

# ANNUAL REPORT

2021-2022



**TCNS**  
Clothing Co. Limited



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## Highlights of the year

# 41%

Y-o-Y growth in sales

# ~600

Total store count in FY22, ahead of pre-Covid levels



Our leadership in the women's ethnicwear segment is underpinned by over two decades of experience and expertise. Over the years, we have built a scalable, well-connected and a diversified design-to-production network, supported by a large and growing in-house design team, pan-India suppliers, robust omnichannel footprint and an automated inventory management system.

Powered by in-depth research on demographics and psychographics of customers, all our brands focus on fashion and functionality and as market leaders, we strive to stay ahead of the fashion curve.

Notwithstanding headwinds, FY22 saw us deliver growth by focusing on calibrated offline expansion, online business growth, cash conservation and implementing swifter thought-to-shelf strategy.

With the economy back on track, we are seeing a strong demand outlook with consumers coming back and engaging with fashion enthusiastically as opposed to a need-based task during the last two years.

We have put in place all key business enablers to tap into the emerging growth opportunity with focus on fulfilling the need for the right fashion of the contemporary Indian women.

## Disclaimer

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



# Our Journey

2001



## The Beginning

A thought that changed the Indian fashion landscape forever.

2002



## The Perfect Fit Decoded

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

2003



## The Iconic Knit Churidar

Combining functionality & fashion, knit churidar revolutionised this category.

2012



## Reinterpreting Fusion Wear

Palazzos and slim pants added an edge to fusion wear.

2011



## Fashion At Fingertips

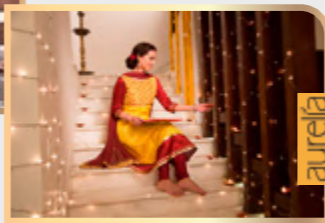
Among the first brands to have its own e-commerce portal.

2009



## Aurelia Brand Inception

Birth of the ethnic jewel for suave women.



2006



## Wishful

A premium occasion wear brand for the modern Indian women.

2013



## The First 100

W opened 100 stores across 50 cities.

2016



## Investment by TA Associates

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

2018



## TCNS Clothing Listed

- Company listed on the National Stock Exchange and Bombay Stock Exchange.
- First in the category to be listed.

2022



## Launched W Beauty

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

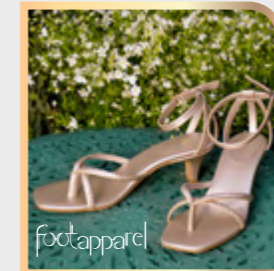
2021



## Supply Chain 2.0

Automated Inventory Management System.

2020

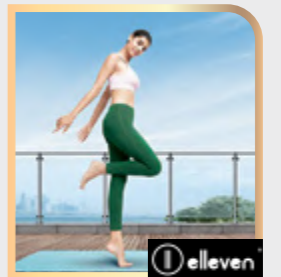


## Launched Foot Apparel

W forayed into the footwear market.

## Brand Elleven Launched

First exclusive brand store of Elleven opened.



2019



## 550+ Exclusive Stores & Omni Forward

- 550+ stores across the country.
- Omnichannel business launched.



# About TCNS

We design, manufacture, market and retail a diverse portfolio of women's branded apparel across multiple categories of product lines. With 4 segment defining brands we have the widest distribution presence across category.

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

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

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

With 50+ inhouse design team and 150+ suppliers across India, we have a scalable, well-connected and diversified design to shelf network. We have also diversified our portfolio beyond women's apparel to footwear, accessories and cosmetics.

We are now evolving gradually from being an apparel-only brand to a lifestyle brand that provides customers with a comprehensive wardrobe solution.



