior to joining our Company, Anant Kumar Daga has worked with Reebok, India and with ICICI bank.
Terms and conditions of appointment/ re-appointment	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.wforwoman.com.	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.wforwoman.com.
*Details of remuneration sought to be paid	₹ 3,000,192 per annum	₹ 26,138,190 per annum The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.
*Remuneration last drawn	₹ 2,832,000 per annum	₹ 24,136,829 per annum.
No. of meetings of the Board attended during the year	5 out of 6 Board meetings	6 out of 6 Board meetings

Notice (Contd.)

Name of the Director	Mr Onkar Singh Pasricha	Mr Anant Kumar Daga
Board Membership of other companies as on March 31, 2019	1. TCNS Limited 2. Impressions Global Private Limited 3. TCNS Resorts Private Limited 4. Retailogix India Private Limited 5. Elco Systems Private Limited 6. TCNS Technologies Private Limited 7. Greentex Apparel Solutions Private Limited 8. Goodearth Clothing Co. Private Limited.	Nil
Chairman/ Member of the Committee of the Board of Directors as on March 31, 2019	Nomination and Remuneration Committee Risk Management Committee Corporate Social Responsibility Committee	Risk Management Committee Stakeholders Relationship Committee
Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2019	Nil	Nil
a) Audit Committee	Nil	Nil
b) Stakeholders' Relationship Committee	Nil	Nil
c) Nomination and Remunerations Committee	Nil	Nil
Number of shares held in the Company as on March 31, 2019	6,752,681 Shares	3,605,124 shares

*Remuneration is excluding perquisite value of Employee Stock Options that have been/may be exercised.

Notice (Contd.)

Annexure - B INFORMATION AS PER SCHEDULE V OF THE COMPANIES ACT 2013

I) GENERAL INFORMATION

- 1) Nature of industry: Manufacturing and Retailing of women apparel.
- 2) Date or expected date of Commencement of commercial production: The Company is in operation since December 3, 1997.
- 3) Expected date of commencement of activities as per project approved by financial institutions: Not Applicable
- 4) Financial Performance: The Financial performance of the Company for Financial Year ended on March 31, 2019 is as under:

Particulars	(₹ in million)
Turnover/Net Sales	11,479.53
Other Income	75.21
Total Expenditure (excluding depreciation and interest)	9,938.51
Profit/(Loss) before tax	1,616.23

- 5) Foreign investments or Collaborators: Not Applicable

II) INFORMATION ABOUT THE MR. ANANT KUMAR DAGA:

- 1) Background Details:

Name	Mr. Anant Kumar Daga
Father's Name	Sh. Krishan Kumar Daga
Age	42 years
Qualification	Bachelor's degree in commerce from the University of Calcutta and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad
Past Experience	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 7, 2016. Prior to joining our Company, Anant Kumar Daga has worked with Reebok, India and with ICICI bank.

- 2) Past Remuneration (FY 2018-19)
Salary as per provisions contained in section 17(l) of the Income-tax Act, 1961- ₹ 2,29,80,708/- per annum
Contribution to PF- 11,27,321/-
Value of perquisites u/s 17(2) Income-tax Act, 1961 including ESOP exercised - ₹ 59,57,74,942
- 3) Recognition or Awards:
-Featured in the Economic Times' 40 under 128 list of India's hottest business leaders for 2017
-Brand Professional of the Year 2017 - Mr. Anant Kumar Daga (M.D. - TCNS Clothing), By CMAI
- 4) Job profile and suitability:
Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 7, 2016. Prior to joining TCNS Clothing Co. Ltd., Anant Kumar Daga has worked with Reebok, India and with ICICI bank.
- 5) Remuneration Proposed: As stated in the Explanatory Statement at Item No. 5 of this Notice.
- 6) Comparative remuneration profile with respects to industry, size of the Company, profile of the position

Notice (Contd.)

and person:

The remuneration as proposed of Mr. Anant Kumar Daga is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its businesses. Moreover in his position as Managing Director of the Company, Mr. Daga devotes substantial time in overseeing the overall operations of the Company.

- 6) Pecuniary relationship with the Company or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Mr. Anant Kumar Daga does not have any pecuniary relationship with the Company, except eligibility for ESOP options as per the ESOP Schemes of the Company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits: Not Applicable.
2. Steps taken or proposed to be taken for improvement/ Expected increase in productivity and profits: Not Applicable
3. Expected increase in productivity and profits in measurable terms: The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been pursuing and implementing its strategies to improve financial performance.

IV. DISCLOSURES:

1. Remuneration package of the managerial person: Fully described in the explanatory statement as stated above.
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report for the FY 2018-19: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2018-19 of the Company.

ROUTE MAP FOR 22nd ANNUAL GENERAL MEETING OF TCNS CLOTHING CO. LIMITED



AGM Venue: Delhi Karnataka Sangha, Rao Tularam Marg, Sector 12, Rama Krishna Puram, New Delhi, Delhi-110022



Scan to Navigate:

Board's Report

To

The Members of TCNS Clothing Co. Limited, (Erstwhile TCNS Clothing Co. Pvt. Ltd)

Your Directors have pleasure in presenting the **22nd Annual Report** on the overall business operations of the Company and Audited Statements of Accounts for the financial year ended March 31, 2019 and Auditors report thereon.

FINANCIAL PERFORMANCE

Financial Results

Particulars	(₹ in million)	
	Financial Year 2018-2019	Financial Year 2017-2018
Revenue	11,479.53	10,009.91
Expenses	9,711.27	8,455.53
EBITDA	1,843.47	1,621.70
Finance costs	5.14	6.71
Depreciation and amortisation expense	222.10	166.71
Profit before tax	1,616.23	1,448.28
Tax Expenses	301.88	467.31
Profit for the year	1,314.35	980.97
Other Comprehensive Income	3.88	(3.30)
Total Comprehensive Income for the year	1,318.23	977.67

Overview of Company Performance and Operations

The Company EBITDA and PAT were ₹ 1,843.47 million and ₹ 1,314.35 million respectively against the previous year's EBITDA and PAT of ₹ 1,621.70 million and ₹ 980.97 million respectively, representing a growth of 13.7% and 34.0% respectively.

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR AND STATE OF COMPANY'S AFFAIRS

Significant developments during the year

Initial Public Offering ("IPO"): Your Company, during the financial year under review, filed Prospectus with Registrar of Companies and Securities Exchange Board of India and the same was approved on July 09, 2018. The public issue was completely an Offer for Sale ("OFS") constituting of up to 1,57,14,038 Equity Shares of Face Value of ₹ 2/- each. The Company got listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) on July 30, 2018.

ERP Implementation: Your Company implemented a new ERP w.e.f April 1, 2018. The up-gradation will add strength in data mining capability and enable adoption of newer applications including omni-channel enablers.

Dividend

No dividend was recommended for the financial year as the Company intends to look for expansion opportunities.

Transfer of Funds to Investor Education and Protection Fund

No Funds or shares were transferred to Investor Education and Protection Fund during the year under review.

Reserves

Total comprehensive income for the year of ₹ 1318.23 million was added to Retained earnings and the balance as at March 31, 2019 stood at ₹ 2310.45 million. Your Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2019.

Management Discussion and Analysis Report

The Management Discussion and Analysis for the period under review as required under Schedule V read with Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been dealt with extensively in a separate section forming part of the Annual Report marked and annexed as **Annexure A** on page no. 47

Listing

During the year, 8 (eight) existing shareholders of the

Board's Report (Contd.)

Company diluted their shareholding through an initial public offer of 15,714,038 equity shares of face value of ₹ 2/- each (the "equity shares") for cash at a price of ₹ 716/- per equity share (the "offer price") aggregating to ₹ 11,251.25 million (the "offer") as an offer for sale. The equity shares of your Company were listed at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) on July 30, 2018. Further, the Company has paid the requisite listing fee to the Stock Exchanges for the financial year 2019-20.

ESOP Allotment

During the year under review, the Company has allotted 43,03,660 (Forty three lakhs three thousand six hundred and sixty only) Equity Shares of ₹ 2/-(Rupees Two) each under TCNS ESOP Scheme 2014-17, thereby the paid-up equity capital of the Company increased by ₹ 86,07,320/-(Rupees Eighty six lakhs seven thousand three hundred and twenty Only)

Conversion of CCRDs (Compulsory Convertible Redeemable Debentures)

The company has issued an aggregate of 12,98,132 CCRDs of face value of ₹ 1/- (Rupee One) each to Mr. Onkar Singh Pasricha and Mr. Arvinder Singh

Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

Particulars	₹ in million	
	2018-19	2017-2018
Foreign Exchange Inflow	59.38	38.21
Foreign Exchange Outflow	5.66	2.20

Directors and Key Managerial Personnel

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Onkar Singh Pasricha (DIN - 00032290), Chairperson and Executive Director of the Company, retiring by rotation at the ensuing Annual General Meeting being eligible for reappointment, offers himself for re-appointment. The brief resume of the Director seeking re-appointment along with the other details as stipulated under Regulation 26 and 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), is provided in the Notice for convening 22nd Annual General Meeting of the Company.

Further, there are no changes in the directorships during the financial year under review.

Pasricha at a premium, pursuant to approval of the Shareholders through resolutions dated January 5, 2018. These CCRD's were converted into 6,49,066 Equity Shares of ₹ 2/- each, aggregating to ₹ 12,98,132 (Twelve lakhs ninety eight thousand one hundred and thirty two only), on May 28, 2018 by approval of the Board.

Material changes and commitments

There are no material changes and commitments effecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statements relates and the date of the report. Further, there has been no change in the nature of business of the Company during the year.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo.

Details of energy conservation, technology absorption, in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed and marked as **Annexure 'B'** to this Report. The details of foreign earnings and outgo are as follows:

Key Managerial Personnel

Mr. Anant Kumar Daga, Managing Director of the Company, Mr. Venkatesh Tarakkad, Chief Financial Officer and Mr. Piyush Asija, Company Secretary and Compliance Officer of the Company continued to be the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Director's Responsibility Statement

Pursuant to section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirm that:

- i. The applicable accounting standards have been followed with no material departure, in the preparation of the accounts for the financial year ended March 31, 2019.

Board's Report (Contd.)

- ii. The accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.
- v. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.
- vi. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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 and external consultant(s) and the reviews made by the Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during FY 2018-19.

Independent Directors

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

Familiarisation Programme:

At the time of appointment of a Director, a formal letter of appointment is given to him/her, which inter alia

explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The terms and conditions of the appointment are also placed on the website of the Company. Each newly appointed Director is taken through a familiarisation program in terms of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, including interactions with the Managing Director, CFO & the Senior Management of the Company covering all important aspects of the Company.

The Independent Directors were provided with a presentation on the nature of the industry in which the Company operates and the business model of the Company. Further, time to time, necessary presentations, documents, reports, internal policies and updates were provided to them to familiarise them with the Company's policies, procedures and practices. The policy on Familiarisation Programme for Independent Directors is placed on the website of the Company at <https://wforwoman.com/content/corporate-governance-familiarisation/>.

Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has adopted a process for evaluating its performance and effectiveness as well as that of its Committees and carried out an annual evaluation of its own performance, Board Committees and the Directors individually. The Board and the Nomination & Remuneration committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. The evaluation criteria included various aspects such as, functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback relationship with the stakeholders and as provided by the Guidance Note on Board Evaluation issued by SEBI dated January 5, 2017. In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Board as a whole and the Chairman was also evaluated on the basis of pre-set criterion.

Board's Report (Contd.)

CORPORATE SOCIAL RESPONSIBILITY REPORT ("CSR")

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR activities are annexed and marked as **Annexure C** forming part of this Report. The CSR policy of the Company is available on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>.

SECRETARIAL STANDARDS

The Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

EMPLOYEES

Particulars of Employees

The disclosure under Rule 5 (2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed and marked as **Annexure D** to this Report.

Employee Stock Option Scheme (ESOS)

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

Disclosure on Sexual Harassment of Women at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. There were three (3) cases of sexual harassment reported during the year under review, which were addressed within prescribed time frame.

GOVERNANCE AND SECRETARIAL

Board and Committees Meetings

The Board has an optimum mix of Executive, Non-Executive and Independent Directors and is headed by Mr. Onkar Singh Pasricha, an Executive Chairman. The Board of the Company is diverse in terms of qualification, competence, experience and expertise which enables it to ensure long term value creation for all stakeholders. As on March 31, 2019 the Board comprises of two executive directors,

one non-executive director and three independent Directors. The details related to meetings of the Board, Directorships, Committees and meetings of Committees are disclosed in the Corporate Governance Report forming part of the Annual Report as **Annexure J**.

POLICIES OF THE COMPANY

Nomination & Remuneration Policy

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

Policy for Determining Material Subsidiaries

The policy for determining the material subsidiaries of the Company is available on the Website of the Company at <https://wforwoman.com/content/lo-dr-policies/>. There are no subsidiaries of the company as on 31st March 2019.

Dividend Distribution Policy

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates top 500 Listed Companies on their market capitalisation as calculated on the 31st day of March of every year to frame a Policy for Distribution of Dividend. Accordingly, the Company adopted the said Policy in the Board Meeting dated May 28, 2019. This policy aims at laying down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to shareholders and/or retention or plough back of its profits. The Policy is enclosed as **Annexure - G** of the Report and is also available on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>.

Whistle Blower Policy

The Company has a Whistle Blower Policy to provide vigil mechanism for Directors and Employees to voice their concerns in a responsible and effective manner regarding unethical behavior and actual or suspected fraud or violation of the Company's code of conduct. It also provides adequate safeguards against victimisation of Directors and Employees who avail the mechanism. The Company affirms that during financial year 2018-2019, no personnel have been

Board's Report (Contd.)

denied access to the Audit Committee to report such instances. The Whistle Blower Policy is available on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>

Risk Management

Pursuant to section 134(3) (n) of the Companies Act, 2013 the Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. The Risk Management Committee comprises of Mr. Onkar Singh Pasricha, Mr. Anant Kumar Daga and Mr. Venkatesh Tarakkad. The policy is available on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>.

Code of Conduct

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management Members of the Company to whom the Code applies. The Code of Conduct has also been posted on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>.

Web links of the other Statutory Policies of the Company

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

The affirmation by the Managing Director that the Code of Conduct has been complied by the Board of Directors and Senior Management forms part of the Corporate Governance report.

Prevention of Insider Trading

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

CSR Policy

The Company has formulated and adopted a Policy on Corporate Social Responsibility as per the requirement of Section 135 of Companies Act, 2013 read with schedule VII of the Act and the same is placed on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>.

Board's Report (Contd.)

General Body Meetings:

During the financial year under review, the 21st Annual General Meeting was held on July 5, 2018. No Extraordinary General Meeting was called or conducted during the year under review.

Public Deposits

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

Particulars of Investments, Loans and Guarantees

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

Significant and Material Orders passed by the Regulators

There were no significant and material orders passed by the Regulators, Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

Environment, Health and Safety

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company ensures safety of all concerned and compliances with environmental regulations. The Company provides a safe and healthy workplace with an aim to achieve zero injuries to all its employees and stakeholders associated with the Company's operations.

Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ("the Act") read with Rule 12(l) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is forming part of this report marked and annexed as **Annexure H** and also placed on the website of the Company at <https://wforwoman.com/content/general-meeting-disclosurefy-2018-19>.

Business Responsibility Report

The SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, mandates the inclusion of Business Responsibility Statement ('BRR') for top 500 listed companies based on market capitalisation. Business Responsibility Report for the year under review as stipulated under Regulation 34(2) (f) of SEBI (LODR) Regulations integrated BRR is

part of the Annual Report marked and annexed as **Annexure I**.

Corporate Governance Report

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with Compliance Certificate issued by a Practising Company Secretary in terms of Part E of Schedule V of the said Regulations of the Company forms integral part of Corporate Governance Report marked and annexed as **Annexure J**.

AUDITORS AND AUDIT REPORT

Adequacy of Internal Financial Controls with reference to the financial statements:

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

The Board of Directors of the Company have adopted various policies viz. Policy on Related Party Transactions, Whistle Blower Policy, Policy to determine material subsidiaries and other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Audit Report

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

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants., (ICAI Firm Reg. No. 117366W/W-100018) were appointed as Statutory Auditors of the Company by the members at the 20th Annual General Meeting held on August 27, 2017 for a term of 5 consecutive years subject to ratification by the Members at every Annual General Meeting. However, pursuant to the

Board's Report (Contd.)

Companies (Amendment) Act, 2017 and Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, the requirement for ratification of appointment of statutory auditors has been dispensed with.

Secretarial Audit

During the year, the Board of Directors of the Company had appointed Himanshu G and Associates C.P.No.-10398 (Company Secretary in Whole-time Practice) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 24 A of the SEBI (LODR) Regulations, for the Financial Year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 was considered by the Board in its meeting held on May 28, 2019 and the said Report given by Secretarial Auditor is annexed to this Report as **Annexure K**. The Secretarial Audit Report does not contain any material qualification, reservation or adverse remarks which needs any explanation or comment of the Board.

RELATED PARTY TRANSACTIONS

Related Party Transactions entered during the financial year under review are disclosed in Note 38 of the Financial Statements. All these transactions entered were at an arm's length basis and in the

ordinary course of business.

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the details on the aforesaid related party transactions is forming part of the Annual Report annexed as **Annexure L**.

HUMAN RESOURCE INITIATIVES

To maintain and develop ongoing competitiveness and adaptability, it is imperative to invest in organisational capability development. The company has been addressing these needs through several initiatives.

Maintenance of Statutory Cost records required under Section 148 (1) of Companies Act, 2013

The Central government has not prescribed maintenance of any statutory records as mentioned under section 148(1) of the Act for the products and services of the Company.

Acknowledgement

Your Directors would like to thank all customers, shareholders, dealers, suppliers, bankers, employees and all other business associates for the continuous support given by them to the Company and its Management.

For **TCNS Clothing Co. Limited**

Sd/-

Anant Kumar Daga
Managing Director

DIN: 07604184

Place: New Delhi

Date: May 28, 2019

Sd/-

Onkar Singh Pasricha
Chairman & Executive Director

DIN: 00032290

Annexure 'B'

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

(A) CONSERVATION OF ENERGY

The Company continually takes steps to absorb and adopt the latest technologies and innovations in the Garment Industry. These initiatives enable its vendors to become more efficient and productive as the Company expands and also leads to conservation of energy. Conservation of energy is considered to be a priority and therefore ensuring minimum consumption by way of better energy conservation programmes, training/ awareness of the employees and prompt upkeep is a continuous exercise.

- (i) The steps taken or impact on conservation of energy: The Company has been continuously encouraging its partners to improve focus on technology improvement and training to ensure efficient use of resources, especially of common resources such as water and energy.
- (ii) The steps taken by the Company for utilising alternate sources of energy: Not Applicable
- (iii) The capital investment on energy conservation equipments: Not Applicable

(B) TECHNOLOGY ABSORPTION

Your company continues to use the latest technologies for improving the productivity and quality of its products. The Company is keeping track of latest development and advancements in technology and steps are being taken to encourage our partners to adopt the same.

The Company continues to make focused investments in technology and operations set-up towards providing seamless shopping experiences and also improving experience at physical store outlets by use of tablets etc.

- (i) The efforts made towards technology absorption: Your Company keeps itself updated on latest technology in the industry and encourages its partners to invest in the same. Further, as a part of efforts in this regard the Company provides time to time support to partners with necessary guidance, training and financial support, if any required.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: With the adoption of new technology from time to time, the efficiency and capacity with respect to manufacturing has been increased resulting in better quality of products, quicker and more efficient processing at lower costs.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
The Company does not directly import technology, but encourages its partners to do so.
 - (a) The details of technology imported: Not Applicable
 - (b) The year of import: Not Applicable
 - (c) Whether the technology been fully absorbed: Not Applicable
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- (iv) The expenditure incurred on Research and Development: Not Applicable

For and on behalf of the Board of Directors

Sd/-
Onkar Singh Pasricha
Chairman & Executive Director
DIN: 00032290

Date: May 28, 2019.

Place: New Delhi

Annexure 'C'

Corporate Social Responsibility (CSR) Report Annual Report On CSR Activities

1. **BRIEF OUTLINE OF THE POLICY:** The Company has been undertaking and implementing CSR activities mainly through Indus Quality Foundation ("IQF") and Kalgidhar Society to provide financial assistance to the poor and needy and to give donations to promote various social, cultural and philanthropic activities. Now in view of the latest provisions made in the Companies Act, 2013, the Company is committed to carry out CSR activities/ programs more vigorously, in an integrated, planned and time bound manner. CSR Policy of the Company can be viewed at [http: https://wforwoman.com/content/odr-policies/](https://wforwoman.com/content/odr-policies/). The core theme of CSR Policy is giving back to the society from which it draws its resources. This focus areas are as stated below.
 - a. Education
 - b. Sustainability
 - c. Women Empowerment
 - d. Agriculture
 - e. Rural Development Programme
 - f. Health & Nutrition
 - g. Slum Area Development

2. **COMPOSITION OF COMMITTEE** A Board Committee has been constituted as the CSR Committee that provides oversight of CSR policy and activities to ensure that the CSR objectives of the Company are met. The CSR Committee comprises:
 - a. Mr. Onkar Singh Pasricha
 - b. Ms. Sangeeta Talwar
 - c. Ms. Neeru Abrol
 - d. Mr. Bhaskar Pramanik

3. **AVERAGE NET PROFITS OF THE COMPANY FOR LAST THREE YEARS: ₹ 117.16 CRORES**
PRESCRIBED CSR EXPENDITURE (2% OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹ 2.34 CRORES

4. **DETAILS OF CSR AMOUNT SPENT DURING THE FINANCIAL YEAR:**
 - a. Total amount spent during the financial year 2018-19: ₹ 0.89 Crores
 - b. Amount unspent: ₹ 1.68 Crores (includes carry forward amount of 0.22 Crores for last FY)
The unspent amount would be spent in next financial years. The Company plans to spend the unspent amount in other projects which are in nascent stages.