**4**  
Brands

**5000+**  
Products launched annually  
across apparel, footwear, acces-  
sories and cosmetics

**~600**  
EBO retail stores

**4000+**  
Points of sales

**2**  
Decades of experience

**₹124** Crs.  
EBITDA

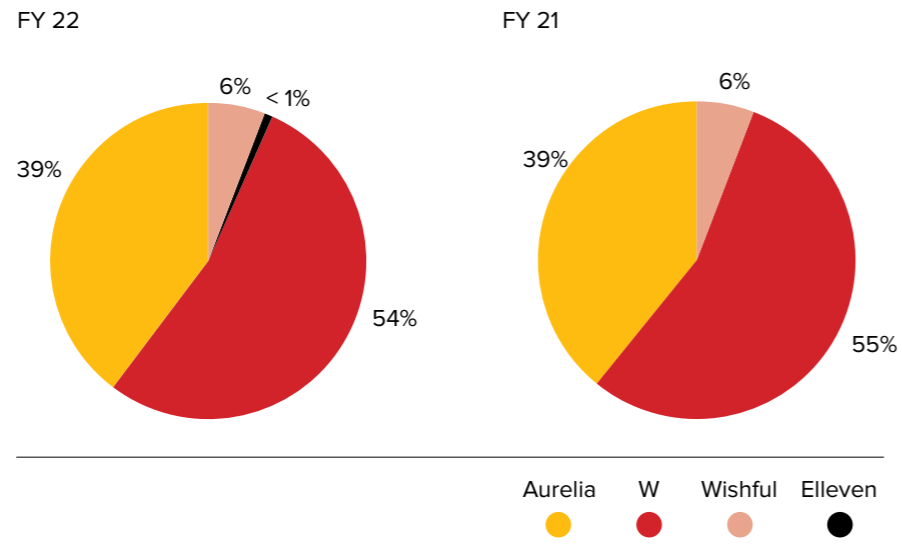
**₹896** Crs.  
Revenue



# Our Brand Portfolio

By developing and scaling up our home-grown brands, we have come a long way in less than two decades to become the country's leading women's wear company. We now have a portfolio of four strong segment-defining brands, each with a distinct positioning, spanning across fashion sensibilities of different consumers.

## Revenue Share of Brands (%)



As an organisation we have scaled up expansion with introduction of new categories like footwear, jewellery and cosmetics. In addition to new product categories, we also offer collections from Folk Song- an exclusive range which offers Authentic, Soulful and Handcrafted products ; Plus Sizes - an extension to their existing size chart; Aurelia Girls – Trendy Indian wear for girls.



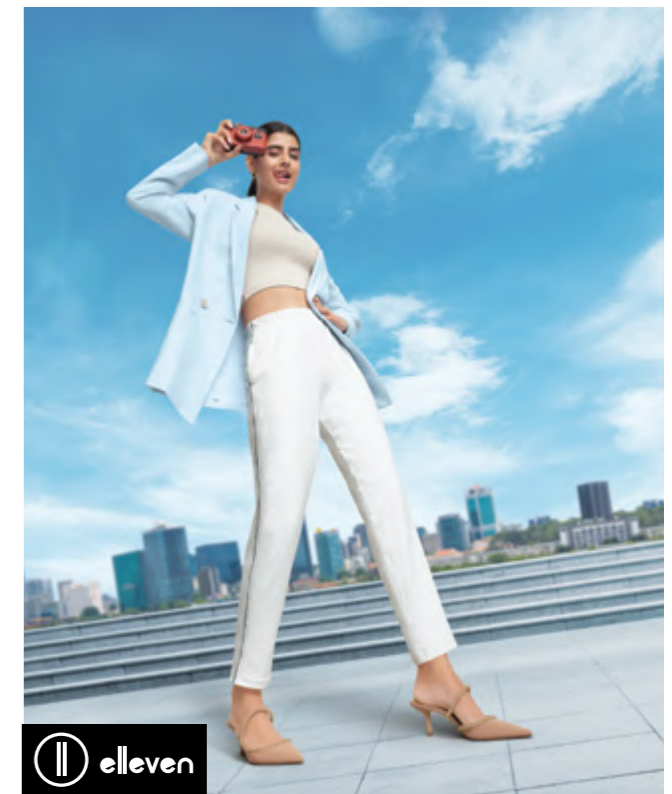
'W' is our premium fusion wear brand that combines Indian and Western sensibilities, while emphasising unique design and styling. The brand primarily caters to the work, casual, and light occasion wear needs of the modern Indian woman.



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



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



'Elleven' is our coordinates brand that promises to be the ultimate destination for bottoms and drapes selections.