Annexure 'C' Corporate Social Responsibility (CSR) Report (Contd.)

c. Manner in which the amount spent during the financial year is detailed below:

S No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (in ₹)	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads (in ₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through Implementing Agency
1	Value Education Program for school students of class 4th to 9th	Education	Bright Line School, Dehradun	427,977	480,000	480,000	Indus Quality Foundation
2	IQF Club's (11), IQF Inter School Events in multiple schools, Student Training for class 8th to 12th , IQF Teacher training workshops conducted in schools and B.Ed Colleges	Education	Delhi NCR	8,083,286	3,684,000 420,000	4,104,000	Indus Quality Foundation
3	North East Operations: Interschool events, mind development programs for children, promoting sports.	Education	Guwahati, Assam	207,948	61,000	61,000	Indus Quality Foundation
4	Rajasthan Rural Operations: Student development workshops and Inter School events conducted jointly with RK Mission, Khetri	Education	Khetri, Rajasthan	164,436	420,000	420,000	Indus Quality Foundation
6	Uttarakhand Rural Operations: Self-empowerment workshops for students and teachers, Student Exchange Programs, tree plantation, cleanliness drive, sports activities and science experiments, upgradation of libraries.	Education	Mehalcouri, Chamoli Dist and Almora Dist, Uttarakhand	116,353	750,000	750,000	Indus Quality Foundation
7	Kalgidhar Society: Education, Charitable hospitable, Free Medical Camps, Drug Rehabilitation, Disaster Relief programs, School of Spiritual Sciences for girls, Akal Rozgar Yojana & Elementary Teacher Training Academy	Education & Health	Delhi NCR, Ludhiana ,Moga (Punjab)	-	3,000,000	3,000,000	Kalgidhar Society
8	Others	Health	Delhi	-	50,000	50,000	Direct
	Total				88,50,000		

5. **Responsibility Statement:** The Committee reports that implementation and monitoring CSR Policy, is in compliance with CSR objective and Policy of the Company.

Sd/-
Anant Kumar Daga
Managing Director
DIN: 07604184

Sd/-
Onkar Singh Pasricha
Chairperson and Executive Director
DIN: 00032290

Date: May 28, 2019
Place: New Delhi

Annexure 'D'

Details of Remuneration of Directors, KMP's and Employees *

Details pertaining to Remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2018-19, the percentage increase in remuneration of each of the Executive Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19:

Sl. No.	Name of Executive Director/KMP and Designation No.	Remuneration of Director/KMP for Financial Year 2018-19: (17(1)+17(2)+Retirals)	% increase in Remuneration in Financial Year 2018-19	Ratio of Remuneration of Director to Median Remuneration of employees
1.	Mr. Onkar Singh Pasricha, Chairman and Executive Director	₹ 28,32,000 /-	0%	15
2.	Mr. Anant Kumar Daga, Managing Director	₹ 619,882,971/-	0%	3383
3.	Mr. Venkatesh Tarakkad, Chief Financial Officer	₹ 1,08,95,479/-	0%	59
4.	Mr. Piyush Asija, Company Secretary	₹ 28,58,135/-	(29)%	16

Note:

- The Non - Executive Directors are not paid any remuneration except the sitting fee and commission within the prescribed limits as disclosed in Annexure J
 - Remuneration of Mr. Anant Kumar Daga includes perquisite value on account of ESOP Options exercised during the year amounting to ₹ 59,57,46,142. Increase in remuneration of Mr Anant Kumar Daga including ESOP perquisite value is 2434%.
 - The % reduction in remuneration of Mr. Piyush Asija is due to incentive paid in previous year which is not applicable in current year.
- (ii) The number of permanent employees as on March 31, 2019 were 3486 and the median remuneration was ₹183,240/- annually. The median remuneration of employees (excluding above Directors and KMPs) in Financial Year 2018-19 has increased by 8.39 %.
- (iii) The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company which is uploaded on the website of the Company.

The average percentage increase in the remuneration of Managerial Personnel was 1487.59%. The higher percentage in case of Managerial Personnel remuneration appears so due to value of Employee Stock Options exercised during the year being included in remuneration as per disclosure requirements. The average eligible percentage increase in the salaries of employees other than Managerial Personnel was 9.87%.

Annexure 'E'

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

ESOP Plans	Date of Grant	Number of option granted	No. of options exercised	No. of options cancelled	No. of options lapsed	No. of options outstanding as on March 31, 2019
TCNS Employee Stock Option Plan 2014	July 1, 2014 and March 16, 2015	6900000	6867000	-	-	33000
TCNS Senior Management Stock Option Plan 2015	November 19, 2015	3925000	2500000	-	125000	1300000
TCNS Employee Stock Option Plan 2015	November 19, 2015	600000	5000	-	25000	570000
TCNS Senior Executive Stock Option Plan 2015	November 19, 2015	200000	17631	-	-	182369
TCNS Employee Stock Option Plan 2017	June 27, 2017	107500	-	-	-	107500
TCNS Employee Stock Option Plan 2018	May 28, 2018	62500	-	-	-	62500
Total Options outstanding under TCNS ESOP Scheme 2014-17 as on March 31, 2019.*						2255369

* During FY 18-19; 25000 options lapsed which are added back to the scheme pool. Further there is an ungranted pool of 5000 options.in TCNS Senior Management Stock Option Plan 2015.

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

Date of Grant	Number of option granted	No. of options exercised	No. of options cancelled	No. of options lapsed/ forfeited	No. of options outstanding as on March 31, 2019
February 02, 2018	5072751	-	-	-	5072751
Total Options outstanding under TCNS ESOP Scheme 2018-23 as on March 31, 2019.					5072751

Annexure 'E' (Contd.)

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended: TCNS ESOP Scheme 2014-17:

A	GENERAL DISCLOSURE	Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2018-19.					
B	SUMMARY	TCNS ESOP Scheme 2014-17					
	Description	TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Employee Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Employee Stock Option Plan 2017	TCNS Employee Stock Option Plan 2018
1	Date of Shareholders approval	July 1, 2014 and March 16, 2015	November 19, 2015	November 19, 2015, amended on June 27, 2017	November 19, 2015	November 19, 2015	November 19, 2015
2	Total number of options approved under the scheme*	6900000	3975000	600000	200000	107500 (part of the pool approved under TCNS Senior Management Stock Option Plan 2015)	62500 (part of the pool approved under TCNS Senior Management Stock Option Plan 2015)
3	Date of Grant	July 1, 2014 and March 16, 2015	November 19, 2015	June 27, 2017	November 19, 2015	June 27, 2017	May 28, 2018
4	Options Granted	11,795,000					
5	Vesting Schedule	Refer Notes on Vesting Conditions					
6	Pricing Formula	At a price as recommended by Board and approved by the Shareholders of the Company					
7	Maximum term of options granted	10 years	10 years	10 years	10 years	10 years	10 years
8	Source of shares	Primary	Primary	Primary	Primary	Primary	Primary
9	Variation in terms of options	Enhanced share limit of the plan from 1,18,00,000 options to 1,38,00,000 on March 16, 2019	NA	Amendment to TCNS ESOP Plan 2015 on 27th June, 2017-Change in vesting Conditions.	NA	NA	NA
10	Method used for accounting of ESOP	The ESOP's are measured at fair value of the equity instruments at the grant date, Details are forming part of the financial statements.					

Annexure 'E' (Contd.)

11	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	20.60					
	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:	All relevant disclosures have been made in the notes to financial statements adequately.					
12	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Nil.					
		Below market price: The Weighted average exercise price of the options excersised post listing of shares are ₹ 300 per option and Weighted fair market value of Options are ₹ 117.56 per option. Equal market price: Not Applicable Exceed market price: Not Applicable					
C	OPTIONS MOVEMENT DURING THE YEAR						
	Description	TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Employee Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Employee Stock Option Plan 2017	TCNS Employee Stock Option Plan 2018
1	Options Outstanding at the beginning of the year	1814029	3800000	600000	200000	107500	-
2	Option Granted during the year	-	-	-	-	-	62500
3	Options vested during the year		1875000	150000	94218	53750	-
4	Options exercised during the year	1781029	2500000	5000	17631	-	-
	Weighted average exercise price	76	100	300	100	300	372

Annexure 'E' (Contd.)

5	No. of shares arising as a result of exercise of options during the year	1781029	2500000	-	17631	-	-
6	Options cancelled & lapsed during the year	-	-	25000	-	-	-
7	Options Outstanding at the end of the year	33000	1300000	570000	182369	107500	62500
8	Options exercisable at the end of the year	33000	1300000	142500	182369	53750	-
9	Money realised by exercise of options (in ₹)	13,53,58,204/-	25,00,00,000/-	1500000	17,63,100/-	-	-
10	Loan repaid by the trust during the year from the exercise price received	NA					
D	OPTIONS GRANTED TO SENIOR MANAGEMENT PERSONNELS	Name of the employee with Designation	No. of Options granted during the year	Exercise Price			
				NA			
		Saurabh Bansal	62500	At a price as decided by Nomination and Remuneration Committee.			

Annexure 'E' (Contd.)

E	OPTIONS GRANTED TO ANY OTHER EMPLOYEE WHO RECEIVES A GRANT IN ANY ONE YEAR OF OPTION AMOUNTING TO 5% OR MORE OF OPTION GRANTED DURING THAT YEAR;	Nil	Nil				
F	IDENTIFIED EMPLOYEES WHO WERE GRANTED OPTION, DURING ANY ONE YEAR, EQUAL TO OR EXCEEDING 1% OF THE ISSUED CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS) OF THE COMPANY AT THE TIME OF GRANT.	Nil					
I	A DESCRIPTION OF THE METHOD AND SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS	Refer Note-I below					

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

Annexure 'E' (Contd.)

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

Annexure 'E' (Contd.)

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended: TCNS ESOP Scheme 2018-23:

A	GENERAL DISCLOSURE	Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2018-19.	
B	SUMMARY	TCNS ESOP Scheme 2018-23	
	Description		
1	Date of Shareholders approval	TCNS ESOP Scheme 2018-23 was approved by the shareholders on February 02, 2018.	
2	Total number of options approved under the scheme	6,467,817	
3	Date of Grant	February 02, 2018	
4	Options Granted	5,072,751	
5	Vesting Schedule	Vesting condition	Total Options (of face value of ₹ 2 each)
		(i) Upfront ESOP Pool: Vest automatically upon expiry of a period of 1 (one) year from the date of grant i.e. by February 1, 2019	1,028,770
		(ii) Threshold 1 ESOP Pool: Threshold 1 ESOP Pool shall vest upon the occurrence of Threshold 1 liquidity event or deemed Threshold 1 liquidity event or IPO full exit event. "Threshold 1 Liquidity Event" means: (a) a sale by the Investor of all or any part of the Shares; or (b) the Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor, at a price per Share which is more than the Threshold 1 Sale Price i.e. ₹ 947.36/-	1,432,811
		(iii) Threshold 2 ESOP Pool: Threshold 2 ESOP Pool shall vest upon the occurrence of Threshold 2 liquidity event or deemed Threshold 2 liquidity event or IPO full exit event. "Threshold 2 Liquidity Event" means: (a) a sale by the Investor of all or any part of the Shares; or (b) the Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor, at a price per Share which is more than the Threshold Sale Price i.e. ₹ 1,171.72/-	2,611,171
		Total options granted	5,072,751

Annexure 'E' (Contd.)

6	Pricing Formula	At a price as recommended by the Nomination and Remuneration Committee and approved by Shareholders.		
7	Maximum term of options granted	10 years		
8	Source of shares	Primary		
9	Variation in terms of options	NA		
10	Method used for accounting of ESOP	The ESOP's are measured at fair value of the equity instruments at the grant date, Details are forming part of the financial statements		
11	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	NA		
	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:			
12	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	NA		
C	OPTIONS MOVEMENT DURING THE YEAR	TCNS ESOP Scheme 2018-23		
1	Options Outstanding at the beginning of the year	5072751		
	Weighted average exercise price	₹ 373.26/-		
2	Option Granted during the year	NA		
	Weighted average exercise price	NA		
3	Options vested during the year	1,028,770		
	Weighted average exercise price	₹ 373.26/-		
4	Options exercised during the year	NA		
	Weighted average exercise price	NA		
5	No. of shares arising as a result of exercise of options during the year	NA		
6	Options cancelled & lapsed during the year	NA		
	Weighted average exercise price	NA		
7	Options Outstanding at the end of the year	5,072,751		
	Weighted average exercise price	₹ 373.26/-		

Annexure 'E' (Contd.)

8	Options exercisable at the end of the year	1,028,770		
	Weighted average exercise price	₹ 373.26/-		
9	Money realised by exercise of options (in ₹)	NA		
10	Loan repaid by the trust during the year from the exercise price received	NA		
D	OPTIONS GRANTED TO SENIOR MANAGEMENT PERSONNELS	Name of the employee with Designation	No. of Options granted during the year	Exercise Price
		Nil	Nil	Nil
E	OPTIONS GRANTED TO ANY EMPLOYEE DURING THE YEAR AMOUNTING TO 5% OR MORE OF OPTIONS GRANTED DURING THE YEAR.		Nil	Nil-
F	OPTIONS GRANTED TO ANY EMPLOYEE EQUAL TO OR EXCEEDING 1% OF THE ISSUED CAPITAL OF THE COMPANY AT THE TIME OF GRANT	Nil		
	Description	TCNS ESOP Scheme 2018-23		
I	A DESCRIPTION OF THE METHOD AND SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS	Refer Note-I		

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

Particulars	Grant Date- February 02, 2018
Weighted average share price	₹ 288.68
Exercise Price	₹ 373.26
Volatility	44.28%
Life of the options granted in years	2.75 years
Average risk free Interest rate	7.16%
expected dividends	Nil
the method used and the assumptions made to incorporate the effects of expected early exercise	Nil
how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Based on the historical volatility of historical companies over periods corresponding to the remaining life of respective options.
whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	N.A.

Annexure 'E' (Contd.)

Note on Vesting Schedules

TCNS Employee Stock Option Scheme 14-17

TCNS Senior Management Stock Option Plan 2015

Date of Vesting	Vesting condition	Total Options of ₹ 2 each
April 01, 2017	EBITDA of the Company for FY 2016-17 exceeds INR 1500* million	1,875,000
April 01, 2018	EBITDA of the Company for FY 2017-18 exceeds INR 1900* million	1,875,000
On completion of one year from the date of Grant or the date of achieving the vesting condition, whichever is later	Launch of website as well as the mobile application for online sales	50,000
	Monthly sales via online platforms on or before June 30, 2016 exceeds INR 60 million	25,000
	Monthly sales via online platforms on or before September 30, 2016 exceeds INR 10 million but not more than INR 90 million	25,000
	Monthly sales via online platforms on or before September 30, 2016 exceeds INR 90 million	50,000
	Monthly sales via online platforms on or before December 31, 2016 exceeds INR 50 million	50,000

TCNS Senior Executive Stock Option Plan 2015

Date of Vesting	Vesting condition	Total Options of ₹ 2 each
April 01, 2017	4.5% (Incremental EBITDA i.e. EBITDA 16-17 minus EBITDA 15-16) / 15 EBITDA/Number of shares (Value per share) - Exercise Price.	200,000
April 01, 2018	4.5% (Incremental EBITDA i.e. EBITDA 17-18 minus EBITDA 16-17) / 15 EBITDA/Number of shares (Value per share) - Exercise Price.	-

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

TCNS Employee Stock Option Plan 2017

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

Annexure 'E' (Contd.)

TCNS Employee Stock Option Plan 2015 (Amended In 2017)

Date of Vesting	Vesting condition	Total Options of ₹ 2 each
July 01, 2018	Continuing in employment of the Company until completion of Vesting Period of 1 year from the Grant Date	150,000
July 01, 2019	Continuing in employment of the Company until completion of Vesting Period of 2 years from the Grant Date	150,000
July 01, 2020	Continuing in employment of the Company until completion of Vesting Period of 3 years from the Grant Date	150,000
July 01, 2021	Continuing in employment of the Company until completion of Vesting Period of 4 years from the Grant Date	150,000

TCNS Employee Stock Option Plan 2018

Date of Vesting	Vesting condition	Total Options of ₹ 2 each
May 28, 2019	Continuing in employment of the Company until date of Vesting	15,625
May 28, 2020	Continuing in employment of the Company until date of Vesting	15,625
May 28, 2021	Continuing in employment of the Company until date of Vesting	15,625
May 28, 2022	Continuing in employment of the Company until date of Vesting	15,625

Annexure 'F'

Policy On Nomination, Remuneration And Board Diversity

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

Effective Date: February 2, 2018 and amended on February 8, 2019.

1. PREAMBLE

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

2. OBJECTIVES

The main objectives of this Policy are:

- (a) To lay down the criteria and the terms and conditions with regard to identifying the relevant person(s) who are qualified to become directors (executive and non-executive including independent directors), key managerial personnel ("KMP") and persons who may be appointed in senior management positions.
- (b) To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- (c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- (d) To determine remuneration framework of directors, KMPs and other senior management personnel keeping in view all relevant factors including industry trends and practices.

3. ATTRIBUTES, QUALIFICATIONS AND DIVERSITY

Directors and Key Managerial Personnel

- (i) The Committee shall be responsible for identifying a suitable candidate for appointment as director or as KMP of the Company.
- (ii) The Company recognises the benefits of

having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. On such basis, the Board of the Company consists of such number of directors as is necessary to effectively manage the Company, subject to a minimum of 3 (three) and maximum of 15 (fifteen) directors with an appropriate combination of executive, non-executive, independent director and woman director. The Company shall also appoint a Chairman and a Managing Director or Chief Executive Officer. The Company shall ensure that the role of the Chairman and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

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

Annexure 'F'

Policy On Nomination, Remuneration And Board Diversity (Contd.)

in Section 196 of the Act.

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

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

- Does not hold directorship in more than 20 (twenty) companies (including private and public limited companies) or 10 (ten) public limited companies incorporated in India.
- (v) A whole time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- (vi) While evaluating a person for appointment / re-appointment as an independent director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:
- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and other applicable laws.
 - shall not hold the position of independent director in more than 7 (seven) Indian listed companies and if serving as a whole-time director/managing director in any Indian listed company then in not more than 3 (three) Indian listed companies as required and specified under Regulation 17A of SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015.

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

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

4. TERM/ TENURE

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

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

- (b) Independent Director

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

5. REMUNERATION POLICY

- (a) Board Members

The overall limits of remuneration (including the sitting fees and profit linked commission of the Board members including executive board members (i.e. managing director, whole-time director, executive directors etc.) and non-executive directors are governed by the provisions of the Companies Act, 2013 and rules made thereunder and approval

Annexure 'F' ***Policy On Nomination, Remuneration And Board Diversity (Contd.)***

obtained from the shareholders of the Company.

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

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Director for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of this clause (a) if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- (b) Remuneration to Key Managerial Personnel (other than Managing Director and Whole-Time Director), Senior Managerial Personnel. The remuneration of KMP's (other than managing director and whole-time director), Senior Management shall be approved by the Board and any revision thereof shall be done as per the compensation and appraisal policy of the Company.
- The remuneration payable to KMP's (other than managing director and whole-time director), Senior Management Personnel shall consist of (a) fixed pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy; (b) variable pay (paid at the end of financial year) directly linked to the performance of the

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

The Committee may periodically review the remuneration payable to the directors, Senior Management personnel and Key Managerial personnel and recommend any revision thereof on the basis of financial condition of the Company and performance of the director, senior management personnel and or key managerial personnel.

- (c) Loan and advances to directors, key managerial personnel, and senior management personnel The Committee shall review and approve the loans and advances to directors in line with the requirements of provisions of Companies Act, 2013 and rules made there under. Loans and advances to key managerial personnel, senior management should be as per the company's compensation and appraisal policy.

6. PERFORMANCE EVALUATION OF DIRECTORS

The Nomination and Remuneration Committee shall specify the manner and criteria for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, or by Committee or by an independent external agency and review its implementation and compliance.

7. DISCLOSURES BY THE COMPANY

This Policy shall be disclosed in the Company's Annual Report.

8. AMENDMENT TO THE POLICY

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

Annexure 'G'

Dividend Distribution Policy

PREAMBLE:

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

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

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

The Board would declare dividend after keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year. The Board also considers past dividend history while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

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

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

- The Company has inadequacy of profits or incurs losses for the Financial Year;
- The Company undertakes/proposes to undertake a significant expansion project requiring higher

allocation of capital;

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

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

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

- Financial/Internal Factors:
 - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
 - a. Previous years; and
 - b. Internal budgets,
 - ii. Cash flow position of the Company,
 - iii. Accumulated reserves
 - iv. Earnings stability
 - v. Future cash requirements for organic growth/expansion and/or for inorganic growth,
 - vi. Planned expansion activities including Brand acquisitions,
 - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
 - viii. Deployment of funds in short term marketable investments,
 - ix. Long term investments,
 - x. Capital expenditure(s), and
 - xi. The ratio of debt to equity (at net debt and gross debt level).
- External Factors:
 - i. Business cycles,

Annexure 'G' ***Dividend Distribution Policy (Contd.)***

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

UTILISATION OF RETAINED EARNINGS:

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

- i. Capital expenditure for working capital,
- ii. Organic and/or inorganic growth including expansion/acquisitions
- iii. Investment in new business(es) and/or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalisation of shares,
- vi. Buyback of shares,
- vii. General corporate purposes, including contingencies,

- viii. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES:

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

MODIFICATION OF THE POLICY:

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

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

The policy will also be disclosed in the Company's Annual Report.

LIMITATION AND AMENDMENT

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

Annexure 'H'

To The Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L99999DL1997PLC090978
Registration Date	03/12/1997
Name of the Company	TCNS Clothing Co. Limited (erstwhile TCNS Clothing Co. Private Limited.
Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government
Address of the Registered office and contact details	Unit No. 112, F/F Rectangle 1, D-4, Saket, District Centre, New Delhi -110017, India. Phone: 011-42193176. E-mail: investors@tcnsclothing.com ; Website: www.wforwoman.com
Phone	011-42193176.
E-mail:	investors@tcnsclothing.com ;
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer	M/s. Karvy Fintech Pvt. Ltd., (Formerly known as KCPL Advisory Services Pvt. Ltd) Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Phone: 040-67161500; Fax: 040-23001153 Email id: umesh.pandey@karvy.com einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

The Company does not have any holding, subsidiary, joint venture and associate company as on March 31, 2019.

Annexure 'H'

To The Directors' Report (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individuals	26139375	-	26139375	46.37	19876757	-	19876757	32.41	(13.96)
b) Central Government/ State Government (s)	-	-	-	-	-	-	-	-	-
c) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
d) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	26139375	-	26139375	46.37	19876757	-	19876757	32.41	(13.96)
(2) Foreign									
a) Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) - (A) (1)+(A)(2)	26139375	-	26139375	46.37	19876757	-	19876757	32.41	(13.96)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	2792479	-	2792479	4.55	4.55
b) Financial Institutions/ Banks	-	-	-	-	3198	-	3198	0.01	0.01
c) Venture Capital Funds	-	-	-	-	-	-	-	-	-
d) Insurance Companies	-	-	-	-	-	-	-	-	-
e) FIIs/FPIs	-	-	-	-	7353825	-	7353825	11.99	11.99
f) Alternate Investment Funds	-	-	-	-	2705022	-	2705022	4.41	4.41
g) Provident funds/ Pension funds	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Annexure 'H'
To The Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
i) Central Government/ State Government (s)	-	-	-	-	-	-	-	-	-
j) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	12854524	20.96	20.96
2. Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	1179943	1	1179944	1.92	1.92
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3539455	-	3539455	6.28	2918763	-	2918763	4.76	(1.52)
b) NBFC registered with RBI	-	-	-	-	10	-	10	-	-
c) Employee Trust	-	-	-	-	-	-	-	-	-
d) Overseas Depositories	-	-	-	-	-	-	-	-	-
e) Any Other									
- Directors	1759765	-	1759765	3.12	3605124	-	3605124	5.88	2.76
- Trust	-	-	-	-	166489	-	166489	0.27	0.27
- Employees	-	-	-	-	1201618	-	1201618	1.96	1.96
- Non -resident Indians	-	-	-	-	175308	-	175308	0.29	0.29
- Non -resident Indians Non- Reparable	-	-	-	-	58816	-	58816	0.10	0.10
- Clearing members	-	-	-	-	13732	-	13732	0.02	0.02
-Body Corporates	-	-	-	-	1251920	-	1251920	2.04	2.04
-Overseas Body Corporates (Wagner Limited)	24,931,803	-	24,931,803	44.23	18020119	-	18020119	29.39	(14.84)
Sub-total (B)(2):-	30231023	-	30231023	53.63	28591832	-	28591843	46.63	(7.00)
Total Public Shareholding (B)-(B)(1)+(B)(2)	30231023	-	30231023	53.63	41446366	1	41446367	67.59	13.96
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	56370398	-	56370398	100	61323123	1	61323124	100	-

Annexure 'H'

To The Directors' Report (Contd.)

(ii) Shareholding of Promoter

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Arvinder Singh Pasricha	12185256	21.61	2.37	9470671	15.44	-	(6.17)
2	Onkar Singh Pasricha	9192989	16.30	2.37	6752681	11.01	-	(5.29)
3	Parmeet Pasricha*	3203405	5.68	-	3203405	5.22	-	(0.46)
4	Saranpreet Pasricha*	1141001	2.02	-	450000	0.73	-	(1.29)
5	Angad Pasricha*	416724	0.74	-	-	-	-	(0.74)
		26139375	46.37	4.74	19876757	32.41	-	(13.96)

*Parmeet Pasricha, Saranpreet Pasricha and Angad Pasricha are not the promoters of the Company but part of the promoters' group.

(iii) Change in Promoter Shareholdings.

S No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Arvinder Singh Pasricha				
	At the beginning of the year	12185256	21.61	-	-
	Date wise Increase/ Decrease during the year				
	Allotted upon conversion of CCD on May 28, 2018	324533	-	12509789	-
	Disposed off during IPO through an Offer for Sale on July 26, 2018.	(3039118)	-	9470671	-
	At the end of the year	-	-	9470671	15.44
2	Onkar Singh Pasricha				
	At the beginning of the year	9192989	16.30	-	-
	Date wise Increase/ Decrease during the year				
	Allotted upon conversion of CCD on May 28, 2018	324533	-	9517522	-
	Disposed off during IPO through an Offer for Sale on July 26, 2018.	(2764841)	-	6752681	11.01
	At the end of the year	-	-	6752681	11.01
3	Saranpreet Pasricha				
	At the beginning of the year	1141001	2.02	-	-
	Date wise Increase/ Decrease during the year				
	Disposed off during IPO through an Offer for Sale on July 26, 2018.	(691001)	-	450000	0.73
	At the end of the year	-	-	450000	0.73
4	Angad Pasricha				
	At the beginning of the year	416724	0.74	-	-
	Disposed off during IPO through an Offer for Sale on July 26, 2018.	(416724)	-	-	-
	At the end of the year	-	-	-	-

Annexure 'H' To The Directors' Report (Contd.)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2019.

S No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Wagner Limited At the beginning of the year	24,931,803	44.22			
	Date wise Increase/ Decrease during the year					
	Disposed off during IPO through Offer for sale on July 26, 2018 At the end of the year	(6,911,684)		18,020,119	29.39	
2	Fidelity Investment Trust Fidelity International Discovery Fund At the beginning of the year	-	-	-	-	
	Date wise Increase/Decrease during the year					
	July 26, 2018	7,24,883	1.18	7,24,883	1.18	
	August 10, 2018	53,047	0.09	7,77,930	1.27	
	August 17, 2018	19,419	0.03	7,97,349	1.30	
	August 24, 2018	65,912	0.11	8,63,261	1.41	
	August 31, 2018	1,37,156	0.22	10,00,417	1.63	
	September 7, 2018	23,390	0.04	10,23,807	1.67	
	September 14, 2018	38,705	0.06	10,62,512	1.73	
	September 21, 2018	31,930	0.05	10,94,442	1.78	
	September 28, 2018	6,32,851	1.03	17,27,293	2.82	
	October 5, 2018	33,800	0.06	17,61,093	2.87	
	October 12, 2018	5,29,898	0.86	22,90,991	3.74	
	March 31, 2019 At the end of the year	-	0.00	22,90,991	3.74	
	3	Vijay Kumar Misra At the beginning of the year	2085545	3.69		
		Date wise Increase/ Decrease during the year				
Disposed off during IPO through Offer for sale on 26th July 2018 At the end of the year		(458022)		1627523	2.65	
4	Goldman Sachs India Limited At the beginning of the year	-	-	-	-	
	Date wise Increase/ Decrease during the year					
	July 26, 2018	697690	1.14	6,97,690	1.14	
	August 3, 2019	290746	0.47	9,88,436	1.61	
	March 31, 2019 At the end of the year	-	-	9,88,436	1.61	

Annexure 'H'

To The Directors' Report (Contd.)

S No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Auburn Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease during the year				
	July 26, 2018	4,03,393	0.66	4,03,393	0.66
	August 3, 2019	2,30,000	0.38	6,33,393	1.03
	September 28, 2018	30,575	0.05	6,63,968	1.08
	October 5, 2018	82,925	0.14	7,46,893	1.22
	October 12, 2018	1,16,579	0.19	8,63,472	1.41
	October 19, 2018	845	0.00	8,64,317	1.41
	October 26, 2018	36,702	0.06	9,01,019	1.47
	November 2, 2018	85,371	0.14	9,86,390	1.61
March 31, 2019	-	0.00	9,86,390	1.61	
	At the end of the year	-	-	986390	1.61
6	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease during the year				
	July 26, 2018	2,11,628	0.35	2,11,628	0.35
	August 3, 2019	3,26,070	0.53	5,37,698	0.88
	August 10, 2019	45,864	0.07	5,83,562	0.95
	August 17, 2019	39,357	0.06	6,22,919	1.02
	August 24, 2019	2,877	0.00	6,25,796	1.02
	August 31, 2019	60,262	0.10	6,86,058	1.12
	September 14, 2018	15,739	0.03	7,01,797	1.14
	September 21, 2018	2,067	0.00	7,03,864	1.15
	September 28, 2018	55,792	0.09	7,59,656	1.24
	October 5, 2018	23,317	0.04	7,82,973	1.28
	October 12, 2018	1,07,606	0.18	8,90,579	1.45
	October 19, 2018	35,533	0.06	9,26,112	1.51
	October 26, 2018	24,083	0.04	9,50,195	1.55
	November 2, 2018	6,579	0.01	9,56,774	1.56
	November 9, 2018	6,353	0.01	9,63,127	1.57
	December 21, 2018	415	0.00	9,63,542	1.57
	December 31, 2018	555	0.00	9,64,097	1.57
	January 4, 2019	373	0.00	9,64,470	1.57
	January 18, 2019	699	0.00	9,65,169	1.57
	February 22, 2019	(14,168)	-0.02	9,51,001	1.55
	March 1, 2019	(14,980)	-0.02	9,36,021	1.53
	March 8, 2019	(108)	0.00	9,35,913	1.53
	March 15, 2019	(9,000)	-0.01	9,26,913	1.51
	March 22, 2019	40	0.00	9,26,953	1.51
March 31, 2019	-	0.00	9,26,953	1.51	
	At the end of the year	-	-	9,26,953	1.51

Annexure 'H'
To The Directors' Report (Contd.)

S No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Steinberg India Emerging Opportunities Fund Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease during the year				
	July 26, 2018	1,72,058	0.28	1,72,058	0.28
	August 3, 2018	3,27,942	0.53	5,00,000	0.82
	August 10, 2018	13,063	0.02	5,13,063	0.84
	August 17, 2018	29,272	0.05	5,42,335	0.88
	August 31, 2018	57,665	0.09	6,00,000	0.98
	September 7, 2018	20,000	0.03	6,20,000	1.01
	October 26, 2018	1,20,000	0.20	7,40,000	1.21
	January 25, 2019	30,000	0.05	7,70,000	1.26
	March 31, 2019	-	0.00	7,70,000	1.26
	At the end of the year	-	-	7,70,000	1.26
8	Vijay Kumar Thadani				
	At the beginning of the year	750000	1.33	-	-
	At the end of the year	-	-	750000	1.22
9	Amit Chand				
	At the beginning of the year	703910	1.25	-	-
	Date wise Increase/ Decrease during the year				
	Disposed off during IPO through Offer for sale on July 26, 2018	(175978)	-	527932	-
	At the end of the year	-	-	527932	0.86
10	Fidelity Investment Trust Fidelity Emerging Asia Fund				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease during the year				
	July 26, 2018	-	-	-	-
	September 28, 2018	57000	0.09	57,000	0.09
	October 5, 2018	4500	0.01	61,500	0.10
	October 12, 2018	54100	0.09	1,15,600	0.19
	October 26, 2018	19974	0.03	1,35,574	0.22
	November 2, 2018	2110	-	1,37,684	0.22
	November 9, 2018	748	-	1,38,432	0.23
	November 16, 2018	3057	-	1,41,489	0.23
	November 23, 2018	462	-	1,41,951	0.23
	November 30, 2018	78957	0.13	2,20,908	0.36
	December 7, 2018	7006	0.01	2,27,914	0.37
	December 14, 2018	6898	0.01	2,34,812	0.38
	December 21, 2018	11675	0.02	2,46,487	0.40
	December 31, 2018	3731	0.01	2,50,218	0.41
	January 4, 2019	8356	0.10	2,58,574	0.42
	January 11, 2019	63953	0.01	3,22,527	0.53
	January 18, 2019	2972	-	3,25,499	0.53
	January 25, 2019	4240	0.01	3,29,739	0.54
	February 1, 2019	20358	0.03	3,50,097	0.57
	February 8, 2019	4556	0.01	3,54,653	0.58
	February 15, 2019	17967	0.03	3,72,350	0.61

Annexure 'H'

To The Directors' Report (Contd.)

S No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	February 22, 2019	5582	0.01	3,77,932	0.62
	March 1, 2019	19731	0.03	3,97,663	0.65
	March 8, 2019	40504	0.07	4,38,167	0.71
	March 15, 2019	3736	0.01	4,41,903	0.72
	March 22, 2019	9495	0.02	4,51,398	0.74
	March 29, 2019	2188	-	4,53,586	0.74
	March 31, 2019	-	-	4,53,586	0.74
	At the end of the year	-	-	4,53,586	0.74

(v) Shareholding of Directors and Key Managerial Personnel:

S No	Name of the director/ key managerial personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Onkar Singh Pasricha				
	At the beginning of the year	9192989	16.30	-	-
	Date wise Increase/ Decrease during the year				
	Allotted upon conversion of CCD on May 28, 2018	324533	-	9517522	-
	Disposed off during IPO through an Offer for Sale on July 26, 2018.	(2764841)	-	6752681	-
	At the end of the year	-	-	6752681	11.01
2	Anant Kumar Daga				
	At the beginning of the year	1759765	3.12	-	-
	Date wise Increase/ Decrease during the year				
	Allotted upon exercise of options under TCNS ESOP-I on June 14, 2018.	1352029	-	3111794	-
	Allotted upon exercise of options under TCNS ESOP-I on June 14, 2018.	1750000	-	4861794	-
	Disposed off during IPO through an Offer for Sale on July 26, 2018.	(1256670)	-	3605124	-
	At the end of the year	-	-	3605124	5.88
3	Piyush Asija				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	40	-
4	Venkatesh Tarakkad				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

Annexure 'H' To The Directors' Report (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2.66	-	-	2.66
ii) Interest due but not paid	Nil	-	-	Nil
iii) Interest accrued but not due	Nil	-	-	Nil
Total (i+ii+iii)	2.66	-	-	2.66
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	-	-	-
• Reduction	0.49	-	-	0.49
Net Change	(0.49)	-	-	(0.49)
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	2.17	-	-	2.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2.17	-	-	2.17

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S No	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 2,29,80,708/- per annum	₹ 26,01,600/- per annum	₹ 2,55,82,308/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 28,800/- per annum	₹ 28,800/- per annum	₹ 57,600/-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	59,57,46,142	Nil	59,57,46,142
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify (i) Bonus (ii) Contribution to PF	₹ 11,27,321/-	₹ 2,01,600/-	₹ 13,28,921/-
	Total	₹ 61,98,82,971/-	₹ 2,83,20,000/-	₹ 62,27,14,971/-
	Ceiling as per the Act	Within the Ceiling limit	Within the Ceiling limit	Within the Ceiling limit

Annexure 'H'

To The Directors' Report (Contd.)

Perquisite value arising on exercise of stock options during the year is excluded for calculation of ceiling limits on Managerial Remuneration.

B. Remuneration to other Directors:

(in ₹)

Particulars	Mr. Onkar Singh Pasricha	Mr. Anant Kumar Daga	Mr. Bhaskar Pramanik	Mr. Naresh Patwari	Ms. Neeru Abrol	Ms. Sangeeta Talwar
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	Nil	Nil	12,50,000	Nil	14,50,000	9,00,000

C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

S No	Particulars of Remuneration	Key Managerial Personnel	
		Mr Piyush Asija (Company Secretary and Compliance Officer)	Mr Venkatesh Tarakkad (CFO)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 27,37,759 /-	₹ 1,04,40,835 /-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option		
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	Others specify...	Nil	Nil
5	Others, please specify (Retirement benefits)	₹ 1,20,376 /-	₹ 4,54,644 /-
	Total	₹ 28,58,135/-	₹ 1,08,95,479/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ended March 31, 2019.

For and on behalf of Board of Directors

Sd/-
Anant Kumar Daga
 Managing Director
 DIN: 07604184

Sd/-
Onkar Singh Pasricha
 Chairman & Executive Director
 DIN: 00032290

Date: May 28, 2019

Place: New Delhi

Annexure 'I'

Business Responsibility Report

ABOUT THIS REPORT

Pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the "Business Responsibility Report" (BRR) of the Company for the financial year 2018-19 forming part of this Annual Report is as follows:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number of the Company	L99999DL1997PLC090978
2	Name of the Company	TCNS CLOTHING CO. LIMITED
3	Registered address	Unit No. 112, F/F Rectangle 1, D-4, Saket, District Centre New Delhi South Delhi DL 110017 IN
4	Website	www.wforwoman.com
5	E-mail id	investors@tcnsclothing.com
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	141
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Women's ethnic top wear Drapes and Bottom wear
9	Total number of locations where business activity is undertaken by the Company	A) Number of National Locations-541 Exclusive Business Outlets B) Number of International Locations - 12
10	Markets served by the Company	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR):	122,646,248
2	Total Income (INR million):	11,554.74
3	Total profit after taxes (INR million):	1,314.35
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	0.67%
5	List of activities in which expenditure in 4 above has been incurred:	1. Education 2. Sustainability 3. Women Empowerment 4. Agriculture 5. Rural Development Programme 6. Health & Nutrition 7. Slum Area Development

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Annexure 'I'

Business Responsibility Report (Contd.)

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number : **07604184**
2. Name : **Anant Kumar Daga**
3. Designation : **Managing Director**

2. Details of the BR head

S.No.	Particulars	Details
1	DIN Number (if applicable)	07604184
2	Name	Anant Kumar Daga
3	Designation	Managing Director
4	Telephone No.	01142193193
5	E-mail id	Anant.daga@tcnsclothing.com

Principle-wise (as per NVGs) BR Policy/ Policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details of compliance (Reply in Y/N)

S No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for principles?	Y	N	Y	N	N	N	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	N	N	N	N	Y	N
3	Does the policy conform to any national / international standards?	NA								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	NA								

Annexure 'I'

Business Responsibility Report (Contd.)

S No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	N	Y	N	N	N	N	Y	N
6	Indicate the link for the policy to be viewed online?	Policies mandated to be displayed on the website of the Company as per the Companies Act and SEBI (LODR) Regulations are displayed at https://wforwoman.com/content/investor-relation .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	Y	N	N	N	N	Y	N
8	Does the Company have in-house structure to implement the policy/ policies?	Y	N	Y	N	N	N	N	Y	N
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N	Y	N	N	N	N	Y	N
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	N	N	N	Y	N

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why. (Tick up to 2 options): **NA**

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

Annexure 'I' ***Business Responsibility Report (Contd.)***

Reasons for point 5

Company does consider social, environmental and economic factors in business, but there is no specific policy formulated for these principles. The company has worked on empowering women at grass root levels on social front and launched Harit khadi apparel in collaboration with Solar Charkha mission which empowers rural women. This initiative provides secure jobs to women from rural sections of India. The Company also employs differently abled persons in our stores. Sustainability in fashion is also important, we are experimenting with different kind of sustainable fabrics. We have launched a collection of Livaeco fabric which focuses on sustainability.

Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

This is the first Board Responsibility Report being published.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report being published for the Financial Year 2017-18 by the Company. The same will be displayed on the website of the Company www.wforwoman.com.

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1 Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company has formulated a Code of Conduct to run the business in an ethical manner as well as to create a work environment that is conducive to all stakeholders. Further, there is a separate code of conduct for the senior employees and directors of the company for which affirmation is sought on an annual basis.

The Company has adopted a Whistle Blower Policy through which its directors and employees can report their genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's code of conduct. It also provides adequate safeguards against victimisation of persons who uses such mechanism.

The Company has multiple business partners, vendors, suppliers, and business associates. While these may not directly participate in the Company's BR initiatives, they may have their own policies and programs with regard to business responsibility.

Section D: Business Responsibility

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has an investor grievance cum Stakeholder relationship committee (SRC) which reviews shareholders complaints and their resolution. During the year ended March 31, 2019, seven (7) complaints were received from the shareholders, all of which were satisfactorily attended. Further, Customer complaints are addressed in the normal course of business by Customer Care Department of the Company.

Principle 2 Product Responsibility

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The main business of the Company is manufacturing and retailing of women's ethnic wear. We encourage our partners to adopt/ensure latest technology to manage environment concerns. We have launched collections using Livaeco and Harit Khadi which focuses on sustainability.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc. per unit of product (optional) :

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Considering the business model of the Company the said questions are not directly applicable to the Company.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Annexure 'I' ***Business Responsibility Report (Contd.)***

The Company follows principles for sustainable sourcing of products sold by the Company. However, doesn't have formal procedures in place.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The company has worked on empowering women at grass root levels on social front and launched Harit khadi. The Company procures goods from small scale industries and small producers including from communities surrounding its place of work.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company provides, as needed, training, easy financing and product development support services to its vendors who are small scale industries / producers.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company recycles its packing cartons on an ongoing basis which forms a large chunk of its waste. The Company has engaged KM Global for collection, transportation, dismantling, and disposal of e-waste in compliance with E-Waste Management & Handling Rules, 2016.

Principle 3 Wellbeing of Employees

1. Please indicate the Total number of employees : 3808
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 322
3. Please indicate the Number of permanent women employees : 1370
4. Please indicate the Number of permanent employees with disabilities : 43
5. Do you have an employee association that is recognised by management : No
6. What percentage of your permanent employees is members of this recognised employee association?; Nil
7. Please indicate the Number of complaints

relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year : 1 (One). Same has been resolved subsequently.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- (a) Permanent Employees : 91.5%
 - (b) Permanent Women Employees : 99.7%
 - (c) Casual/Temporary/Contractual Employees : 8.4%
 - (d) Employees with Disabilities : 1.1%

Principle 4 Responsiveness to Stakeholders

1. Has the Company mapped its internal and external stakeholders?

The Company has mapped its internal and external stakeholders, viz. shareholders, investors, central and state govt. /regulatory authorities, customers, employees, vendors, suppliers, consultants, banks etc.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Yes

Company provides support on a case to case basis. E.g. If a small vendor seeks financial support, the company evaluates the same.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so : No

Principle 5 Human Rights:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company regularly engages with NGOs and other social organisations to participate in initiatives as a part of its CSR activities.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints relating to human rights during the year.

Annexure 'I' ***Business Responsibility Report (Contd.)***

Principle 6 Environmental Responsibility:

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others. The Company's energy management policy.

There is no documented policy, but the Company encourages all partners to adopt technology and other initiatives to ensure good energy management.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?

Tree plantation drives are organised by the company regularly.

3. Does the Company identify and assess potential environmental risks? No

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not applicable.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.?

The initiatives taken by the Company towards energy conservation during the year under review are given in the Board Report (Annexure B).

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable, since the Company undertakes manufacturing through job workers. However, company encourages its partners to follow good emission and waste management processes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7 Public Policy Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company has membership with Retailers Association of India (RAI) & Confederation of Indian Industries (CII).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has been participating in some forums on issues and policy matters pertaining to its industry.

Principle 8 Inclusive Growth and Equitable Development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company's Corporate Social Responsibility (CSR) initiative attempts to integrate social, environmental and economic concerns in its programs to improve the welfare of society and stakeholders

2. Are the programmes/projects undertaken through in house team/own foundation/ external NGO/government structures/any other organisation?

The Company's CSR initiatives are mainly implemented through partnership with Non-Governmental Organisations (NGOs). Other training & development initiatives are implemented through internal team as well as with other external subject matter experts.

3. Have you done any impact assessment of your initiative?

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Annexure 'I' ***Business Responsibility Report (Contd.)***

An amount of ₹ 88.15 lakhs was spent towards CSR initiatives during the financial year 2018-19. The details thereof are given in the Board Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the CSR initiative undertaken by the Company focuses on community participation, empowerment and community development. The Board reviews these initiatives.

Principle 9 Engagement with Customers

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

As at the end of financial year, there is no ongoing consumer case.

2. Does the Company display product information on the product label, over and

above what is mandated as per local laws?

The requisite information as mandated as per the local laws (Specifically As per legal metrology laws) is mentioned on the product label of the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company regularly conducts the consumer survey.

Annexure 'J'

Corporate Governance Report

This Report on Corporate Governance forms part of the Annual Report for the financial year 2018-19. It assumes a great deal of importance in the Company. The Company gives its best to achieve business goals, while fulfilling the role of a responsible corporate representative, committed to best practices.

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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

TCNS is committed to maintain the highest standards of transparency, accountability and equality in its working so that the underlying goal of increasing overall shareholder value can be attained in a sustained way. We will continuously endeavour to implement best practices to enhance stakeholder's value. Your Company is committed to good Corporate Governance, based on an effective Independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding standards at all levels ranging from action plan to performance measurement and customer satisfaction.