# Expansive Distribution Network

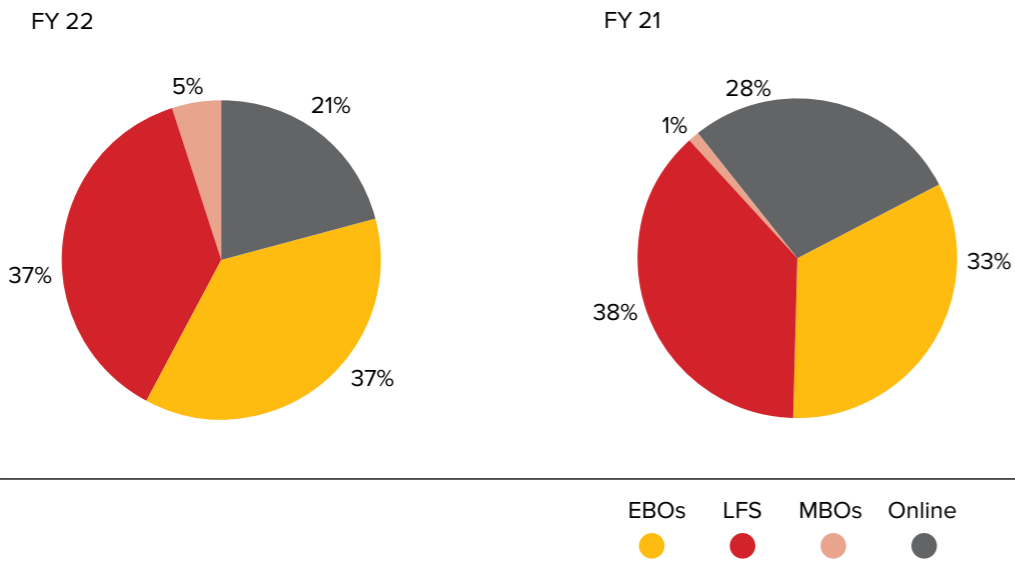
We are able to efficiently distribute and sell our products to our target customers through our EBOs and website, as well as our associations with large format stores, multi-brand outlets, and online retailers.

Our multi-distribution channel and pan-Indian retail footprint is managed by our frontend retail employees supported with technology and processes that we have invested in developing over the years.

## Established product & retail model across channels & geographies.

We have established a strong presence across India and select International locations by leveraging a proven product and retail model. Every year, we create over 5000 styles across product categories for our consumers and sell at 4000+ points of sale across channels and countries.

Channel-wise Revenue Split (%)