BOARD OF DIRECTORS:

The Company is managed and controlled through a professional Board of Directors ("Board") comprising of an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board of the Company is in conformity with the provisions of the Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure

Requirements, 2015 and the Companies Act, 2013. The present composition of the Board comprises of six (6) members out of which three (3) members are Independent Directors, which constitutes 50 percent of the total strength of the Board. A brief profile of all the Directors is available on the website of the Company at <https://wforwoman.com/content/corporate-governanceboard-and-its-committees/>.

Number Of Meetings Of The Board

The Board met Six (6) times on May 28, 2018, June 14, 2018, July 5, 2018, August 20, 2018, November 2, 2018 and February 8, 2019. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 & SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The information as mentioned under Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its consideration during the year. Board meetings are also convened to address specific additional requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation.

None of the Directors on the Board are serving as an Independent Director in more than seven listed companies. None of the Directors on the Board is a Member in more than ten committees and chairperson of more than five committees, across all the companies in which they are Directors.

The composition of Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, as also the number of Directorship/Chairmanships held by them in other Public Limited Companies, during the Financial Year 2018-19 are given as follows:-

Annexure 'J' Corporate Governance Report (Contd.)

Name of Director	Designation & Category	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Committee Membership	Committee Chairpersonship	Shareholding in the company	Name of the other listed companies where Directorship (category)
Mr. Onkar Singh Pasricha	Chairman- Executive Director (Promoter)	6	5	Yes	1	Nil	Nil	6752681	Nil
Mr. Anant Kumar Daga	Managing Director	6	6	Yes	Nil	Nil	Nil	3605124	Nil
Mr. Naresh Patwari	Non- Executive-Non Independent Director (Equity Investor)	6	6	Yes	1	Nil	Nil	Nil	Shilpa Medicare Limited (Non- Executive Nominee Director)
Mr. Bhaskar Pramanik	Non- Executive-Independent Director	6	6	No	2	3	1	Nil	State Bank of India (Non- Executive Independent Director) Sankhya Infotech Limited (Non- Executive Independent Director)
Ms. Neeru Abrol	Non- Executive-Independent Director	6	6	Yes	3	5	2	Nil	Apollo Pipes Limited (Non- executive Independent Director) APL Apollo Tubes Limited (Non- Executive Independent Director)
Ms. Sangeeta Talwar	Non-Executive Independent Director	6	4	No	6	6	1	Nil	Castrol India Limited (Non- executive Independent Director) Glaxosmithkline Consumer Healthcare Limited (Non- executive Non Independent Director) HCL Infosystems Limited (Non- executive Independent Director)

Note: 1. Directorships excludes private companies, foreign companies and Sec 8 companies.

2. Board committee membership for this purpose includes Audit Committee and Stakeholders' Relationship Committee of public limited and listed Companies.

3. Membership count of committees includes chairpersonship count.

Inter se Relationship

None of the Directors of the company are related inter se.

Non- executive directors do not hold any shares and convertible instruments.

Annexure 'J'

Corporate Governance Report (Contd.)

Familiarisation Program for Independent Directors

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

Chart on Competence

Name of Director	Competence and Qualifications
Mr. Onkar Singh Pasricha	He holds a bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi. He has been on our Board since December 3, 1997 and was last re-appointed on January 5, 2018. He has more than 40 years of experience in the apparel industry.
Mr. Anant Kumar Daga	He holds a bachelor's degree in commerce from the University of Calcutta and a Post-Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined our Company as a Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 7, 2016. Prior to joining our Company, Anant Kumar Daga has worked with Reebok, India and with ICICI bank. He also features in the Economic Times' 40 under 128 list of India's hottest business leaders for 2017 and has been awarded the 'Brand Professional of the Year Award' at the CMAI Apex Awards 2017.
Mr. Naresh Patwari	He holds bachelor's degree in Technology in Mechanical Engineering from Indian Institute of Technology, Kharagpur and a master's degree in Business Administration from the Tuck School of Business at Dartmouth College, United States. He has been on our Board since August 18, 2016. Naresh Patwari is currently employed with TA Associates Advisory as a Director. He was previously employed with Schlumberger, McKinsey & Company and ICICI Venture.
Mr. Bhaskar Pramanik	He holds a bachelor's degree in Technology from Indian Institute of Technology, Kanpur. He has served as the Chairman of Sun Microsystems India, Managing Director of Oracle India and as Chairman of Microsoft India.
Ms. Neeru Abrol	She is an associate member of the Institute of Chartered Accountants of India. She has worked with National Fertilizers Limited (NFL) as its Chairperson and Managing Director. Prior to NFL, she has worked with the Steel Authority of India Limited, holding various management positions.
Ms. Sangeeta Talwar	She holds a Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata. She is currently a partner at Flyvision Consulting LLP. She has worked with Nestle India as an Executive Vice President (Marketing), Mattel Inc., India as its Managing Director, Tata Tea as an Executive Director (Marketing) and NDDB Dairy Services as its Managing Director.

The Board has identified that the core competencies required by the company's management for running its business are relevant industry experience and prior experience of being an independent director and the Board is of the opinion that to discharge the functions effectively all the requisite competency and skills are available with the members of the Board.

All the Independent Directors are Non-Executive Directors as defined under Regulation 16(l) (b) of the

SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013. The maximum tenure of the Independent Directors is in compliance with the Act. Further, the Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the Directors.

Annexure 'J' ***Corporate Governance Report (Contd.)***

The Company has taken Directors and Officers insurance ('D and O insurance') for all their directors including the Independent Directors. In the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management. Further, none of the independent directors resigned during the financial year.

Meeting of Independent Directors

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

Code of Conduct

The Company has a well-defined policy, which lays down procedures to be followed by the employees for ethical professional conduct. The Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2018-19. This Code has been displayed on the Company's website.

Board Evaluation

The Board has adopted a process for evaluating its performance and effectiveness as well as that of its committees and carried out an annual evaluation of its own performance, Board Committees and the Directors individually pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Board and the Nomination and Remuneration committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. The evaluation criteria included various aspects such as, functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback relationship with the stakeholder's and as provided by the Guidance Note on Board Evaluation issued by SEBI on January 5, 2017. In a separate meeting of the Independent Directors, performance of the Non-Independent Directors,

the Board as a whole and the chairman were also evaluated basis of pre-set criterion.

Obligations with respect to employees including senior management, key managerial persons, directors

All members of the board of directors and senior management personnel and key managerial personnel have affirmed compliance with the code of conduct of board of directors and senior management for the FY 2018-19. A certificate to this effect given by the Managing Director of the company is given at the end of this report.

Insider Trading Policy of the Company and Model Code of Conduct

To comply with the provisions of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and the same is uploaded on the website of the Company.

Board Committees

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

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

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

Details of Committees

AUDIT COMMITTEE

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the SEBI (LODR), Regulations, 2015 as well

Annexure 'J' ***Corporate Governance Report (Contd.)***

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

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

- Reviewing internal control weaknesses.
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity; approval of payment to statutory auditors for any other services rendered by the statutory auditors; reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments; evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on; reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Review management discussion and analysis of financial condition and results of operations.
- Review statement of significant related party transactions submitted by management.
- Review management letters / letters of internal control weaknesses issued by the statutory auditors.
- Review internal audit reports relating to internal control weaknesses.

Annexure 'J' Corporate Governance Report (Contd.)

During the Financial Year 2018-19, the Audit Committee met four (4) times, on May 28, 2018, November 2, 2018, January 17, 2019 and February 8, 2019.

The attendance of the members of the Committee for the Financial Year 2018-19 is as under:

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other senior managerial personnel;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Review the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to key managerial personnel and senior management.

During the Financial Year 2018-19, the Committee met four times, on May 28, 2018, August 20, 2018, November 2, 2018 and February 8, 2018.

The attendance of the members of the Committee for the Financial Year 2018-19 is as under:

Committee Members	Category	No. of NRC Meetings Attended
Mr. Bhaskar Pramanik	Independent Director	4/4
Ms. Neeru Abrol	Independent Director	4/4
Mr. Onkar Singh Pasricha	Executive Director	3/4
Mr. Naresh Patwari	Non- Executive - Non Independent Director	4/4

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

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

Annexure 'J'

Corporate Governance Report (Contd.)

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has constituted a Shareholders'/ Investors' Grievance Committee. Pursuant to provisions of Section 178 (5) of the Companies Act, 2013 and SEBI (LODR) Regulations.

The brief terms of reference of the Stakeholder Relationship Committee are:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Oversee and review all matters connected with the transfer of the Company's securities;

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

The Stakeholders Relationship Committee presently comprises of three directors viz; Ms. Sangeeta Talwar, Mr. Anant Kumar Daga and Ms. Neeru Abrol.

Ms. Sangeeta Talwar (Non-Executive Independent Director) is the Chairperson of the said Committee.

Mr. Piyush Asija, Company Secretary of the Company acts as the compliance officer of the Company and Secretary of the Committee.

The Committee met two times during the Financial Year 2018-19 on November 2, 2018 and February 8, 2019.

The attendance of the members of the Committee for the Financial Year 2018-19 is as under:

Committee Members	Category	No. of Stakeholder Committee Meetings Attended
Ms. Sangeeta Talwar	Independent Director	2/2
Mr. Anant Kumar Daga	Managing Director	2/2
Ms. Neeru Abrol	Independent Director	2/2

Investor Grievances/ Complaints

The details of the Investor Complaints received and resolved during the Financial Year ended March 31, 2019 are as follows:

Opening Balance	0
Received	7
Resolved	7
Closing	0

All the complaints received during the year were resolved.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The board has reconstituted CSR Committee on February 2, 2018 and is in compliance with Section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee

currently consists of Mr. Sangeeta Talwar, Ms. Neeru Abrol, Mr. Bhaskar Pramanik and Mr. Onkar Singh Pasricha. Mr. Piyush Asija, Company Secretary is the Secretary to the Committee.

During the year under review, the Committee met on May 28, 2018. The CSR Policy of the company is available on the website of the company at <https://wforwoman.com/content/odr-policies/>.

RISK MANAGEMENT COMMITTEE

Pursuant to section 134(3) (n) of the Companies Act, 2013, the Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the company. The same has also been adopted by your board and also subject to its

Annexure 'J' Corporate Governance Report (Contd.)

review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. The Risk Management Committee comprises of Mr. Onkar Singh Pasricha, Mr. Anant Kumar Daga and Mr. Venkatesh Tarakkad. Mr. Anant Kumar Daga is the Chairperson of the Risk Management Committee. The Committee meets at least one time during the year to identify, evaluate, review

the risks and set up the risk mitigation plans. The risk management policy has been displayed on the website of the company at. <https://wforwoman.com/content/odr-policies/>

The Company has an Operations Committee comprising of Mr. Onkar Singh Pasricha, Mr. Anant Kumar Daga and Mr. Naresh Patwari to review/ approve specified operational matters of the Company.

Remuneration paid to Directors in the financial year 2018-19

Remuneration of Directors

a) Executive Directors:

The Company paid to the following remuneration to the Executive Director(s) during the Financial Year 2018- 19 as follows:-

S. No	Particulars of Remuneration	Name of MD/WTD		
		Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha	Total
1	Gross salary*			
	(a) Salary as per provisions contained in section 17(l) of the Income-tax Act, 1961	2,29,80,708/- per annum	26,01,600/- per annum	2,55,82,308/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800/- per annum	28,800 /-per annum	57,600/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	59,57,46,142	Nil	59,57,46,142
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	Nil	Nil	Nil
5	Others, please specify			
	(i) Bonus			
	(ii) Contribution to PF	11,27,321 /-	2,01,600/-	1328921/-
	Total	61,98,82,971/-	2,832,000 /-	622714971/-
	Ceiling as per the Act**	Within the Ceiling limit	Within the Ceiling limit	Within the Ceiling limit

*Gross Salary given in above point is excluding perquisite value of any Employee Stock options exercised during the year. It is mentioned separately in point 2 above.

**Perquisite value arising on exercise of stock options during the year is excluded for calculation of ceiling limits on Managerial Remuneration.

There is no Notice Pay and Severance Pay; it may be decided as the discretion of the Nomination and Remuneration Committee of the Company.

b) Non-Executive Directors:

Criteria of making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors.

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

Annexure 'J' Corporate Governance Report (Contd.)

The details of remuneration (Commission and sitting fees) paid to Non-Executive Directors for the FY 2018-19 is provided below: (₹) in Lacs

(₹ in Lacs)

Particulars	Mr. Onkar Singh Pasricha	Mr. Anant Kumar Daga (₹)	Mr. Bhaskar Pramanik	Mr. Naresh Patwari	Ms. Neeru Abrol	Ms. Sangeeta Talwar
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	Nil	Nil	12.50	Nil	14.50	9.00

Criteria of making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors:

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

The Independent Directors are entitled to the Commission as per the terms and conditions of their appointment.

The Board in its meeting held on December 14, 2017 approved sitting fees to Directors and the shareholders of the Company at the Extraordinary General Meeting held on January 5, 2018, had approved the terms and conditions of appointment.

Any Commission to the Non-Executive Directors will be approved by the Nomination & Remuneration Committee along with the Board within the prescribed limits as stipulated under Companies Act, 2013 as the shareholders had empowered the Board of Directors to decide the appropriate quantum of commission. Payment of Commission to Non-executive Directors upto an amount not exceeding 1% per annum of the net profits of the Company (computed in the manner referred to in Section 198 of the Companies Act, 2013) will be approved by the Shareholders within the prescribed limits as stipulated under Companies Act, 2013 in the ensuing general meeting.

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

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

None of our Directors are related to each other.

GENERAL BODY MEETINGS :

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

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Special Resolutions Passed
21st Annual General Meeting	July 5, 2018 at 5:00 PM	119 And 127, W House, Neelgagan Towers-Ii New Mangla Puri, Chattarpur, Mehrauli, New Delhi-110030.	Nil
20th Annual General Meeting	September 27, 2017 at 3:00 PM	Unit No 112, F/F, Rectangle 1, D-4, Saket District Centre, New Delhi -110017	Nil
19th Annual General Meeting	September 30, 2016 at 11:00 A.M	Unit No 112, F/F, Rectangle 1, D-4, Saket District Centre, New Delhi -110017	Nil

Annexure 'J'

Corporate Governance Report (Contd.)

Extraordinary General Meeting

Apart from the Annual General Meeting, no other General Meeting was held during the Financial Year 2018-19.

Postal Ballot

The Company has not passed any resolution through postal ballot during the Financial Year 2018-19.

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

Related Party Disclosures:

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

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

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

Risk Management Policy

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

Code of Conduct

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management Members of the Company to whom the Code applies. The Code of Conduct has also been posted at the website of the Company at <https://wforwoman.com/content/odr-policies/>.

The affirmation by the Managing Director that the Code of Conduct has been complied with by the Board of Directors and Senior Management is given as a part of this report.

Prevention of Insider Trading

The Company has formulated and adopted a Policy and a Code of Fair Disclosures in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy lays down the guidelines, procedures to be followed, and

disclosures to be made while dealing with the shares of the Company along with consequences for violation. The policy is formulated to regulate, monitor and ensure reporting of deals by designated persons and maintain highest level of ethical standards while dealing in the Company's securities. The Company's Code of Fair Disclosure is also placed on the website of the Company at <https://wforwoman.com/content/odr-policies/>

Vigil Mechanism and Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at <https://wforwoman.com/content/odr-policies/>. During the year no claim was lodged and accessed by the Audit Committee.

MEANS OF COMMUNICATION:

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

Annexure 'J'

Corporate Governance Report (Contd.)

GENERAL SHAREHOLDERS INFORMATION:

a. 22nd Annual General Meeting

Date: August 26 , 2019

Time: 09:00 A.M.

Venue: Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector 12, Rama Krishna Puram, New Delhi, Delhi-110022.

b. Financial Year:

April 1, 2018 to March 31, 2019

Financial Calendar 2019-20 (Tentative)

Financial reporting for the first quarter ending June 30, 2019	By 2nd week of August
Financial reporting for the second quarter ending September 30, 2019	By 2nd week of November
Financial reporting for the third quarter ending December 31, 2019	By 2nd week of February
Financial reporting for the year ending March 31, 2020	By the 4th week of May
Annual General Meeting for the year ended March 31, 2019	In the month of August / September

Dates of Book Closure: August 20, 2019 - August 26, 2019 (Both Dates Inclusive)

c. Dividend payment date: No Dividend is paid for the FY 2018-19

d. Listing of Shares

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

Bombay Stock Exchange Limited.

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai-400 001

Scrip code: 541700

National Stock Exchange of India Limited

"Exchange Plaza"

Bandra-Kurla Complex

Bandra (E), Mumbai-400 051

Scrip Code: TCNSBRANDS

ISIN No. INE778U01029

It is hereby confirmed that the Annual Listing fees for the period April 1, 2019 to March 31, 2020 has been paid to both the Stock Exchanges.

e. Stock Market Data:

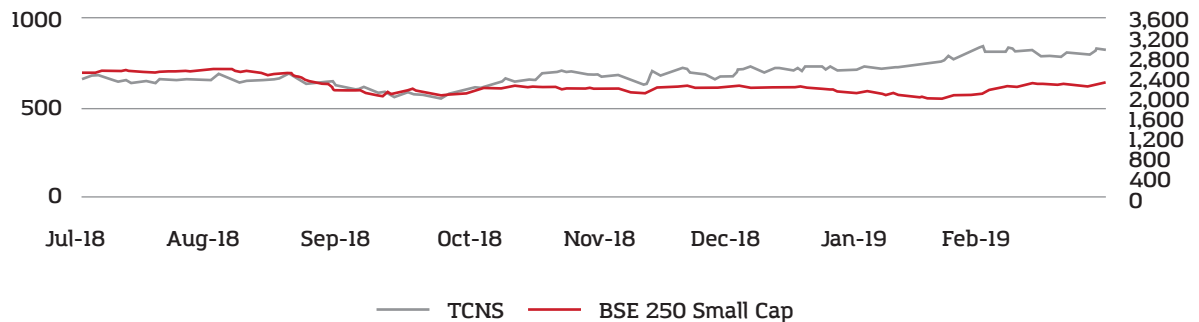
STOCK EXCHANGE	BSE LIMITED		NATIONAL STOCK EXCHANGE OF INDIA LIMITED	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
Month of the Year 2018-19				
July 2018	724.50	626.60	725.00	627.55
August 2018	688.50	630.00	688.80	630.55
September 2018	698.00	580.00	692.95	601.25
October 2018	636.55	515.00	637.65	544.00
November 2018	720.00	588.30	722.00	601.30
December 2018	742.55	619.70	745.00	615.65
January 2019	745.00	661.10	742.95	665.00
February 2019	849.95	705.00	849.40	702.30
March 2019	865.20	751.45	870.00	751.05

The Shares of the Company got listed on the National Stock Exchange and Bombay Stock Exchange Limited on July 30, 2018

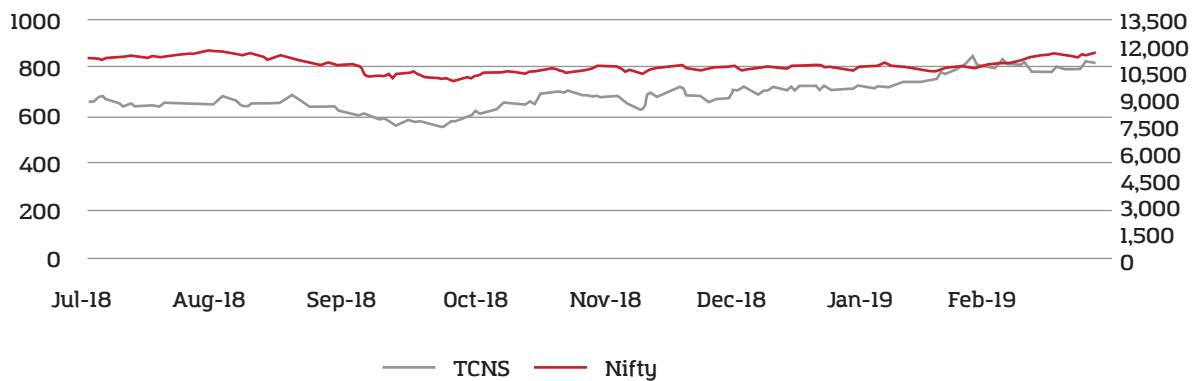
Annexure 'J' Corporate Governance Report (Contd.)

f. Performance In comparison to the Broad based indices :

TCNS Clothing Co. Limited (BSE) vs BSE 250 Small Cap



TCNS Clothing Co. Limited (NSE) vs Nifty 50



g. Information regarding Dividend Payment

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

h. Registrar and Transfer Agent

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

Karvy Fintech Private Limited (Formerly, KCPL Advisory Services Pvt. Ltd)

Karvy Selenium Tower B,

Plot 31-32, Gachibowli, Financial District

Nanakramguda, Hyderabad - 500 032

Tel: +91-40-67161700

Toll Free No: +18003454001

Fax: +91-40-67161500

E-Mail: einward.ris@karvy.com

Website: www.karvyfintech.com

Annexure 'J'

Corporate Governance Report (Contd.)

i. Statutory Auditors

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

j. Share Transfer System

All the Equity shares of the Company are in the dematerialised form held by the shareholders of the Company except 1 share as on March 31, 2019. The Shares of the Company are traded on the Stock Exchanges in dematerialised form only

SEBI vide its press release dated August 10, 2018, amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from December 5, 2018.

The Company obtains a half-yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of SEBI (LODR) Regulations and files a copy of the said certificate with the Stock Exchanges.

k. Distribution Schedule As on March 31, 2019

Category (Amount)	Number of Shareholders	% of Total Shareholders	Total Shares for the range	Amount(Each share is ₹ 2 paid up)	% of Capital Issued
1-5000	19,120	99.360807	1,240,422	2,480,844	2.022764
5001- 10000	18	0.093541	61,373	122,746	0.100081
10001- 20000	11	0.057164	81,960	163,920	0.133653
20001- 30000	8	0.041574	100,841	201,682	0.164442
30001- 40000	5	0.025983	84,387	168,774	0.137610
40001- 50000	5	0.025983	117,831	235,662	0.192148
50001- 100000	9	0.046770	321,852	643,704	0.524846
100001& Above	67	0.348179	59,314,458	118,628,916	96.724456
Total	19,243	100.00	61,323,124	122,646,248	100.00

l. Dematerialisation of shares

As on March 31, 2019, 100 percent of the issued Equity Capital of the Company comprising of 6, 13, 23, 123 Equity Shares was dematerialised except 1 share comprising 0.00 % of the issued equity capital which is in physical form. SEBI vide its press release dated 10th August 2018, amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from December 5, 2018.

The Company has specifically communicated to the shareholder holding a share in physical form about the above regulation and a constructive notice is also placed on the website of the company at <https://wforwoman.com/content/investor-relation/>

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

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

n. Commodity Price Risk or foreign exchange risk and hedging activities:

The details for the same have been provided in the Notes to Financial Statements of the Company for the Financial Year 2018-19

Annexure 'J' Corporate Governance Report (Contd.)

o. Plant/ Warehouse locations

S No	Address
1.	Khasra No. 857, 859, 859 MIN, 859/1 & 859/1 MIN, Mandi Hills, Extended Abadi Lal- Dora, Village Dera mandi, New Delhi
2.	Khasra No. 522 Min., Extended abadi of Jonapur Village, Tehsil Mehrauli, New Delhi
3.	Khasra No. 522/1, Village Jonapur, New Delhi-110047
4.	Khasra No. 23 & 24, Village Jonapur, New Delhi
5.	Khasra No. 15/15 (4-16) Village Samalkha, Tehsil Vasant Vihar, New Delhi

p. Address for Correspondence

Registered Office: Unit No. 112, F/F Rectangle 1, D-4, Saket, District Centre New Delhi-110017.

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

Telephone No. : 011- 42193193

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

Mr. Piyush Asija, Company Secretary and Compliance Officer

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

Contact No: 011- 42193193 (ext. 176)

Email : investors@tcnsclothing.com, einward.ris@karvy.com

Company's website address: www.wforwoman.com

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

r. Credit Rating

During the FY 2018-19, the Company has obtained an updated credit rating from Crisil on February 19, 2019 as follows:

Total Bank Loan Facilities Rated	₹ 75 Crore
Long Term Rating	CRISIL A+/Stable (Upgraded from 'CRISIL A/Stable')
Short Term Rating	CRISIL A1+ (Upgraded from 'CRISIL A1')

s. OTHER DISCLOSURES

a) During the FY 2018-19, there was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.

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

c) Whistle Blower Policy and Vigil Mechanism

The Company has formulated a Whistle Blower Policy and Vigil Mechanism, with an aim to deter and detect misconduct and to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place,

are raised at an early stage in a responsible and confidential manner. It is also affirmed that no member or employee has been denied access to the Audit Committee and the Whistle Blower. The Audit Committee reviews the mechanism and all Whistle Blower complaints and investigations at all its Meetings. The Whistle Blower Policy has also been posted at the website of the Company at <https://wforwoman.com/content/lodr-policies/>

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

a. Mandatory Requirements

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

Annexure 'J' Corporate Governance Report (Contd.)

b. Non-mandatory Requirements

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

- i) Reporting of Internal Auditor The Internal Auditor report to the Audit Committee.
- e) Policy for Determining Material Subsidiaries The policy for determining the material subsidiaries of the Company is available on the Website of the Company and the URL is: <https://wforwoman.com/content/lodr-policies/>

f) Policy on related party transactions.

To comply with the provisions of Section 188 of the Act, and Rules made thereunder read with Regulation 23 of SEBI (LODR) Regulations, your Company took necessary prior approval of the Audit Committee and the Board before entering into related party transactions. All contracts / arrangements / transactions entered into by the Company with related parties, as defined under the Act and SEBI (LODR) Regulations during the Financial Year 2018, were in the ordinary course of business and on arm's length basis. Your Company has framed a Policy on Related Party Transactions in accordance with SEBI (LODR) Regulations and as per the amended provisions of the Act. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The policy is uploaded on the website of the Company at <https://wforwoman.com/content/lodr-policies>.

The Related Party Transaction Policy deals with the review and approval of related party transactions. The Board of Directors of the Company have approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions as approved by the Board. A Statement of all related party transactions is presented before the Audit Committee on a quarterly basis for review and prior/ omnibus approval is also obtained for the entire year, specifying the nature, value and terms and conditions of the transactions.

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

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

All existing material related party contracts or arrangements entered into which may continue beyond such date shall be placed for approval of the shareholders in the ensuing General Meeting.

- g) Policy for Determination of Material Subsidiary and Governance of Subsidiaries can be accessed at <https://wforwoman.com/content/lodr-policies/>. There is no subsidiary company.
- h) During the Financial Year 2018-19, the Company had no exposure to foreign exchange risk .
- i) The Company has not raised funds through preferential allotment or placement to qualified institutions. The allotment of shares to qualified institutional investors has taken place in the Initial Public Issue of the Company where the existing shareholders had diluted their stake in the Company. Further, during the year allotments have been made to employees under the TCNS Employee Stock Option Schemes.
- j) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

During the year, the Company has paid to Deloitte Haskins and Sells LLP, the Statutory Auditors, the following amounts:

Statutory Audit Fee: ₹ 6.80 million

Other Fees including reimbursement of expenses: ₹ 6.41 million

k) Disclosures In Relation to Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act 2013.

To comply with provisions of Section 134 of the Act and rules made there under, your Company has duly constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace

Annexure 'J'

Corporate Governance Report (Contd.)

(Prevention, Prohibition and Redressal) Act, 2013.

- a. number of complaints filed during the financial year: 3
- b. number of complaints disposed of during the financial year: 2
- c. number of complaints pending as on end of the financial year: 1*

* Note: The pending complaint has been addressed and closed subsequent to end of the financial year

- l) Non-compliance of any requirement of corporate governance report of sub-paragraphs (2) to (10) above, with reasons thereof shall be disclosed: - Not Applicable

As per Clause 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.

m) Secretarial Audit

During the year, the Board of Directors of the Company had appointed Himanshu G And Associates C.P.No-10398 Company

Secretary (in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 24 A of the SEBI LODR Regulations, for the Financial Year 2018-19 (Annexure K of Annual Report).

n) Certificate under part C of Schedule V of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 on qualification of Directors

A certificate from a Company Secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority has been issued pursuant to Schedule V, Part C, Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Sanjay Grover & Associates, Company Secretaries

Firm Registration No.: P2001DE052900 forming part of this report as Annexure I.

CERTIFICATE ON CORPORATE GOVERNANCE

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

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

The Managing Director cum CEO and CFO certification as stipulated in the Regulation 17(8) of Listing

Regulations was placed before the Board along with financial statement (s) for the year ended March 31, 2019. The board reviewed and took note of the same. The said certificate forms part of this report as Annexure III.

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

All the members of the Board KMP (Key Managerial Personnel) and Senior Management have affirmed Compliance to the code of Conduct for the Financial Year 2018-19.

Sd/-

Anant Kumar Daga
Managing Director
DIN: 07604184

Date: May 28, 2019

Place: New Delhi

Sd/-

Onkar Singh Pasricha
Chairperson and Executive Director
DIN: 00032290

Annexure I Certificate under Schedule V

Certificate Pursuant to Schedule V, Part C, Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

TCNS Clothing Co. Limited

Unit No,112 F/F Rectangle 1,

D-4 Saket District Center,

New Delhi-110017

We state that this Certificate has been issued pursuant to the provisions of Schedule V, Part C, Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Based on the data as shown on MCA and Stock Exchanges portal, following are the directors of the Company as on March 31, 2019:

S.no.	Name of Director	DIN
1.	ONKAR SINGH PASRICHA	00032290
2.	SANGEETA TALWAR	00062478
3.	BHASKAR PRAMANIK	00316650
4.	NEERU ABROL	01279485
5.	NARESH PATWARI	03319397
6.	ANANT KUMAR DAGA	07604184

We have examined the records and papers (collectively referred to as "the records") of TCNS Clothing Co. Limited ("the Company") made available and placed before us and as per the records we certify that none of the directors on the board of the TCNS Clothing Co. Limited ("the Company") have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority for the financial year ended March 31, 2019.

Sd/-

For **Sanjay Grover & Associates**

Company Secretaries

Firm Registration No: P2001DE052900

Sanjay Grover

May 18, 2019

Managing Partner

New Delhi

CP No: 3850

Annexure II Certificate on Corporate Governance by Practising Company Secretary

Corporate Governance Certificate

Certificate Pursuant to Schedule V, Part C, Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

TCNS Clothing Co. Limited

We have examined the compliance of conditions of Corporate Governance by TCNS Clothing Co. Limited ("the Company"), for the financial year ended March 31, 2019, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is further stated that the equity shares of the Company got listed on stock exchanges w.e.f. July 30, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

Sd/-

For **Sanjay Grover & Associates**

Company Secretaries

Firm Registration No.: P2001DE052900

Sanjay Grover

May 18, 2019

Managing Partner

New Delhi

CP No.: 3850

Annexure III *Managing Director (MD) And Chief Financial Officer (CFO) Certification*

To,

The Board of Directors

TCNS Clothing Co. Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of TCNS Clothing Co. Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2019 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's Code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sd/-

Anant Kumar Daga

Managing Director

DIN No: 07604184

Place: New Delhi

Date: May 28, 2019

Sd/-

Venkatesh Tarakkad

Chief Financial Officer

Annexure 'K'

To

The Members

TCNS CLOTHING CO. LIMITED (erstwhile TCNS Clothing Co. Private Limited)

CIN: L99999DL1997PLC090978

Unit No. 112, F/F Rectangle 1,

D-4, Saket, District Centre,

New Delhi 110017

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be read along with this letter.

MANAGEMENT RESPONSIBILITY

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.

For **Himanshu G And Associates**
Company Secretaries

Date: May 13, 2019
Place: Delhi

Himanshu Grover
Proprietor
FCS-8965, C.P.No.-10398

Annexure 'K' (Contd.)

Form MR-3
SECRETARIAL AUDIT REPORT'
For Financial Year Ended 2018-19

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

To,

The Board of Directors

TCNS CLOTHING CO. LIMITED (erstwhile TCNS Clothing Co. Private Limited)

CIN: L99999DL1997PLC090978

Unit No. 112, F/F Rectangle 1,

D-4, Saket, District Centre,

New Delhi 110017

I, Himanshu Grover c/o Himanshu G And Associates, Company Secretaries (FCS-8965, CP-10398), L-2A, Hauz Khas Enclave, New Delhi - 110016, have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TCNS CLOTHING CO. LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **TCNS CLOTHING CO. LIMITED** ("**The Company**") for the period ended on **March 31, 2019**, according to the provisions of:
 - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company: -
 - 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, 1992;
 - 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 regarding the Companies Act and dealing with client; [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [**Not Applicable as the Company is an unlisted entity during the period under review**]
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review].

Annexure 'K' (Contd.)

- g. the Company has complied with the requirements under the Equity Listing Agreements entered with BSE Limited, National Stock Exchange of India Limited;
- h. The Memorandum and Articles of Association.

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

- i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with the BSE Limited, 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.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- c) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) notice of Board meetings and Committee meetings of Directors;
- e) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- f) the 21st Annual General Meeting held on 05th July 2018;
- g) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- h) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- i) constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- j) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- k) appointment and remuneration of Auditors;
- l) transfer of the Company's shares;
- m) declaration and payment of dividend as the case may be;
- n) borrowings and registration, modification and satisfaction of charges wherever applicable;
- o) investment of the Company's funds including investments and loans to others;
- p) Report of Board of Directors';
- q) contracts, common seal, registered office and publication of name of the Company; and
- r) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for some meetings however reasonable efforts has been made to avoid instances of delay, 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.
- c) The Company has obtained all necessary approvals under the various provisions of the Act; and

Annexure 'K' (Contd.)

- d) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- e) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. **I further report that** based on the information received and records maintained 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.
5. **I 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.
6. **I further report that** during the audit period there were following specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,
- a) The status of the Company is changed from Unlisted Public Limited Company to Listed Public Company with effect from July 30, 2018. Consequently, all the provisions of SEBI (Listing Obligations and disclosure) requirements 2015 and all other regulations issued by SEBI time to time, is applicable on the Company.
7. **I further report that** during the audit period there were following observations found:

Observations

S. No.	Statute	Comments
1	Local Municipal Laws	The Corporate Office and warehouses are located on 'Lal Dora' (urban villages) lands in New Delhi. While 'Lal Dora' lands in Delhi have historically been exempt from certain provisions of the Delhi Municipal Corporation Act, 1957, the use of such land for commercial purposes has been, in recent years, subject to increasing regulation by local municipal authorities.
2	Labour Law Return under a. The Factories Act, 1948; b. Payment of Wages act, 1936; c. Minimum Wages Act 1948; d. Industrial Disputes Act, 1947; e. The Contract Labour (Regulation and Abolition) Act, 1970; f. Payment of Bonus Act, 1965 and g. Maternity Benefit (Amendment) Act, 2017	Annual Return under Labour Laws is filed for 54 units/ outlets. In house crèche facility or such facility through agreement/ arrangement with outside party is not available. However, the Company is reimbursing the crèche cost on 50-50 basis. The Company has taken declaration from all employees that they want to take a crèche facility at their own premises only & organisation shall reimburse the amount for the same.

For **Himanshu G And Associates**
Company Secretaries

Date: May 13, 2019
Place: Delhi

Himanshu Grover
Proprietor
FCS-8965, C.P.No.-10398

Annexure 'L'

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

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

Not Applicable

Point no 1 of Form No. AOC -2 is not applicable

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date of approval by the Board
- Amount paid as advances, if any
- 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 ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS NOT APPLICABLE

Not Applicable

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Date(s) of approval by the Board, if any
- Amount paid as advances, if any

The Company has entered into related party transaction with group company TCNS Limited in ordinary course of business and at arm's length basis. The audit Committee and Board has granted an omnibus approval for transactions with the TCNS Limited for ₹ 75 Cores for the FY 2019-20.

Also Mr. Saranpreet Pasricha, relative of the promoter works with the Company as Head (International Business) and draws remuneration from the company. It is proposed to get approval for remuneration upto ₹ 10,00,000 per month at the ensuing Annual General Meeting.

S. No.	Particulars		
(a)	Name(s) of the related party and nature of relationship	TCNS Limited-Group Company with common promoters	Mr. Saranpreet Pasricha Relative (son) of promoter
(b)	Nature of contracts/arrangements/transactions	Job Work/ Rent	Head (International Business)
(c)	Duration of the contracts/arrangements/ transactions	On-going	As per the terms of appointment

Annexure 'L' (Contd.)

S. No.	Particulars		
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	At arms - length and in ordinary course of business	As per the terms of appointment
(e)	Justification for entering into such contracts or arrangements or transactions	NA	NA
(f)	Date(s) of approval by the Audit Committee / Board, if any:	May 28, 2018	May 28, 2018
(g)	Amount i. paid as advances, if any:	Nil	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable	Not Applicable

For TCNS Clothing Co. Limited

Sd/-

Anant Kumar Daga
Managing Director
DIN: 07604184

Date: May 28, 2019

Place: New Delhi

Sd/-

Onkar Singh Pasricha
Chairman & Executive Director
DIN: 00032290

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **TCNS CLOTHING CO. LIMITED (FORMERLY KNOWN AS TCNS CLOTHING CO. PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

S. No.	Key Audit Matter	Auditor's Response
1.	<p>Information technology environment and internal controls</p> <p>Management has implemented a new Enterprise Resource Planning (ERP) system at the beginning of the current year. This system is vital for recording day to day transactions for the retail business and overall reporting process for the purposes of preparation of financial statements. As informed by management the key elements of the Information Technology (IT) system such as control access rights and change management is in the process of getting stabilising and took longer time than expected due to prioritising continuation of operations so that it does not impact the business of the Company.</p> <p>Management took various steps to remediate the internal control deficiencies identified during the year, including establishing of alternative manual controls to address the risks mentioned above.</p> <p>As part of our examination of internal controls we noted that the control deficiencies were resolved before the end of the financial year.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> involved our IT audit specialist; made inquiries with management to understand each significant process and changes made to the IT environment. We walked through the financial processes in order to understand where IT systems were integral to accounting processes along with identification of automated controls; tested the design and operating effectiveness of user access and change management controls of the IT systems relevant for financial reporting; where required, tested compensating manual controls or performed alternative procedures to complement the test of control based audit approach

Independent Auditor's Report (Contd.)

S. No.	Key Audit Matter	Auditor's Response
2.	<p>Tax treatment in relation to Employee Stock Option Expense</p> <p>As noted in the Accounting Policies in note 2.13 and note 32 of the Financial Statements, the Company has claimed allowance while computing its Income tax liability for the year ended March 31, 2019 on account of :</p> <p>a) Employee Stock Option (ESOP) expenses charged to profit and loss account during the year; and</p> <p>b) perquisite value of ESOP arising on exercise of Employee Stock Options during the year and which were not charged to profit and loss account in earlier years.</p> <p>The Company has considered allowance of ₹ 937.33 million on account of Employee Stock Options Plan (ESOP) expenses (including ₹ 773.28 million on ESOP exercised) while computing provision for income tax expense for the current year.</p> <p>The management based on legal opinion from external counsels has considered the above expense to be an allowable expenditure. Considering the material amount involved and judgement taken by management in respect of tax treatment this item has been considered as a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of management controls over current tax provisioning process; • evaluated management's judgements in respect of estimates of tax exposures in order to assess the adequacy of the Company's tax expense / provisions; • reviewed the opinions of external legal counsels which management has considered for making such assumptions in computation of current year income tax expense; • evaluated independence, competency and objectivity of external legal counsels; • involved our internal direct tax specialists and challenged the estimates and judgements made by management while computing the Company's income tax expense and the associated provisions. <p>As a result of our work performed as described above, we concluded that the judgements applied by the management are reasonable.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's report and Annexures to the Board's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (Contd.)

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Independent Auditor's Report (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limits laid down under this section are as given below:

Managerial Position	Excess amount of remuneration paid/ provided (₹ in million)	Financial year	Treatment of the excess remuneration in the respective year financial statements	Steps taken by the Company for securing refund
Managing Director	537.41	Year ended March 31, 2019	Refer Note 38 of the financial statements.	To be approved in the ensuing meeting of the shareholders.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 33(A) of the financial statements).
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 33.3 of the financial statements).
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Note 33.5 of the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

SATPAL SINGH ARORA
Place: New Delhi Partner
Date: May 28, 2019 (Membership No. 098564)

Annexure A

To The Independent Auditor's Report

(Referred to in paragraph I(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 **TCNS CLOTHING CO. LIMITED (FORMERLY KNOWN AS TCNS CLOTHING CO. PRIVATE LIMITED)** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure A ***To The Independent Auditor's Report (Contd.)***

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal

financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

SATPAL SINGH ARORA

Place: New Delhi Partner
Date: May 28, 2019 (Membership No. 098564)

Annexure B

To The Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its property, plant and equipment (fixed assets):
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- ii. As explained to us, all inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In case of inventories lying with the third parties, certificates confirming stocks have been received periodically by the Management for stock held during the year and for a substantial portion of such inventories held at the year-end.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in

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

- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Also, refer to the Note 33.4 to the financial statements regarding management assessment on certain matters relating to the provident fund. The operations of the Company didn't give rise to Excise duty.
 - (b) There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income tax and Sales tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount (₹ in million)*
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2010-2011	0.83
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2011-12	1.87
Sales Tax/ Value Added Tax laws	Sales Tax	Objection hearing authority, Value Added Tax	1 October, 2006 to 31 December, 2006	1.96
Sales Tax/ Value Added Tax laws	Sales Tax	Appellate Tribunal of Value Added Tax, Trade and Tax Department (CST Orissa)	2013-14	0.04

Annexure B To The Independent Auditors' Report (Contd.)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount (₹ in million)*
Sales Tax/ Value Added Tax laws	Sales Tax	Objection hearing authority, Value Added Tax	2014-15	0.21
Sales Tax/ Value Added Tax laws	Sales Tax	Assessing Authority, West Bengal	2015-16	0.45

* Net of ₹ Nil paid under protest.