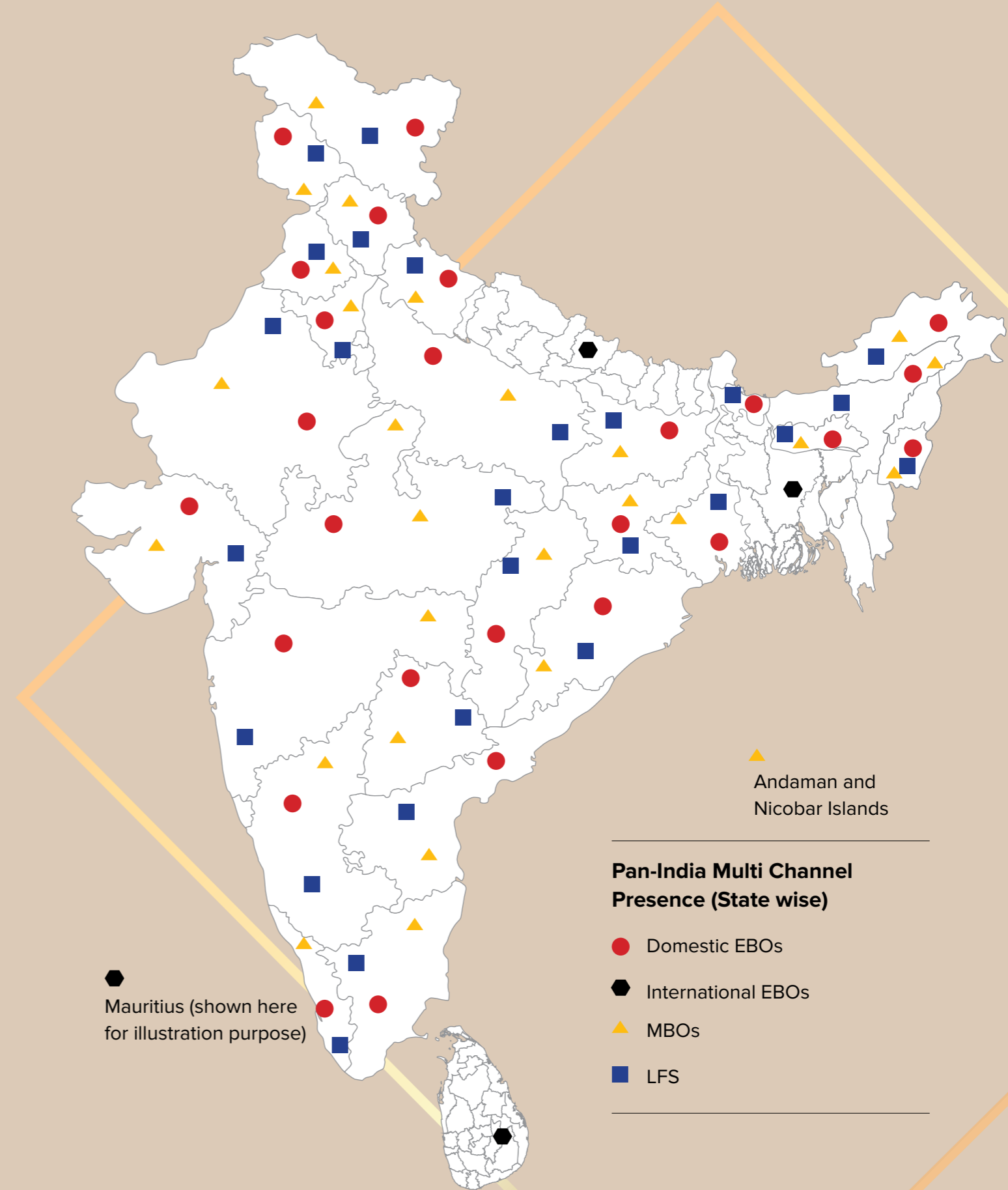


**20%+**  
share of Online revenue

**2298**  
Large Format Stores (LFS)

**~600**  
Exclusive Business Outlets (EBO's)

**1098**  
Multi Brand Outlets (MBO's)







# Largest Experiential Store









# WISHFUL









# Chairman's Perspective

## Dear Shareholders,

In our journey of over two decades, we have witnessed considerable volatility in the economy and business landscape. As an organisation, we have always demonstrated a spirit of resilience and an ability to adapt to a dynamic environment and the last two years are a perfect example of the same.



Notwithstanding the challenges unleashed by the pandemic, our business approach and corporate philosophy over the last two years has not been very different. We have been consistent in identifying opportunities and fulfilling aspirations of customers with speed and precision. Over the years, we have evolved an agile business model, which is both responsive and responsible while ensuring sustainable value creation for our customers along with all other stakeholders.

**During the financial year 2021-22, we primarily focused on business continuity by optimising costs & strengthening our balance sheet, engaging more with our customers and brand patrons and at the same time supporting our employees. We invested in growth levers and building capabilities across organization to capitalize on the growth potential of the segment beyond the pandemic. Our cash reserves gives us the ability to step up our investments in brands, distribution, supply-chain and people.**

### A fashion forward approach

Over the years, we have built a powerful portfolio of segment-defining brands straddling across fashion sensibilities and value chain. With the waning impact of the pandemic, we are seeing a steady recovery in the economy and our industry, which is expected to strengthen further in the coming years. We are confident that the prominence of our brands, backed by our omnichannel footprint, will continue to drive demand. We are particularly encouraged to see the ethnic segment gradually gain traction.

Strategically, we are adopting a multi-pronged approach for our growth. We are embarking on an aggressive retail expansion strategy aided with opening of flagship stores under Project Rise and expansion into tier 3 and 4 cities under Project Bharat. We will continue to grow our online business from both brand websites and third party marketplaces. Our new product forays – Elleven, Footwear, Cosmetics, etc are at different stages of evolution and will drive growth in the medium and long-term.