We have been informed that there are no dues of Goods and Services Tax and Custom Duty which have not been deposited as on March 31, 2019 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan or borrowings from government or financial institutions and government nor has issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, the Company, during the year, completed its initial public offer through an offer for sale of equity shares by the selling shareholders (comprising Promoter selling shareholders, Investors selling shareholders and Other selling shareholders). No monies were raised by the Company by way of such initial public offer and accordingly, reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in excess of the limits and approvals prescribed under section 197 read with Schedule V to the Companies Act, 2013 to the following managerial personnel:

Managerial Position	Excess amount of remuneration paid/ provided (₹ in million)	Financial year	Treatment of the excess remuneration in the respective year financial statements	Steps taken by the Company for securing refund
Managing Director	537.41	Year ended March 31, 2019	Refer Note 38 of the financial statements.	To be approved in the ensuing meeting of the shareholders.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

SATPAL SINGH ARORA

Place: New Delhi Partner
Date: May 28, 2019 (Membership No. 098564)

Balance Sheet

as at March 31, 2019

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A. ASSETS			
1. Non-current assets			
(a) Plant, Property and equipment	4	535.98	505.68
(b) Capital work-in-progress		2.83	24.88
(c) Intangible assets	5	56.28	12.89
(d) Intangible assets under development		-	56.30
(e) Financial assets			
Other financial assets	6	508.99	393.06
(f) Deferred tax assets (net)	7	159.72	115.01
(g) Non-current tax assets (net)	8	126.02	126.02
(h) Other non-current assets	9	82.47	71.81
Total non-current assets		1,472.29	1,305.65
2. Current assets			
(a) Inventories	10	2,740.83	2,239.41
(b) Financial assets			
(i) Investments	11	1,377.52	20.77
(ii) Trade receivables	12	1,807.25	1,570.50
(iii) Cash and cash equivalents	13	215.63	366.93
(iv) Bank balances other than (iii) above	14	15.24	123.91
(v) Other financial assets	6	1.05	5.66
(c) Other current assets	9	229.12	336.26
Total current assets		6,386.64	4,663.44
Total assets		7,858.93	5,969.09
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	15	122.65	112.74
(b) Instruments entirely equity in nature	16	-	242.27
(c) Other equity	17	6,062.96	3,959.67
Total equity		6,185.61	4,314.68
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	2.18
(ii) Other financial liabilities	19	60.35	59.15
(b) Provisions	20	77.99	55.73
(c) Other non-current liabilities	21	5.80	4.09
Total non-current liabilities		144.14	121.15
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	0.04
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	22	184.40	16.86
(b) total outstanding dues other than (ii) (a) above	22	965.57	1,127.46
(iii) Other financial liabilities	19	78.97	68.52
(b) Provisions	21	1.87	1.22
(c) Current tax liabilities (net)	20	57.47	31.29
(d) Other current liabilities	23	240.90	287.87
Total current liabilities		1,529.18	1,533.26
Total liabilities		1,673.32	1,654.41
Total equity and liabilities		7,858.93	5,969.09

See accompanying notes forming part of the Ind AS Financial Statements (1-44)

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Satpal Singh Arora

Partner

Membership No. 098564

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

Onkar Singh Pasricha

Chairman

DIN : 00032290

Venkatesh Tarakkad

Chief Financial Officer

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : May 28, 2019

Place : New Delhi

Date : May 28, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Revenue from operations	24	11,479.53	10,009.91
2. Other income	25	75.21	67.32
3. Total income (1+2)		11,554.74	10,077.23
4. Expenses			
(a) Cost of materials consumed	26	4,351.64	3,703.93
(b) Changes in inventories of finished goods and work-in-progress	27	(452.52)	(279.39)
(c) Excise duty		-	39.37
(d) Employee benefits expense	28	1,437.74	1,236.14
(e) Finance costs	29	5.14	6.71
(f) Depreciation and amortisation expense	30	222.10	166.71
(g) Other expenses	31	4,374.41	3,755.48
Total expenses		9,938.51	8,628.95
5. Profit before tax (3-4)		1,616.23	1,448.28
6. Tax expense:			
- Current tax	32	348.67	483.58
- Deferred tax credit	7	(46.79)	(16.27)
Total tax expense		301.88	467.31
7. Profit for the year (5-6)		1,314.35	980.97
8. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Re-measurement of the defined benefit plans		5.96	(5.04)
(b) Tax related to above item	32	(2.08)	1.74
Total other comprehensive income / (expense) for the year (net of tax)		3.88	(3.30)
9. Total comprehensive income for the year (7+8)		1,318.23	977.67
Earnings per equity share (Face value of ₹ 2 each):			
Basic (in ₹)	36	20.95	16.12
Diluted (in ₹)	36	20.60	15.36

See accompanying notes forming part of the Ind AS Financial Statements (1-44)

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Satpal Singh Arora

Partner

Membership No. 098564

Place : New Delhi

Date : May 28, 2019

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

Onkar Singh Pasricha

Chairman

DIN : 00032290

Venkatesh Tarakkad

Chief Financial Officer

Place : New Delhi

Date : May 28, 2019

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

Cash Flow Statement

for the year ended March 31, 2019

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,616.23	1,448.28
Adjustments for		
Depreciation and amortisation expense	222.10	166.71
Re-measurement of defined benefit plan	5.96	(5.04)
Interest income	(48.53)	(13.22)
Finance costs	5.14	6.71
Loss on Sale of Property, Plant and Equipment	13.29	9.50
Property, Plant and Equipment written off	6.41	-
Allowance for expected credit loss	13.87	9.28
Fair Valuation of investment	1.54	0.62
Share based payments	164.05	215.48
Operating profit before Working Capital Changes	2,000.06	1,838.32
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(501.42)	(299.16)
Trade receivables	(250.62)	(582.76)
Other financial assets	(115.93)	(39.65)
Other assets	95.79	(321.65)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other financial liabilities	10.82	2.10
Other liabilities	(45.26)	199.98
Provisions	22.91	18.63
Trade payables	5.65	51.04
Cash generated from operations	1,221.98	866.85
Less: Income tax paid (including Tax Deducted at Source)	(322.51)	(452.29)
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	899.49	414.56
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment (including capital advances)	(256.83)	(244.91)
Capital expenditure on intangible assets (including capital advances)	(6.30)	(40.09)
Proceeds from sale of property, plant and equipment	25.81	11.38
Purchase of Short-term investments	(2,597.31)	(4.24)
Sale of Short-term investments	1,239.02	-
Net investment in bank deposits	108.67	(11.30)
Interest received and dividend received	53.19	11.72
NET CASH USED IN INVESTING ACTIVITIES (B)	(1,433.75)	(277.44)

Cash Flow Statement for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES (REFER NOTE BELOW)		
Repayment of Short-term borrowings	(0.04)	(83.28)
Repayment of Long-term borrowings	(0.48)	(2.22)
Shares issued on exercise of employee stock options	388.62	60.00
Proceeds from issue of Convertible Redeemable Debentures (CRDs)	-	242.27
Finance costs	(5.14)	(6.71)
NET CASH GENERATED BY FINANCING ACTIVITIES (C)	382.96	210.06
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(151.30)	347.18
Cash and cash equivalents at the beginning of the year	366.93	19.75
Cash and cash equivalents at the year-end*	215.63	366.93
* Cash and cash equivalents at the end of the year comprises		
- Cash on hand	11.03	10.04
- Balances with banks		
In current accounts	204.60	106.89
In deposits	-	250.00
	215.63	366.93

Note:

See accompanying notes forming part of the Ind AS Financial Statements (1-44)

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Satpal Singh Arora

Partner

Membership No. 098564

Place : New Delhi

Date : May 28, 2019

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

Onkar Singh Pasricha

Chairman

DIN : 00032290

Venkatesh Tarakkad

Chief Financial Officer

Place : New Delhi

Date : May 28, 2019

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

Statement for changes in the equity for the year ended March 31, 2019

(All amounts in ₹ million except otherwise specified)

a. Equity share capital

Particulars	Amount
Opening balance as at April 1, 2017	111.24
Shares issued during the year	1.50
Shares converted during the year	-
Balance as at March 31, 2018	112.74
Shares issued during the year	9.91
Shares converted during the year	-
Balance as at March 31, 2019	122.65

b. Instruments entirely equity in nature (Refer Note 16)

Particulars	Amount
Convertible Redeemable Debentures (CRDs)	
Opening balance as at April 1, 2017	-
Issued during the year	242.27
Converted during the year	-
Balance as at March 31, 2018	242.27
Issued during the year	-
Converted during the year	(242.27)
Balance as at March 31, 2019	-

c. Other equity

Particulars	Reserves and surplus				Total
	General Reserve	Securities premium	Share option outstanding account	Retained Earnings	
Opening balance as at April 1, 2017	29.60	1,617.29	1,046.58	14.55	2,708.02
Recognition of share based payments	-	-	215.48	-	215.48
Additions during the year	-	58.50	-	-	58.50
Transfer in respect to ESOP exercised	-	144.30	(144.30)	-	-
Profit for the year	-	-	-	980.97	980.97
Re-measurement of defined benefit plan (net of tax)	-	-	-	(3.30)	(3.30)
Balance as at March 31, 2018	29.60	1,820.09	1,117.76	992.22	3,959.67
Recognition of share based payments	-	-	164.08	-	164.08
Additions during the year	-	620.98	-	-	620.98
Transfer in respect to ESOP exercised	-	793.26	(793.26)	-	-
Profit for the year	-	-	-	1,314.35	1,314.35
Re-measurement of defined benefit plan (net of tax)	-	-	-	3.88	3.88
Balance as at March 31, 2019	29.60	3,234.33	488.58	2,310.45	6,062.96

See accompanying notes forming part of the Ind AS Financial Statements (1-44)

Notes forming part of the Financial Statements for the year ended March 31, 2019

(All amounts in ₹ million except otherwise specified)

1. GENERAL INFORMATION

TCNS Clothing Co. Private Limited ("the Company") was incorporated in India having its registered office at 3, Community centre, Saket, New Delhi - 110017. The Company is mainly engaged in the business of manufacturing and sale of contemporary Indian wear which includes top-wear, bottom-wear and drape wear for women under the brand name "W", "Aurelia" and "Wishful". A fresh certificate of incorporation consequent to the change in name to TCNS Clothing Co. Limited was issued by the Registrar of Companies Delhi on January 19, 2018 under section 18 of the Companies Act, 2013 to give effect to the change in name of the Company. During the year ended March 31, 2019 the Company has completed the initial public offering through an offer for sale of equity shares by certain shareholders. The equity shares of the Company were listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') with effect from July 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

2.1. Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time as notified under Section 133 of the Companies Act 2013, the relevant provision of the Companies Act 2013 ("the Act")

2.2. Application of new Indian Accounting Standard

2.2.1 Ind AS 116 Leases:

Ind AS 116 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. Lessees are required to initially recognise a lease liability for the obligation to make lease payments and a right-to-use assets for the right to use the underlying asset for the lease term. The lease liability is measured at

the present value of the lease payments to be made over the lease term.

The new standard permit lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain transition reliefs.

Ind AS 116, was notified on March 30, 2019 by Ministry of Corporate Affairs and will be effective for period beginning on or after April 1, 2019. This standard will replace the existing leases standard, Ind AS 17 Leases, and related interpretations. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements.

2.2.2 Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

a) Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses:

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after April 1, 2019. The Company does not have unrealised losses, hence, these amendments are not expected to have material effect on Company's financial statements.

b) Amendment to Ind AS 19 - Plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity :

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

c) Amendment to Ind AS 109 - Prepayment Features with Negative Compensation:

Ind AS 109 Prepayment Features with Negative Compensation : The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at

fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

d) Amendment to Ind AS 23 - Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect this amendment to have any impact on its financial statements.

2.3. Basis of preparation and presentation

The Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. The Ind AS Financial Statements are presented in Indian Rupees (₹) and all values are rounded off to the nearest two decimal million except otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Ind AS financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4. Functional and Presentation Currency

The Ind AS Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.5. Use of estimates and judgement

The preparation of Ind AS Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting

policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.6. Offsetting Financial Instruments

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

2.7. Revenue recognition

The Company's revenue majorly represents revenue from sale of apparels. The Company sells apparels through own stores and through business partners such as distributors, franchisees, large format stores and e-commerce. Effective April 01, 2018 the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. The revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers. The Company adopted Ind AS 115 using the full retrospective cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018.

2.7.1. Principal / Agent considerations

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing various factors such as whether the Company has exposure to the risk of unsold inventory, if it has price latitude and exposure to credit risk associated with the sale of goods. The Company has concluded that certain

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

arrangements with its business partner, where the Company has an unconditional obligation relating to unsold inventory, are on principal to agent basis and in such cases revenue is not recognised till the merchandise is sold to the end customers. For other cases the Company has concluded that its arrangements with business partners are on principal to principal and in such cases revenue is recognised when significant risks and rewards are transferred to the business partners.

2.7.2. Recognition and measurement of revenue

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria of transfer of significant risks and rewards as described below is met. In all cases revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, discounts, value added taxes and amounts collected on behalf of third parties, if any. Revenue recognised is net of the anticipated sales return which is estimated based on past trends.

2.7.3. Transfer of significant risks and rewards

Revenue is recognised on transfer of significant risks and rewards which generally coincides with the delivery of goods to customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.
- For business partner acting as agent, revenue is recognised once goods are sold by business partner to end-customers.

2.7.4. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly

discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.8. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the profit or loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.9. Foreign currency Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss and reported within foreign exchange gains / (losses).

2.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11. Employee benefits

Company's Employee benefit obligations include Short-term obligations, compensated absences and Post-employment obligations

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

which includes gratuity plan and contributions to provident fund.

2.11.1. Short-term obligations

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

2.11.2. Compensated absences

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

2.11.3. Post-employment obligations

Defined benefit plans

The Company has defined benefit plan namely gratuity. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting

period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company has defined contribution plans for post-employment benefit namely the provident fund. The Company's contribution thereto is charged to the statement of profit and loss every year. The Company has no further payment obligations once the contributions have been paid.

2.12. Share-based payment to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 40 and 41.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.13. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.13.1. Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the respective period.

2.13.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Ind AS Financial Statements and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

or substantively enacted by the end of the reporting period.

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

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

2.13.3. Current and deferred tax for the year

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

2.14. Property, plant and equipment and Capital work-in-progress

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

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

Capital work-in-progress

Projects under which tangible property, plant and equipment are not yet ready for their

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.14.1. Depreciation method, estimated useful lives and residual value

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

Depreciation has been provided in accordance with useful lives assessed lower than the life prescribed in Schedule II to the Companies Act, 2013, taking into account the nature of the asset, the estimated usage of the asset, the management's estimates of the useful lives of the various categories of assets are as follows:

Plant and machinery	4 years
Furniture and fixtures	5 years
Office equipment	3 years
Vehicles	5 years

Leasehold improvements are amortised on a straight line basis over lease term or 5 years whichever is less.

The assets' residual values and useful lives are reviewed and adjusted, if applicable, at the end of each reporting period.

2.14.2. Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

2.15. Intangible assets

2.15.1. Intangible assets acquired separately

Intangible assets comprising of computer software acquired separately are carried

at cost less accumulated amortisation and accumulated impairment losses. They are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on software are expensed in the statement of profit and loss as and when incurred.

2.15.2. Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.15.3. Amortisation method and periods

Intangible assets i.e. software are amortised on a straight line basis over its estimated useful life i.e. 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.16. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17. Inventories

Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.18. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

2.19. Financial instruments

Initial Recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Subsequent measurement

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

2.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.201. Classification of financial assets

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Investments in debt mutual funds are measured at fair value through profit or loss as per the business model and contractual cash flow test.

2.202. Impairment of financial assets

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets carried at amortised cost the Company assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.203. Cash and cash equivalents

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

2.204. Derecognition of financial assets

The Company derecognises financial assets in accordance with the principles of Ind AS 109 which usually coincides receipt of payment or write off of the financial asset.

2.21. Financial liabilities and equity instruments

2.21.1 Classification of debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.21.2 Compound Financial Instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in other equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

2.21.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

2.21.4 Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and Commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.21.5 Foreign exchange gains and losses

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

2.21.6 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.22. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3. CRITICAL ACCOUNTING JUDGEMENTS

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Ind AS Financial Statements is included in the following significant estimates:-

3.1. Income taxes

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

recovered in connection with uncertain tax positions.

3.2. Share-based payments to employees

The fair value of share-based payments to employees determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of stock options at the grant date are determined by an independent valuer using assumptions and method determined by the Company.

3.3. Plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at		Plant and equipment (Refer Note 'i' below)	Vehicles (Refer Note 'ii' below)	Office equipment (Refer Note 'i' below)	Computers (Refer Note 'i' below)	Furniture and fixtures (Refer Note 'i' below)	Leasehold improvements (Refer Note 'i' below)	Total
	March 31, 2019	March 31, 2018							
Carrying amounts of :									
Plant and equipment	0.48	1.78							
Vehicles	11.00	17.21							
Office equipment	42.99	45.85							
Computers	25.92	6.88							
Furniture and fixtures	152.41	138.53							
Leasehold improvements	303.18	295.43							
	535.98	505.68							
Particulars									
Gross carrying value									
Opening balance as at April 1, 2017	6.15	21.72	6.15	21.72	67.87	11.75	151.20	311.36	570.05
Additions	-	7.41	-	7.41	29.82	4.09	55.28	132.44	229.04
Disposals / adjustments	(2.65)	(0.82)	(2.65)	(0.82)	(3.34)	(0.28)	(10.42)	(22.92)	(40.43)
Balance as at March 31, 2018	3.50	28.31	3.50	28.31	94.35	15.56	196.06	420.88	758.66
Additions	0.06	-	0.06	-	28.14	32.50	60.10	151.49	272.29
Disposals / adjustments	-	-	-	-	(10.25)	(5.01)	(8.19)	(104.61)	(128.06)
Balance as at March 31, 2019	3.56	28.31	3.56	28.31	112.24	43.05	247.97	467.76	902.89
Accumulated depreciation									
Opening balance as at April 1, 2017	1.92	5.61	1.92	5.61	18.91	4.14	19.34	61.97	111.89
Depreciation expense	2.08	6.21	2.08	6.21	31.77	4.76	41.97	73.85	160.64
Disposals / adjustments	(2.28)	(0.72)	(2.28)	(0.72)	(2.18)	(0.22)	(3.78)	(10.37)	(19.55)
Balance as at March 31, 2018	1.72	11.10	1.72	11.10	48.50	8.68	57.53	125.45	252.98
Depreciation expense	1.36	6.21	1.36	6.21	28.53	13.22	54.49	99.14	202.95
Disposals / adjustments	-	-	-	-	(7.78)	(4.77)	(16.46)	(60.01)	(89.02)
Balance as at March 31, 2019	3.08	17.31	3.08	17.31	69.25	17.13	95.56	164.58	366.91
Net carrying value									
As at March 31, 2019	0.48	11.00	0.48	11.00	42.99	25.92	152.41	303.18	535.98
As at March 31, 2018	1.78	17.21	1.78	17.21	45.85	6.88	138.53	295.43	505.68

Notes:

- Property, Plant and equipment except vehicles have been pledged against cash credit. (Refer Note 18)
- Vehicles loan is secured by first and exclusive charge on respective vehicle. (Refer Note 18)

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

5. INTANGIBLE ASSETS

Particulars	Computer Software
Gross carrying value	
Opening balance as at April 1, 2017	15.69
Additions	8.36
Disposals / adjustments	(0.15)
Balance as at March 31, 2018	23.90
Additions	62.60
Disposals / adjustments	(20.70)
Balance as at March 31, 2019	65.80
Accumulated amortisation	
Opening balance as at April 1, 2017	5.09
Amortisation expense	6.07
Disposals / adjustments	(0.15)
Balance as at March 31, 2018	11.01
Amortisation expense	19.15
Disposals / adjustments	(20.64)
Balance as at March 31, 2019	9.52
Net carrying value	
As at March 31, 2019	56.28
As at March 31, 2018	12.89

6. OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits	508.99	393.06
Total	508.99	393.06
Current		
Accrued interest on bank deposits	1.05	5.66
Total	1.05	5.66

Note:

Other financial assets have been pledged against cash credit. (Refer Note 18)

7. DEFERRED TAX ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (a)	164.16	116.12
Deferred tax liabilities (b)	4.44	1.11
Deferred tax assets (net) (a-b)	159.72	115.01

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

Deferred tax assets / (liabilities) in relation to:

Particulars	As at April 1, 2018	Charged to profit or loss	Charged to other comprehensive income	As at March 31, 2019
a. Deferred tax assets in relation to:				
- Provision for employee benefits	19.90	10.09	(2.08)	27.91
- Property, plant and equipment and intangible assets	89.33	34.24	-	123.57
- Fair value of security deposits given	3.41	0.95	-	4.36
- Others	3.48	4.84	-	8.32
Total	116.12	50.12	(2.08)	164.16
b. Deferred tax liabilities in relation to:				
- Others	1.11	3.33	-	4.44
Total	1.11	3.33	-	4.44
Net Deferred tax assets	115.01	46.79	(2.08)	159.72

Particulars	As at April 1, 2017	Charged to profit or loss	Charged to other comprehensive income	As at March 31, 2018
a. Deferred tax assets in relation to:				
- Provision for employee benefits	13.26	4.90	1.74	19.90
- Property, plant and equipment and intangible assets	59.35	29.98	-	89.33
- Fair value of security deposits given	2.50	0.91	-	3.41
- Others	22.72	(19.24)	-	3.48
Total	97.83	16.55	1.74	116.12
b. Deferred tax liabilities in relation to:				
- Others	0.83	0.28	-	1.11
Total	0.83	0.28	-	1.11
Net Deferred tax assets	97.00	16.27	1.74	115.01

8. NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current tax assets (net of provision for tax of ₹ 406.39 ; March 31, 2018: ₹ 406.39) (Refer Note Below)	126.02	126.02
Total	126.02	126.02

The Company had claimed income tax credit of ₹ 250.84 in relation to deduction of fair value impact of share based payments to employees of ₹ 724.80 in the income tax return filed with the tax authorities for the assessment year 2017-18. However, this tax credit was not recorded in the books of account as the same was not required to be recognised in the financial statements for the year ended March 31, 2017 prepared under the previous GAAP. Based on the legal advice, the Company expects that it is probable to receive the income tax credit in this regard.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

9. OTHER ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
(a) Capital advances	0.12	0.81
(b) Prepayments	82.35	71.00
Total	82.47	71.81
Current		
(a) Advances to employees	1.19	1.83
(b) Balance with government authorities (Goods and services tax input receivable)	102.29	110.16
(c) Prepayments	51.17	51.37
(d) Advances to suppliers	27.13	25.28
(e) Other advances (Refer Note (i) below)	2.32	75.53
(f) Other Current assets (Refer Note 43)	45.02	72.09
Total	229.12	336.26

Notes:

- i) Other advances as at March 31, 2018 included amount recoverable from shareholders amounting to ₹ 72.46 on account of share issue expense for proposed Initial Public offer ('IPO'). IPO expenses recoverable comprises share issue expenses incurred only by way of offer for sale by existing shareholders of the Company. These receivables included fees paid to Bankers, Stock Exchanges, Securities Exchange Board of India ('SEBI'), Lawyers, Auditors, etc., in connection with the IPO of the Company. As per offer agreement between the Company and the selling shareholders, upon successful completion of the offer, all expenses with respect to the IPO were to be borne by the selling shareholders in proportion to their respective Offered Shares sold pursuant to the Offer. Accordingly, these expenses incurred in connection with the IPO have been recovered from selling shareholders during the year.
- ii) Other assets have been pledged against cash credit. (Refer Note 18)

10. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	288.77	239.83
Work-in-progress	669.43	449.62
Finished goods	1,782.63	1,549.96
Total	2,740.83	2,239.41

Notes:

- i) The cost of inventories recognised as an expense during the year ended March 31, 2019 is ₹ 3,899.12 (for the year ended March 31, 2018: ₹ 3,423.79).
- ii) The cost of inventories recognised as an expense includes ₹ 139.47 (for the year ended March 31, 2018: ₹ 214.27) in respect of write-downs of inventory to net realisable value.
- iii) Inventories amounting to ₹ 1,066.21 (As at March 31, 2018: ₹ 933.96) are lying with third parties as at the year-end.
- iv) The mode of valuation of inventory has been stated in note 2.17.
- v) Inventories have been pledged against cash credit. (Refer Note 18)
- vi) Effective from April 01, 2018, the Company has adopted Indian Accounting Standard (Ind AS) 115 'Revenue from Contracts with Customer' using retrospective approach, Refer Note 43 for impact on Inventories.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

11. INVESTMENTS

Current

Particulars	As at March 31, 2019		As at March 31, 2018	
	UnQuoted Investments (measured at fair value through profit or loss)			
Investments in Mutuals Funds				
- Liquid mutual Fund units	4,13,05,884	1,166.52	-	-
Quoted Investments (Measured at fair value through Profit or Loss)				
(a) Investments in Unit Linked Insurance Plans (ULIP)				
- ULIP	-	-	11,52,693	20.77
(b) Investments in debentures or bonds				
- 8.7% Kotak Mahindra Prime Limited -NCD - Nov 08, 2019	200	211.00	-	-
Total	4,13,06,084	1,377.52	11,52,693	20.77
Aggregate amount of quoted investments	-	211	-	20.77
Aggregate amount of unquoted investments	-	1,166.52	-	-

Note:

Investments have been pledged against cash credit. (Refer note 18)

12. TRADE RECEIVABLES

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current			
Unsecured, considered good	1,807.25		1,570.50	
Unsecured, considered doubtful	23.80		9.93	
	1,831.05		1,580.43	
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	23.80		9.93	
Total	1,807.25		1,570.50	

Notes:

- The average credit period on sale of products is 30 to 60 days. No interest is charged on trade receivables on delayed payments.
- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables. The analysis takes into account historical credit loss experience and adjusted for forward looking information.
- Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance as at the beginning of the year	9.93	0.65
Movement in the expected credit loss allowance on trade receivables	13.87	9.28
Balance as at the end of the year	23.80	9.93

- Age of receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 180 days	1,807.25	1,570.50
More than 180 days (net of allowance for doubtful trade receivable)	-	-

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

- v) Ageing wise % of expected credit loss allowance

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 180 days	0%	0%
More than 180 days (net of allowance for doubtful trade receivable)	100%	100%

- vi) Customers who represent more than 5% of the total balance of trade receivables:

Particulars	As at March 31, 2019	As at March 31, 2018
Customer 1	98.20	123.08
Customer 2	- *	98.51
Customer 3	- *	98.21
Customer 4	- *	82.42
	98.20	402.22

* Represents customer not having more than 5% of total balance of trade receivable as on respective reporting dates.

- vii) Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.
- viii) There are no outstanding trade receivables due from directors or other officers of the Company.
- ix) Trade receivables have been pledged against cash credit. (Refer Note 18)
- x) Effective from April 01, 2018 the Company has adopted Indian Accounting Standard (Ind AS) 115, 'Revenue from Contracts with Customer' using retrospective approach. Refer Note 43 for impacts on trade receivables.

13. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents includes cash on hand and in banks. cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	11.03	10.04
Balance with Banks		
- In current accounts	204.60	106.89
- In demand deposit accounts	-	250.00
Total	215.63	366.93

Note:

Cash and cash equivalents have been pledged against cash credit. (Refer Note 18)

14. OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- In deposit accounts	1.62	116.05
- As margin money against letter of credit	12.45	6.72
- In earmarked deposit accounts held as margin money against borrowings and guarantees	1.17	1.14
Total	15.24	123.91

Note:

Other bank balances have been pledged against cash credit. (Refer Note 18)

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

15. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Authorised share capital:				
Equity share capital				
Equity Shares of ₹ 2 each (March 31, 2018: ₹ 2 each) with voting rights	18,00,00,000	360.00	18,00,00,000	360.00
Preference share capital				
Preference shares of ₹ 1 each (March 31, 2018: ₹ 1 each)	2,00,00,000	20.00	2,00,00,000	20.00
Issued share capital:	20,00,00,000	380.00	20,00,00,000	380.00
Equity Shares of ₹ 2 each (March 31, 2018: ₹ 2 each) with voting rights	6,13,23,124	122.65	5,63,70,398	112.74
	6,13,23,124	122.65	5,63,70,398	112.74
Subscribed and Paid-up share capital				
Equity Shares of ₹ 2 each (March 31, 2018: ₹ 2 each) with voting rights	6,13,23,124	122.65	5,63,70,398	112.74
Total	6,13,23,124	122.65	5,63,70,398	112.74

a. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number	Amount	Number	Amount
Equity shares with voting rights				
At the beginning of the year	5,63,70,398	112.74	11,12,40,799	111.24
Shares issued during the year	49,52,726	9.91	7,50,000	1.50
Less: Impact of fraction shares	-	-	3	-
Less: Effect of change in face value of shares (Refer Note 'e' below)	-	-	5,56,20,398	-
At the end of the year	6,13,23,124	122.65	5,63,70,398	112.74

b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held (Refer Note 'e' below)	% holding in that class of shares	Number of shares held (Refer Note 'e' below)	% holding in that class of shares
Equity shares with voting rights				
Onkar Singh Pasricha	67,52,681	11.01%	91,92,989	16.31%
Arvinder Singh Pasricha	94,70,671	15.44%	1,21,85,256	21.62%
Wagner Limited	1,80,20,119	29.39%	2,49,31,803	44.23%
Parmeet Pasricha	32,03,405	5.22%	32,03,405	5.68%
Anant Daga	36,05,124	5.88%	-	-

c. Shares reserved for issuance towards outstanding employee stock options granted/available for grant:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Shares of ₹ 2 each (March 31, 2018: ₹ 2 each) (No. in millions)	7.31	11.59

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

d. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each as at March 31, 2019 (March 31, 2018: ₹ 2 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

e. Change in face value of equity shares

The Company had changed the face value of its equity shares from ₹ 1 per equity share to ₹ 2 per equity share on January 5, 2018.

16. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at March 31, 2019	As at March 31, 2018
Convertible redeemable debentures	-	242.27

Terms and conditions for Convertible redeemable debentures

On February 2, 2018 the Company had issued 1,298,132 fully paid up Convertible Redeemable Debentures ("CRDs") at the price of ₹ 186.63 per CRD amounting to ₹ 242.27 carrying an interest rate of 0.01% per annum. The holder of the CRD, could, at any time, cause the Company to convert such CRD into Equity Shares of ₹ 1 each on a 1:1 basis, provided, however, that the CRDs shall automatically be converted into Equity Shares immediately prior to the filing of a Red Herring Prospectus (RHP) by the Company in connection with a proposed Initial Public Offering of its Equity Shares. The Company converted above CRDs into 649,066 equity shares of face value of ₹ 2 each in the Board Meeting held on May 28, 2018.

17. OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve	29.60	29.60
Securities Premium	3,234.33	1,820.09
Share options outstanding account	488.58	1,117.76
Retained earnings	2,310.45	992.22
Total	6,062.96	3,959.67

i) General reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	29.60	29.60
Addition during the year	-	-
Balance as at end of the year	29.60	29.60

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

ii) Securities Premium

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	1,820.09	1,617.29
Issue of shares	620.98	58.50
Transfer from share option outstanding account	793.26	144.30
Balance as at end of the year	3,234.33	1,820.09

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

iii) Share Option outstanding account

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	1,117.76	1,046.58
Recognition of share based payments	164.08	215.48
Transfer to Share premium reserve	(793.26)	(144.30)
Balance as at end of the year	488.58	1,117.76

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 40.

iv) Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Balance as at beginning of the year	992.22	14.55
Profit for the year	1,314.35	980.97
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	3.88	(3.30)
Balance as at end of the year	2,310.45	992.22

Retained earnings reflect surplus / deficit after taxes in the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

18. BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Non-current borrowings		
Vehicle loans from others (Refer Note '1' below)	-	2.18
Current maturities of long-term borrowings (secured)		
Vehicle loans from others (Refer Note '1' below)	2.18	0.48
	2.18	2.66
Less: Reclassified to other financial liabilities (Refer Note 19)	(2.18)	(0.48)
Total	-	2.18
Current borrowings		
Cash credit from bank (Refer Note '2' below)	-	0.04
Total	-	0.04

Notes:

1. Vehicle loans

1.1 Interest

Interest rate on vehicle loan is ranging between 9.65% per annum - 10.50% per annum.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

1.2 Repayment terms

The repayment schedule of outstanding balances of vehicle loans is as under:

Repayable in	As at March 31, 2019	As at March 31, 2018
2018-2019	-	0.48
2019-2020	2.18	2.18
	2.18	2.66

1.3 Security

Vehicle loans are secured by first and exclusive charge on respective vehicles.

2. Cash credit facility

Cash Credit is secured by hypothecation of entire current assets, movable and immovable assets of the Company.

19. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Security deposits received	60.35	59.15
Total	60.35	59.15
Current		
(a) Current maturities of long-term borrowings (secured) (Refer Note 18)	2.18	0.48
(b) Security deposits received	52.85	45.83
(c) Creditors for capital goods	20.51	21.38
(d) Interest accrued on trade payable (Refer Note 22)	3.43	0.83
Total	78.97	68.52

20. PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Provision for employee benefits:		
(a) Provision for compensated absences	10.45	4.90
(b) Provision for gratuity (Refer Note 37)	67.54	50.83
Total	77.99	55.73
Current		
Provision for employee benefits:		
(a) Provision for compensated absences	0.82	0.50
(b) Provision for gratuity (Refer Note 37)	1.05	0.72
Total	1.87	1.22

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

21. OTHER LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Deferred income	5.80	4.09
	5.80	4.09
Current		
(a) Deferred income	6.01	4.99
(b) Advances from customers	10.91	8.69
(c) Statutory dues	113.47	99.98
(d) Refund liability for expected sales return (Refer Note 43)	110.51	174.21
Total	240.90	287.87

22. TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Trade Payables (including Acceptances)*		
(a) Total outstanding dues of micro and small enterprises	184.40	16.86
(b) Total outstanding dues other than micro and small enterprises	965.57	1,127.46
Total	1,149.97	1,144.32

* Acceptances include arrangements where operational supplier of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 23.85 and ₹ 96.46 as on March 31, 2019 and March 31, 2018 respectively.

Notes:

- The average credit period on purchases of goods and services are within 30 to 75 days.
- Disclosures required under Section 22 of the Micro and Small Enterprises Development Act, 2006

Particulars	As at March 31, 2019	As at March 31, 2018
(i) (a) the principal amount remaining unpaid to any supplier	184.40	16.86
(b) interest due thereon	3.43	0.83
(II) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(III) Interest due and payable for the period of delay in making payment other than the interest specified under the Micro and Small Enterprises Development Act, 2006	-	-
(IV) The amount of interest due and payable for the year	2.61	0.79
(V) The amount of interest accrued and remaining unpaid at the end of the accounting year	3.43	0.83

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

23. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax liabilities		
Income tax payable	832.51	483.58
Less: Advance income tax (including Tax Deducted at Source receivable)	775.04	452.29
Net current tax liabilities	57.47	31.29

24. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of products - Apparels (Refer Note below)	11,478.74	10,009.19
(b) Other operating revenue		
- Duty drawback and export scheme license	0.79	0.72
Total	11,479.53	10,009.91

Notes :-

- Effective from April 01, 2018, the Company has adopted Indian Accounting Standard (Ind AS) 115 'Revenue from contracts with customer' using retrospective approach Refer Note 43 impact on Revenue from Operations.
- Reconciliation of revenue recognised with contract price :**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from sale of products (gross) at contract price	12,363.36	10,806.94
Adjustments :-		
Discount and incentives	(884.62)	(797.75)
Net revenue for sale of products	11,478.74	10,009.19

25. OTHER INCOME

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest income earned on financial assets that are measured at amortised cost		
- Bank deposits	16.02	13.22
- Security deposits	11.16	48.37
(b) Income earned on financial assets that are measured at fair value through profit or loss		
- Interest income on Debentures	11.10	-
- Dividend income on Liquid mutual funds	14.67	-
(c) Other gains and losses		
- Net gain arising on financial assets designated as at fair value through profit or loss	1.54	0.62
- Net gain on sale of financial assets	6.74	-
- Miscellaneous income	13.98	5.11
Total	75.21	67.32

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

26. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Raw materials at the beginning of the year	239.83	220.06
(b) Add: Purchases	4,400.58	3,723.70
	4,640.41	3,943.76
(c) Raw materials at the end of the year	288.77	239.83
Total	4,351.64	3,703.93

27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Closing stock		
- Finished goods	1,782.63	1,549.96
- Work-in-progress	669.43	449.62
	2,452.06	1,999.58
(b) Opening stock		
- Finished goods	1,549.96	1,373.22
- Work-in-progress	449.62	346.97
	1,999.58	1,720.19
Total	(452.52)	(279.39)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages	1,149.80	926.67
(b) Share based payments to employees (Refer Note 40)	164.05	215.48
(c) Contribution to provident fund	57.70	44.65
(d) Gratuity expense (Refer Note 37)	23.82	14.44
(e) Staff welfare expenses	42.37	34.90
Total	1,437.74	1,236.14

29. FINANCE COSTS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest expenses for financial liabilities not classified as at fair value through profit or loss:		
- Borrowings	0.48	2.79
- Trade payables	2.61	0.85
- Security deposits	1.38	1.37
(b) Interest on delayed payment of taxes	-	0.04
(c) Other borrowing costs	0.67	1.66
Total	5.14	6.71

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

30. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Depreciation of plant and equipment	202.95	160.64
(b) Amortisation of intangible assets	19.15	6.07
Total	222.10	166.71

31. OTHER EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Power and fuel	79.10	65.00
(b) Rent (Refer Note 35)	1,099.43	938.39
(c) Repair and maintenance	173.61	131.77
(d) Insurance expenses	3.14	3.88
(e) Rates and taxes	6.46	9.16
(f) Communication	9.58	10.63
(g) Travelling and conveyance	33.44	24.77
(h) Printing and stationery	4.36	6.33
(i) Freight charges	66.98	67.14
(j) Advertisement and sales promotion	375.52	334.55
(k) Donations and contributions	0.57	0.53
(l) Legal and professional	53.47	48.04
(m) Payments to auditors (Refer Note 'ii' below)	13.21	8.93
(n) Expenditure on corporate social responsibility (Refer Note 'i' below)	8.85	14.43
(o) Loss on plant and equipment sold / scrapped / written off (Refer Note 'iii' below)	19.70	9.50
(p) Selling and distribution expenses	2,387.99	2,051.47
(q) Allowance for expected credit loss	13.87	9.28
(r) Miscellaneous expenses	25.13	21.68
Total	4,374.41	3,755.48

Notes:

(i) Expenditure on corporate social responsibility

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year	23.43	16.61
(b) Amount spent on construction/ acquisition of assets	-	-
(c) Amount spent during the year for purposes other than construction/ acquisition of assets	8.85	14.43
(d) Amount paid to related party	-	-

(ii) Payment to auditors comprise (net of tax input credit, where applicable):

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
To Statutory auditors for:		
(a) For audit (including Limited review)	6.80	5.10
(b) For taxation matters	2.78	3.70
(c) For other services (including certification)	3.37	-
(d) Reimbursement of expenses	0.26	0.13
Total	13.21	8.93

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

(iii) Loss on plant and equipment sold / scrapped / written off :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss on sale of property, plant and equipment	13.29	9.50
Impairment loss on property, plant and equipment	6.41	-
Total	19.70	9.50

32. TAX EXPENSE

(i) Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Current tax	348.67	483.58
(b) Deferred tax	(46.79)	(16.27)
Total	301.88	467.31

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	1,616.23	1,448.28
(a) Income tax expense calculated at 34.944% (For the year ended March 31, 2018: 34.608%)	564.78	501.22
(b) Effect of expenses that are not deductible in determining taxable profit		
- Corporate social responsibility expenses (Including donations)	3.09	3.11
- Effect of deferred tax balances due to change in income tax rate from 34.608% to 34.944%	-	(0.75)
- Others	44.67	21.11
	47.76	23.47
(c) Effect of expenses that are deductible in determining taxable profit		
- Impact of Share based payments to employees (Refer Note Below)	(270.61)	(54.16)
- Deduction u/s 80JJAA in respect of employment of new employees	(40.05)	(3.22)
	(310.66)	(57.38)
Income tax expense recognised in profit or loss (a+b+c)	301.88	467.31

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to profit or loss		
- Remeasurement of the defined benefit plans	(2.08)	1.74
Total	(2.08)	1.74

Notes:

Based on legal opinion from external counsels, the Company has during the year claimed a total allowance of ₹ 937.33 (March 31, 2018: ₹ 371.99) on account of Employee Stock Option (ESOP) expenses while computing its income tax liability for the year ended March 31, 2019. The same include ESOP expense charged to Profit and Loss account aggregating to ₹ 164.05 (March 31, 2018: ₹ 215.48) and perquisite value of ESOP arising on exercise of Employee Stock Option aggregating to ₹ 773.28 (March 31, 2018: ₹ 156.51) (Not charged to Profit and Loss account in earlier years).

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Contingent Liabilities (for pending litigations)		
Claims against the Company not acknowledged as debts (Refer Note 33.1 below)		
- Demand raised by sales tax authorities	2.66	3.89
- Demand raised by income tax authorities	2.70	1.92
- Contribution to provident fund under the Employee Provident Fund and Miscellaneous Provisions Act, 1952 (Refer Note 33.4 below)	-	-
B. Commitments		
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer Note 33.2 below)	3.90	15.36

Notes:

33.1 No provision is considered necessary since the Company expects favourable decisions.

33.2 Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.

33.3 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

33.4 Based upon the legal opinion obtained by the management, there are various interpretation issues and thus the Company is in the process of evaluating the impact of the recent Supreme Court Judgment in the case of "Vivekananda Vidyamandir vs. Regional Provident Fund Commissioner (II), West Bengal in relation to non-exclusion of certain allowances from the definition of "basis wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund and Miscellaneous provisions Act, 1952.

33.5 There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

34. SEGMENT REPORTING

The Company is primarily engaged in the business of manufacturing of women apparels. Accordingly, the Company views its business activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard (Ind AS) 108 - "Operating Segments".

Geographic wise details of Revenue from operations:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Within India	11,419.36	9,970.98
Outside India	59.38	38.21

Geographic wise details of non-current assets*:

Particulars	As at March 31, 2019	As at March 31, 2018
Within India	677.56	671.56
Outside India	-	-

* Non-current assets excludes other financial assets, deferred tax assets and tax assets.

There is no single customer who contributes 10% or more to the Company's revenue for the years ended March 31, 2019 and March 31, 2018.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

35. LEASES

The Company has entered into operating lease arrangements for office premises, warehouses and stores with lease terms of between 1 to 5 years. The details of future minimum lease payments under non-cancellable leases are given below:

Particulars	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments under non-cancellable leases		
not later than one year	1,241.50	986.08
later than one year and not later than five years	4,113.49	3,257.42
later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss for the year ended (Refer Note 31)	1,099.43	938.39

36. EARNINGS PER SHARE ('EPS')

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic earnings per share		
Profit for the year (A)	1,314.35	980.97
Weighted average number of equity shares of ₹ 2 each (No. in millions)*	60.33	55.91
Add: Effect of share based payment (No. in millions)	2.31	4.31
Add: Effect of Convertible Redeemable Debentures (No. in millions)	0.10	0.65
Weighted average number of equity shares of ₹ 2 each - for Basic EPS (No. in millions)* (B)	62.74	60.87
Basic earnings per share (C=A/B)	20.95	16.12
Diluted earnings per share		
Profit for the year (A)	1,314.35	980.97
Weighted average number of equity shares of ₹ 2 each for Basic EPS (No. in millions)*	62.74	60.87
Add: Effect of share based payment (No. in millions)	1.07	3.00
Weighted average number of equity shares of ₹ 2 each - for Diluted EPS (No. in millions)* (B)	63.81	63.87
Diluted earnings per share (C=A/B)	20.60	15.36

* Refer Note 15(e) for change in face value

37. EMPLOYEE BENEFIT PLANS

i) Defined Contribution Plan

The Company's contribution to Provident Fund for the year ended March 31, 2019 ₹ 57.70 (for the year ended March 31, 2018 : ₹ 44.65) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

ii) Defined Benefit Plan:

Gratuity

- The Company offers its employees unfunded defined-benefit plans in the form of a gratuity scheme. Benefits under the unfunded defined benefit plans are based on years of service and the employee's compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

- b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Liquidity Risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Demographic Risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Salary Escalation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Regulatory Risk

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
a) Discount rate(s)	7.70% p.a.	7.50% p.a.
b) Expected rate(s) of salary increase	8.00%	8.00%
c) Mortality table used	IALM(2006-08)	IALM(2006-08)
d) Attrition rate		
Below 30 years	3.00%	3.00%
Ages 31-44 years	2.00%	2.00%
Ages 44 and above	1.00%	1.00%

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligations.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

- d) The following tables sets out the status of the defined benefit scheme in respect of gratuity and amount recognised in the Ind AS Financial Statements:

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
I. Amounts recognised in profit or loss in respect of gratuity are as follows:		
a) Current Service Cost	19.96	12.04
b) Past service cost and (gains)/losses from settlements	-	-
c) Net interest expense	3.86	2.40
Components of defined benefit costs recognised in profit or loss	23.82	14.44
Remeasurement on the net defined benefit liability		
a) Actuarial (gains)/loss arising form changes in financial assumptions	(2.51)	7.16
b) Actuarial (gains)/loss arising form changes in demographic assumptions	-	-
c) Actuarial (gains)/loss arising form experience adjustments	(3.45)	(2.12)
Components of defined benefit costs recognised in other comprehensive income	(5.96)	5.04
Total	17.86	19.48

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

II. Net Asset/(Liability) recognised in the Balance Sheet		
a) Present value of defined benefit obligation	68.59	51.55
b) Fair value of plan assets	-	-
c) Surplus/(Deficit)	68.59	51.55
d) Current portion of the above	1.05	0.72
e) Non current portion of the above	67.54	50.83

III. Change in the obligation during the year

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of defined benefit obligation at the beginning of the year	51.55	32.07
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	19.96	12.04
- Past Service Cost	-	-
- Interest Expense (Income)	3.86	2.40
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(2.51)	7.16
ii. Demographic Assumptions	-	-
iii. Experience Adjustments	(3.45)	(2.12)
Benefit payments	(0.82)	-
Present value of defined benefit obligations at the end of the year	68.59	51.55

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

- e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

Principal assumption	Changes in assumption	Valuation of Defined benefit obligation	
		Increase in assumption	Decrease in assumption
i) Discount rate			
As at March 31, 2019	1%	57.62	82.39
As at March 31, 2018	1%	43.22	62.06
ii) Salary growth rate			
As at March 31, 2019	1%	82.21	57.55
As at March 31, 2018	1%	61.90	43.19
iii) Rate of employee turnover			
As at March 31, 2019	50%	67.55	69.70
As at March 31, 2018	50%	50.60	52.60
iv) Mortality Rate			
As at March 31, 2019	10%	68.59	68.57
As at March 31, 2018	10%	51.55	51.57

Notes:

- i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.
- ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

38. RELATED PARTY TRANSACTIONS AND BALANCES

a. Names of related parties and related party relationships

I. Subsidiary company

TCNS Aure Clothing Private Limited (up to August 12, 2017)

II. Key management personnel

Mr. Onkar Singh Pasricha, Director

Mr. Naresh Patwari, Director

Mr. Bhaskar Pramanik, Director (w.e.f. December 14, 2017)

Ms. Neeru Abrol, Director (w.e.f. December 14, 2017)

Ms. Sangeeta Talwar, Director (w.e.f. December 14, 2017)

Mr. Arvinder Singh Pasricha, Director (Till February 02, 2018)

Mr. Anant Kumar Daga, Managing Director

Mr. Venkatesh Tarakkad, Chief Financial Officer (w.e.f. May 15, 2017)

Mr. Piyush Asija, Company Secretary

III. Relatives of key management personnel

Mr. Saranpreet Singh Pasricha (Son of Mr. Onkar Singh Pasricha)

Mr. Arvinder Singh Pasricha (Brother of Mr. Onkar Singh Pasricha)

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

IV. Companies under the significant influence of key management personnel TCNS Limited

V. Company having significant influence over the Company

Wagner Limited

b. Related party transactions

Particulars	Valuation	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Transactions during the year		
Purchase of goods		
- TCNS Limited	-	0.51
Rent and hire charges		
- TCNS Limited	0.13	0.11
Fabrication charges		
- TCNS Limited	341.57	392.15
Issue of Convertible Redeemable Debentures		
<i>Key management personnel</i>		
- Mr. Onkar Singh Pasricha	-	121.14
<i>Relatives of key management personnel</i>		
- Mr. Arvinder Singh Pasricha	-	121.14
Issue of Equity Shares		
<i>Key management personnel</i>		
- Mr. Onkar Singh Pasricha	121.14	-
<i>Relatives of key management personnel</i>		
- Mr. Arvinder Singh Pasricha	121.14	-

c. Related party outstanding balances

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
Trade payables		
- TCNS Limited	49.68	80.40
- KMPS	8.65	8.00
Advance given		
- TCNS Limited	-	1.00
Convertible Redeemable Debenture		
<i>Key management personnel / Individual having significant influence over the Company</i>		
- Mr. Onkar Singh Pasricha	-	121.14
<i>Relatives of key management personnel / Individual having significant influence over the Company</i>		
- Mr. Arvinder Singh Pasricha	-	121.14

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

d. Compensation of Key Management Personnel

The related Party transactions with above Key Management Personnel comprising Directors, Chief Financial Officer and relative of Key Management Personnel are as follows:

Particulars	Valuation	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term benefits**	41.48	39.75
Post-employment benefits	0.73	1.03
Share-based payments*	95.81	149.03
Sitting fees	3.60	0.55
Total	141.62	190.36

* This amount does not include the perquisite value of stock options exercised during the year.