### Growing responsibly with all stakeholders

We are committed to the holistic wellbeing of our employees with our People First approach and continue to invest not just in upskilling but overall development of the individual. In addition, we have consistently strived towards giving back to the society through multiple initiatives - fostering social and economic development by providing women in rural India avenues of learning and livelihood ; enabling educational and vocational skilling of underprivileged communities to assist them in leading a life of economic independence and dignity etc.

Our success can be attributed to the diligence and commitment of our employees even during these challenging times and the unwavering support and inspiration of our stakeholders. I take this opportunity to express my heartfelt appreciation to all our customers, employees, local communities, suppliers, investors, and other business associates for their steadfast trust and support in the organisation.



Over the years, we have built a powerful portfolio of segment-leading brands straddling fashion sensibilities and value chain. With the waning impact of the pandemic, we are seeing a steady recovery trajectory in the economy and our industry, which is expected to strengthen further in the coming years.

We are confident of creating value for all our stakeholders, as we collectively accomplish new milestones of sustainable and responsible growth.

Best wishes,

**Onkar Singh Pasricha**  
Chairman



# MD's Message

## Dear Shareholders,

It is heartening to see things getting back to normalcy at a rapid pace after such a long disrupted COVID period. We all have been through unprecedented times which has changed the world forever and have made us rediscover ourselves in the process. The sharp rebound in the economy and the growing positivity around us chronicles the victory of human grit and tenacity over a sweeping adversity. Yes, we are not completely out of the COVID situation but hopefully have left the worst behind us. It is now time to look ahead and own the future.

Before I talk about our strategy for the future, let me quickly share key business updates for last year. FY22 continued to be an impacted year, though we saw strong periods of resurgence. Our revenues stood at ₹ 896 Crs., up by 41% over FY21. We opened 48 stores in FY22 ending the year with 599 stores. This has been our highest ever store count. We added 175 doors in LFS in the same period. As you would recall, our overlying focus during COVID was to retain our ability to scale up while preserving the strength of the balance sheet, I am happy to share that we ended the year with a strong cash balance of 156 Crs. This was achieved without any external fund raise. Our working capital stood at 363 Crs., despite the challenging times. We continued to optimise costs, which helped us navigate the tough year. I would like to take this opportunity to thank all our employees and business partners who supported us in these difficult times. Their understanding and cooperation reinforced the strength of the relationship we have built over the years.

While we continued to be cautious in our approach towards driving growth during COVID, we have spent the time strengthening our existing businesses platform and building new growth engines. The focus has been to strengthen the basics and setting up existing initiatives to scale up. We have identified three strategic pillars of growth— expanding brand and product portfolios, offline expansion through Project RISE and Project Bharat, and driving online business through omni and D2C platforms.

On the brand and product portfolio side, we have now fully tested the product market fit for all new initiatives. Our new bottom-wear brand, Elleven, is ready for full scale rollout. While we continue to sharpen the EBO model for the same, we have been able to simultaneously launch successful SIS and distribution model for the same. We ended the year with 17 EBOs and 44 SIS for Elleven which is now being rapidly scaled up. Folk Song, our Indian crafts-led initiative, is the latest

addition to our portfolio. The strength of this initiative is in designs that innovate on traditional crafts of India in pursuit of defining a new aesthetic vocabulary. The collections are timeless and not divided by seasons. Folk Song has got an excellent acceptance and with the supply chain now stabilised post COVID period, we are all set for an aggressive rollout.

Coming to new categories, our footapparel range has already been rolled out in more than 180+ stores and online channels. The response has been encouraging and the business is scaling up strongly. The unique proposition of blending in apparel like aesthetics without compromising on comfort has resonated extremely well with the consumers. This year we had also piloted our cosmetics range in W which was very well appreciated by our consumers. We have added more lines in this range and are now starting full scale rollouts. The focus this year will be to build a strong online and EBO business for cosmetics.