** Amount for an expense of gratuity and compensated absences is taken on actuarial basis.

39. FINANCIAL INSTRUMENTS

39.1 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of total equity (Refer Note 15, 16 and 17) and net debt (Refer Note 18 and 19).

The Company's risk management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital.

Gearing Ratio

Particulars	Valuation	
	As at March 31, 2019	As at March 31, 2018
Debt [Refer Note (i)]	2.18	2.70
Less: cash and bank balances	230.87	490.84
Net Debt (I)	(228.69)	(488.14)
Total equity (II)	6,185.61	4,314.68
Net debt to equity ratio (I/II) [Refer Note (ii)]	0%	0%

Note:

- (i) Debt is defined as long-term and short-term borrowing including current maturities of long-term borrowings.
- (ii) Net debt to equity ratio is restricted to zero percentage wherever cash and bank balances are more than debt.

39.2 Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)		
(a) Investments in Mutual Funds	1,166.52	-
(b) Investments in Unit Linked Insurance Plans (ULIP)	-	20.77
(c) Investments in debentures or bonds	211.00	-

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost		
(a) Trade receivables	1,807.25	1,570.50
(b) Cash and cash equivalents	215.63	366.93
(c) Other bank balances	15.24	123.91
(d) Other financial assets	510.04	398.72
Financial liabilities		
Measured at amortised cost		
(a) Borrowings (including current maturities of long-term borrowings)	2.18	2.70
(b) Trade payables	1,149.97	1,144.32
(c) Other financial liabilities (excluding current maturities of long-term borrowings)	137.14	127.19

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

39.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's risk management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

39.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material market risk affecting the financial position of the Company.

39.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material market risk affecting the financial position of the Company.

39.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligations or cash flows of a business. There are no material market risk affecting the financial position of the Company.

39.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible raw material price movements and their impact on the future performance of a business. There are no material market risk affecting the financial position of the Company.

39.3.1.4 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

(₹ in million)

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	-	-	11.69	-

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

(₹ in million)

	As at March 31, 2019		As at March 31, 2018	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Profit or (loss)	(1.17)	1.17	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

39.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high considering the number of customers having more than 5% of outstanding trade receivables as mentioned in Note 12. Credit risk has always been monitored and managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Bank balances are held with reputed and credit worthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in unit linked insurance plan. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

39.3.3 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

Particulars	Weighted average effective interest rate(%)	Less 1 month	1 month -1 year	1 year - 3 years	More than 3 years	Total	Carrying Amount
As at March 31, 2019							
Non-Interest bearing							
Trade payables	-	498.08	651.89	-	-	1,149.97	1,149.97
Other financial liabilities	-	-	23.94	-	-	23.94	23.94
Variable Interest rate instruments							
Vehicle Loans	10.50%	-	2.18	-	-	2.18	2.18
Cash Credit	11.10%	-	-	-	-	-	-
Fixed Interest rate instruments							
Security deposits received	8.70%	-	52.85	72.57	-	125.42	113.20
Total		-	1,228.94	72.57	-	1,301.51	1,289.29

As at March 31, 2018							
Non-Interest bearing							
Trade payables	-	346.20	798.12	-	-	1,144.32	1,144.32
Other financial liabilities	-	-	22.21	-	-	22.21	22.21
Variable Interest rate instruments							
Vehicle Loans	10.50%	-	0.48	2.18	-	2.66	2.66
Cash Credit	11.10%	0.04	-	-	-	0.04	0.04
Fixed Interest rate instruments							
Security deposits received	8.70%	-	45.83	68.64	-	114.47	104.98
Total		0.04	1,212.84	70.82	-	1,283.70	1,274.21

Further table below set out the detail of additional undrawn facility that the Company has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2019	As at March 31, 2018
Undrawn cash credit limit	303.45	50.00
Undrawn overdue limit	0	99.96

39.3.4 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on recurring basis:

Financial assets / Financial liabilities	Fair values		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2019	As at March 31, 2018		
Investments in Equity Instruments	1,166.52	-	Level 2	Net Asset Value (NAV) declared by Asset Management Company
Investments in debentures	211.00	-	Level 2	Net Asset Value (NAV) declared by Asset Management Company
Investments in Unit Linked Insurance Plan	-	20.77	Level 2	Net Asset Value (NAV) declared by Asset Management Company

39.3.5 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements except as per note 39.3.4 approximate their fair values.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40. SHARE-BASED PAYMENT OF THE COMPANY

40.1 Employee share option plan (Refer Note 40.2 below)

40.1.1 TCNS ESOP Scheme 2014 - 2017

40.1.1.1 TCNS Employee Stock Option Plan 2014 ("the 2014 Plan"):

The Company had instituted the 2014 Plan, which was approved by the Board of Directors on July 1, 2014 which was further amended vide special resolution passed in extra ordinary general meeting held on March 16, 2015. The 2014 Plan provides for grant of stock options aggregating not more than 6,900,000 number of issued equity shares of the Company to eligible employees of the Company. The 2014 Plan is administered by the Compensation Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date. As per the 2014 plan, the exercise price in respect of the options shall be such prices as decided by the Compensation Committee. However, the Exercise shall not be lower than nominal par value of the shares appearing in the Company's books of account. Refer Note 41 for change in assumptions on modification from cash settled to equity settled.

Employee stock options details are as follows:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	1.81	76.00	2.56	77.15
Option granted during the year:	-	-	-	-
Options exercised during the year:	1.78	76.00	0.75	80.00
Options lapsed during the year:	-	-	-	-
Options outstanding at the end of the year:	0.03	76.00	1.81	76.00
- Vested	0.03	76.00	1.81	76.00
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		7.33 years		8.33 years
Grant date share price		261.28		261.28
Exercise price		76.00		76.00

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		49.26%-49.39%		49.26%-49.39%
Option life (Expected)		1.88-2.59		1.88-2.59
Dividend yield		-		-
Risk-free interest rate		6.85%-6.87%		6.85%-6.87%
Option pricing model used		Black-scholes model		Black-scholes model

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40.1.2 TCNS Senior Management Stock Option Plan 2015:

The Company had instituted the TCNS Senior Management Stock Option Plan 2015, which was approved by the Board of Directors on November 19, 2015. The TCNS Senior Management Stock Option Plan 2015 provides for grant of stock options aggregating not more than 3,975,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Senior Management Stock Option Plan 2015 is administered by the Compensation Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date. As per the TCNS Senior Management Stock Option Plan 2015, the exercise price in respect of the options shall be such price as decided by the Compensation Committee. However, the exercise price shall not be lower than nominal par value of the shares as appearing in the Company's books of account. Refer Note 41 for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	3.80	100	3.80	100
Option granted during the year	-	-	-	-
Options exercised during the year	2.50	100	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	1.30	100	3.80	100
- Vested	1.30	100	1.93	100
- Balance to be vested	-	-	1.87	100
Weighted average exercise price per option		100		100
Weighted average remaining contractual life for options outstanding		8.32 years		9.32 years
Range of Exercise Price		100.00		100.00
Grant date share price (Weighted average)		261.28		261.28
Weighted average fair value of options granted during the year		176.42		176.42
Exercise price		100.00		100.00

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*	49.26%-49.39%	49.26%-49.39%
Option life (Expected)	2-2.63	2-2.63
Dividend yield	-	-
Risk-free interest rate	6.85%-6.87%	6.85%-6.87%
Option pricing model used	Black-scholes model	Black-scholes model

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40.1.1.3 TCNS Senior Executive Stock Option Plan 2015:

The Company had instituted the TCNS Senior Executive Stock Option Plan 2015, which was approved by the Board of Directors on November 19, 2015. The TCNS Senior Executive Stock Option Plan 2015 provides for grant of stock options aggregating not more than 200,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Senior Executive Stock Option Plan 2015 is administered by the Compensation Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date. As per the TCNS Senior Executive Stock Option Plan 2015, the exercise price in respect of the options shall be such price as decided by the Compensation Committee. However, the exercise price shall not be lower than nominal par value of the shares as appearing in the Company's books of account. Refer Note 41 for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.20	100	0.20	100
Option granted during the year	-	-	-	-
Options exercised during the year	0.02	100	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.18	100	0.20	100
- Vested	0.18	100	0.11	100
- Balance to be vested	-	-	0.09	100
Weighted average exercise price per option		100		100
Weighted average remaining contractual life for options outstanding		8.47 years		9.47 years
Range of Exercise Price		100.00		100.00
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		176.42		176.42
Exercise price		100.00		100.00

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		49.39%		49.39%
Option life (Expected)		1.77-2		1.77-2
Dividend yield		-		-
Risk-free interest rate		6.85%		6.85%
Option pricing model used		Black-scholes model		Black-scholes model

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40.1.1.4 TCNS Employee Stock Option Plan 2015:

The Company had instituted the TCNS Employee Stock Option Plan 2015, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2015 provides for grant of stock options aggregating not more than 600,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2015 is administered by the Compensation Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Compensation Committee in this regard. As per the TCNS Employee Stock Option Plan 2015, the Exercise Price in respect of the Options shall be such price as decided by the Compensation Committee. However, the Exercise price shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.60	300	-	-
Option granted during the year	-	-	0.60	300
Options exercised during the year	0.01	300	-	-
Options lapsed during the year	0.03	300	-	-
Options outstanding at the end of the year:	0.56	300	0.60	300
- Vested	0.14	300	-	-
- Balance to be vested	0.42	300	0.60	300
Weighted average exercise price per option		100		100
Weighted average remaining contractual life for options outstanding		10.75 years		11.75 years
Range of Exercise Price		300.00		300.00
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		117.56		117.56
Exercise price		300.00		300.00

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		45.83%		45.83%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		6.68%		6.68%
Option pricing model used				

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40.1.1.5 TCNS Employee Stock Option Plan 2017:

The Company had instituted the TCNS Employee Stock Option Plan 2017, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2017 provides for grant of stock options aggregating not more than 107,500 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2017 is administered by the Compensation Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Compensation Committee in this regard. As per the TCNS Employee Stock Option Plan 2017, the Exercise Price in respect of the Options shall be such price as decided by the Compensation Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.11	300.00	-	-
Option granted during the year	-	-	0.11	300.00
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.11	300.00	0.11	300.00
- Vested	0.05	300.00	-	-
- Balance to be vested	0.06	300.00	0.11	300.00
Weighted average exercise price per option		300.00		300.00
Weighted average remaining contractual life for options outstanding		9.94 years		10.94 years
Range of Exercise Price		300.00		300.00
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		11774		11774
Exercise price		300.00		300.00

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		45.83%		45.83%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		6.68%		6.68%
Option pricing model used				

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40.1.1.6 TCNS Employee Stock Option Plan 2018:

The Company had instituted the TCNS Employee Stock Option Plan 2018, which was approved by the Board of Directors on May 28, 2018. The TCNS Employee Stock Option Plan 2018 provides for grant of stock options aggregating not more than 62,500 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2018 is administered by the Compensation Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Compensation Committee in this regard. As per the TCNS Employee Stock Option Plan 2018, the Exercise Price in respect of the Options shall be such price as decided by the Compensation Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2019	
	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	-	-
Option granted during the year	0.06	372.00
Options exercised during the year	-	-
Options lapsed during the year	-	-
Options outstanding at the end of the year:	0.06	372.00
- Vested	-	-
- Balance to be vested	0.06	372.00
Weighted average exercise price per option		372.00
Weighted average remaining contractual life for options outstanding		4.16 years
Range of Exercise Price		372.00
Grant date share price		288.68
Weighted average fair value of options granted during the year		122.89
Exercise price		372.00

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*	45.17%
Option life (Expected)	5.00
Dividend yield	-
Risk-free interest rate	7.76%

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

40.1.2 TCNS ESOP Scheme 2018 - 2023

The Company had instituted the TCNS ESOP Scheme 2018 - 2023, which was approved by the Board of Directors on February 02, 2018. The TCNS ESOP Scheme 2018 provides for grant of stock options aggregating not more than 6,467,817 number of equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan scheme 2018-2023 is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of specific vesting conditions based on specific events. Vesting period ranges from one to five years and options can be exercised within 10 years from grant date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the ESOP Scheme, the Exercise Price in respect of the each option shall be ₹ 373.26 per share.

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	5.07	373.26	-	-
Option granted during the year	-	-	5.07	373.26
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	5.07	373.26	5.07	373.26
- Vested	1.03	373.26	-	-
- Balance to be vested	4.04	373.26	5.07	373.26
Weighted average exercise price per option		373.26		373.26
Weighted average remaining contractual life for options outstanding		8.84 years		9.84 years
Range of Exercise Price		373.26		373.26
Grant date share price		288.68		288.68
Weighted average fair value of options granted during the year		76.26		76.26
Exercise price		373.26		373.26

The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:

Expected volatility*		44.28%		44.28%
Option life (Expected)		2.75		2.75
Dividend yield		-		-
Risk-free interest rate		7.16%		7.16%
Option pricing model used				Black-scholes model

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

40.2 The Company has changed the face value of its equity shares from ₹ 1 per equity share to ₹ 2 per equity share on January 5, 2018. For the purpose of above disclosure, the number of equity shares and options have been considered based on face value of ₹ 2 per equity share.

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

41. MODIFICATION TO EMPLOYEE SHARE OPTION PLAN

As per original terms of Company's ESOP Plans (TCNS Employee Stock Option Plan 2014, TCNS Senior Management Stock Option Plan 2015, TCNS Senior Executive Stock Option Plan 2015 and TCNS Employee Stock Option plan 2015), it required (i) compulsorily buy out the ESOPs that have vested in the ESOP Holders/ any shares allotted to the ESOP Holders upon the exercise of the vested ESOPs and (ii) provide cash payment to the ESOP holders. Subsequently, based on release deed entered on 12 August, 2016, the terms of the ESOP plans were modified and based on modified terms the share options have been converted from cash payment option/compulsorily buy out to equity settled options. The incremental fair value impact due to modification is ₹ 318.76 (out of which ₹ 199.63 is recognised immediately for the vested options and ₹ 119.13 is recognised over the balance vesting period for the options to be vested in future).

TCNS Employee Stock Option Plan 2014:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.26%-49.39%	49.39%
Option life	1.88-2.59 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.85%-6.87%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

TCNS Senior Management Stock Option Plan 2015:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.26%	49.39%
Option life	2.63 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.87%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

TCNS Senior Executive Stock Option Plan 2015:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.39%	49.39%
Option life	1.77 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.85%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

42. The Company had granted stock options to its employees, in earlier years, under TCNS Employees Stock Options Plan 2014, TCNS Senior Management Stock option Plan 2015 and TCNS Senior Executive Stock Option Plan 2015 which were duly approved by the shareholders in extra-ordinary general meeting held on July 01, 2014, November 19, 2015 and November 19, 2015 respectively. These stocks options were granted when the Company was a private limited Company and accordingly provision of section 197 and 198 of the Companies Act, 2013 (the "Act") were not applicable at the time when these stock options were granted. All the plans were consolidated into TCNS ESOP Scheme 2014-17, the clauses of which were in compliance with applicable Securities and Exchange Board of India (SEBI) and SEBI (Listing Obligations and Disclosures Requirements) regulations, 2015. The consolidated scheme was approved by the shareholders in extra-ordinary general meeting held on February 02, 2018. The Company, in financial year 2018 became a public company. The Company has recognised ESOP charge aggregating to ₹ 573.30 million in its Statement of Profit and Loss in earlier years with respect to above Employee Stock Option plans

Notes forming part of the Financial Statements for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ million except otherwise specified)

During the current year, the Managing Director's salary and benefits amounted to ₹ 24.14 million, (excluding perquisite value of exercised ESOPs). In addition, the managing director, in current year exercised 6,204,057 stock options (equivalent to 3,102,029 equity shares) granted to him under TCNS ESOP Scheme 2014-17 in the years ended March 31, 2015 and March 31, 2016 which resulted into a perquisite value of ₹ 595.74 million, under Income Tax Act, 1961. The management, supported by legal opinion, in current year, has considered the said perquisite value of the exercised stock options in computation of managerial remuneration under section 198 of the Companies Act. As a result, the managerial remuneration for the current year, aggregating to ₹ 619.88 million, exceeded the limits prescribed under Section 197 of the Act by ₹ 537.41 million. The Company is in the process of getting it approved at the ensuing meeting of the shareholders. As noted, the excess managerial remuneration above the prescribed limit is due to underlying stock option plans which were already approved by the shareholders in earlier years.

43. Effective from April 01, 2018, the Company has adopted Indian Accounting Standard (Ind AS) 115 'Revenue from contracts with customer' using retrospective approach. Impact on the financial statements due to application of Ind AS 115 (which is mainly on account of Sale or Return basis arrangements) is as under:

Impact on Statement of Profit and Loss:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Net increase in revenue from operations	1,848.89	1,585.66
Net increase in selling and distribution expenses	1,848.89	1,585.66
Net impact on profit before tax	-	-

Impact on assets and liabilities:

Particulars	As at March 31, 2019	As at March 31, 2018
Increase in trade receivables	110.51	174.21
Increase in other financial liabilities for expected returns	-110.51	-174.21
Decrease in inventories	-45.02	-72.09
Increase in other current assets for expected returns	45.02	72.09

44. APPROVAL OF IND AS FINANCIAL STATEMENTS

These Ind AS financial statements for the year ended March 31, 2019 were approved by the board of directors on May 28, 2019.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Satpal Singh Arora

Partner

Membership No. 098564

Place : New Delhi

Date : May 28, 2019

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

Onkar Singh Pasricha

Chairman

DIN : 00032290

Venkatesh Tarakkad

Chief Financial Officer

Place : New Delhi

Date : May 28, 2019

Anant Kumar Daga

Managing Director

DIN : 07604184

Piyush Asija

Company Secretary

ICSI M. No. 21328

TCNS CLOTHING CO. LIMITED

CIN: L99999DLI997PLC090978

Regd Office: Unit No. 112, F/F Rectangle 1, D-4, Saket, District Centre New Delhi South Delhi DL 110017.

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

e-mail: investors@tcnsclothing.com, Tel:011-42193193; Website: www.wforwoman.com

Attendance Slip

Name & Address of Member:

Serial No:

I certify that I am a **Member / Proxy for the Member** holding shares.
Please (✓) in the box

Member

Proxy

.....
Name of the Proxy in Block Letters

.....
Signature of Member/Proxy attending

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company held on Monday, the 26th day of August, 2019 at Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sec-12, R.K. Puram, New Delhi-110022.

NOTES:

- i) Member/Proxy attending the Annual General Meeting (AGM) must bring his/her Admission Slip which should be signed and deposited before entry into the meeting hall.
- ii) Duplicate Admission Slip will not be issued at the venue.



TCNS CLOTHING CO. LIMITED

CIN: L99999DL1997PLC090978

Regd Office: Unit No. 112, F/F Rectangle 1, D-4, Saket, District Centre New Delhi South Delhi DL 110017.

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

e-mail: investors@tcnsclothing.com, Tel:011-42193193; Website: www.wforwoman.com

Proxy Form

(Pursuant to Section 105(6) of the Companies Act and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

22nd Annual General Meeting - August 26, 2019

Name of the member (s) :

Registered address :

Email ID :

DP id :

Folio No./ Client ID No. :

I/We, being the member(s) of Shares of the above named Company, hereby appoint:

S. No.	Name	Address	Email address	
1				or failing him/ her
2				or failing him/ her
3				or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Monday, August 26, 2019, at 9:00 A.M. at Delhi Karnataka Sangha, Rao Tularam Marg, Sector 12, Rama Krishna Puram, New Delhi, Delhi-110022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business(es)	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mr. Onkar Singh Pasricha (DIN: 00032290) who retires by rotation and being eligible, offers himself for re-appointment.
Special Business(es)	
3	Approval of Related Party Transactions
4	Approval of Payment of Remuneration to Mr. Saranpreet Pasricha, Head (International Business)
5	Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the company.
6	Approval for Payment of Commission to Independent Directors
7	Ratification of Pre- IPO TCNS ESOP Scheme 2014-17
8	Ratification of Pre-IPO TCNS ESOP Scheme 2018-23
9	Ratification of resolutions passed by the company for grant of options more than 1% of the issued capital to specified employees under TCNS ESOP Scheme 2018-23
10	Amendment in TCNS ESOP Scheme 2018-23

Signed this day of 2019

Signature of Member

Signature of Proxy holder(s)

Affix Revenue
Stamp not
less than
₹ 0.15

Note: This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, either in person or through post, not later than 48 hours before the commencement of the Annual General Meeting. Any undated, unstamped or inadequately stamped proxy form or upon which the stamps have not been cancelled shall not be considered as valid.



ELECTRONIC VOTING

Electronic voting (e voting) facility is being provided in respect of resolution proposed at the 22nd AGM, in accordance with section 108 of Companies Act, 2013 read with rule 20 of companies (Management and administration) rules, 2014. Please see note no. 26 of the Notice convening the AGM for the procedure with respect to e-voting.

Your e-voting user ID and password are provided below:

Electronic Voting Event Number (EVENT) No	User ID	Password
		Use your existing password

TCNS
CLOTHING CO. LTD



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