Our second key pillar is offline expansion. Store rollout is high on agenda which will be driven by both vertical as well as horizontal expansion. After rationalising the store count during last two years, we are targeting to add at least 100 stores every year to our existing count of 599 stores. A key driver here will be Project Bharat — a franchisee-led expansion model in tier 3 and beyond markets. Regular expansion in bigger markets will be driven by both Company-owned and franchisee-run models. Apart from this, we are targeting to massively upgrade our presence in key markets across the country. Most of our key stores are typically 800-1200 sq ft in size which cannot support the complete Brand range anymore. W has already come a long way from being just a kurta brand but the store sizes have not had commensurate growth. With addition of categories and new products, we feel severely constrained by the space in stores. We ran a pilot last year — Project RISE, wherein we have doubled up our store sizes in few markets and have seen phenomenal response to



In the year under review we registered a sterling performance. Our revenues stood at ₹ 896 Crs. in FY22, a 40% increase over the precedent year. We opened a total of 48 stores in FY22 across brands.

our sales and customer experience. We are now fully committed to this initiative and will be opening 25-30 such flagship stores every year, hereon. With a new retail identity, this will unveil a whole new avatar of W, as never seen before.

The third key pillar is omni-channel and D2C online play. Our platform, with its brands, have been a dominant player both in online and offline channels which sets up well to execute our omni-channel play potential. We are reorienting our focus towards D2C play and are firmly set to drive the online business growth across both third-party marketplaces and brand websites. We have focused on setting the single-view of inventory and best-in class operations in place and are now live with all marketplaces across all appropriate partnership models.

Going forward, we will continue to drive the growth of third-party marketplace channels through leveraging strategic marketing, building the omni-channel fulfilment model and launching online-specific and online-first products. With a focus on faster fulfilment time, we expect the share of omni-channel fulfilment to double this year. For the brand websites, in addition to the growth enablers for marketplaces, we will also go deeper into personalisation and sharply relevant communication for each consumer. Our brand websites have grown well ahead of the third party marketplaces last year, contributing to ~20% of the total online sales. We intend to focus on our brand websites and build them aggressively hereon.

While we will keep pushing the growth agenda, we are also conscious of our duties as a responsible business. There is a clear priority to give back to society and environment and take steps towards a more sustainable tomorrow. One of our biggest initiatives is 'Folk Song' which promotes sustainability and artisans' empowerment. Overall, a significant number of our employees are women, promoting gender diversity. The production units in Harur and Pathankot are run by women who form 95% of the workforce. We have undertaken initiatives for rural development for creating manufacturing clusters at remote areas in association with our supply chain partners. These have helped in creating skilled workforce while delivering social and economic empowerment of the locals.

Given the possibilities that lie ahead of us and the rigour put in over the last two years in creating a more robust platform, incubating new concepts and ideas, and retaining financial and operational strength, we are all set to get back on building the next growth phase. It has been a difficult phase that we are coming out from and are now getting back to what we do best — creating new brands and products, expanding distribution reach and deliver seamless consumer experiences.

Finally, I would like to 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.

**Anant Kumar Daga**  
Managing Director



# Our vibrant story of fashion

Supported by four core pillars of  
our business model, which also  
act as our growth catalysts.



**Institutionalised Product  
Design Capabilities**



**Diversified and Responsive  
Supply Chain**



**Strengthening Retail Footprint  
and Online Presence**



**Our People**





# Institutionalised Product Design Capabilities

In the fashion industry, design is a dynamic and complex process that includes meticulous research, ideation, product creation, and feedback. To provide our customers with new and varied products, we focus on developing innovative designs and optimising fit and sizing, while maintaining a high level of quality. We can meet these goals owing to a well-established product development process that emphasises cross-functional collaboration.

**25+**  
New concepts/stories every season across brands

**5000+**  
Styles in a year across brands

New product launches  
Every **2-3** weeks

**50+**  
In-house designers



## Design creation

The design process at TCNS has been institutionalized. Our inhouse design team carries out indepth research, takes feedback from consumers & channels and follows a multi-step product design process to ensure that the best of the designs are offered by the brands.

### Institutionalised product design

To create the final products, the design process seamlessly integrates multiple stages of trend analysis, product conceptualisation, print creation, and range planning. For each range, a strong creative orientation and institutionalised product creation processes ensure a balance of creativity and commerce. We believe that our data-driven approach, combined with our innovative and institutionalised design process and skilled design team, enables us to create new and differentiated products while also responding to changing market trends and customer preferences.

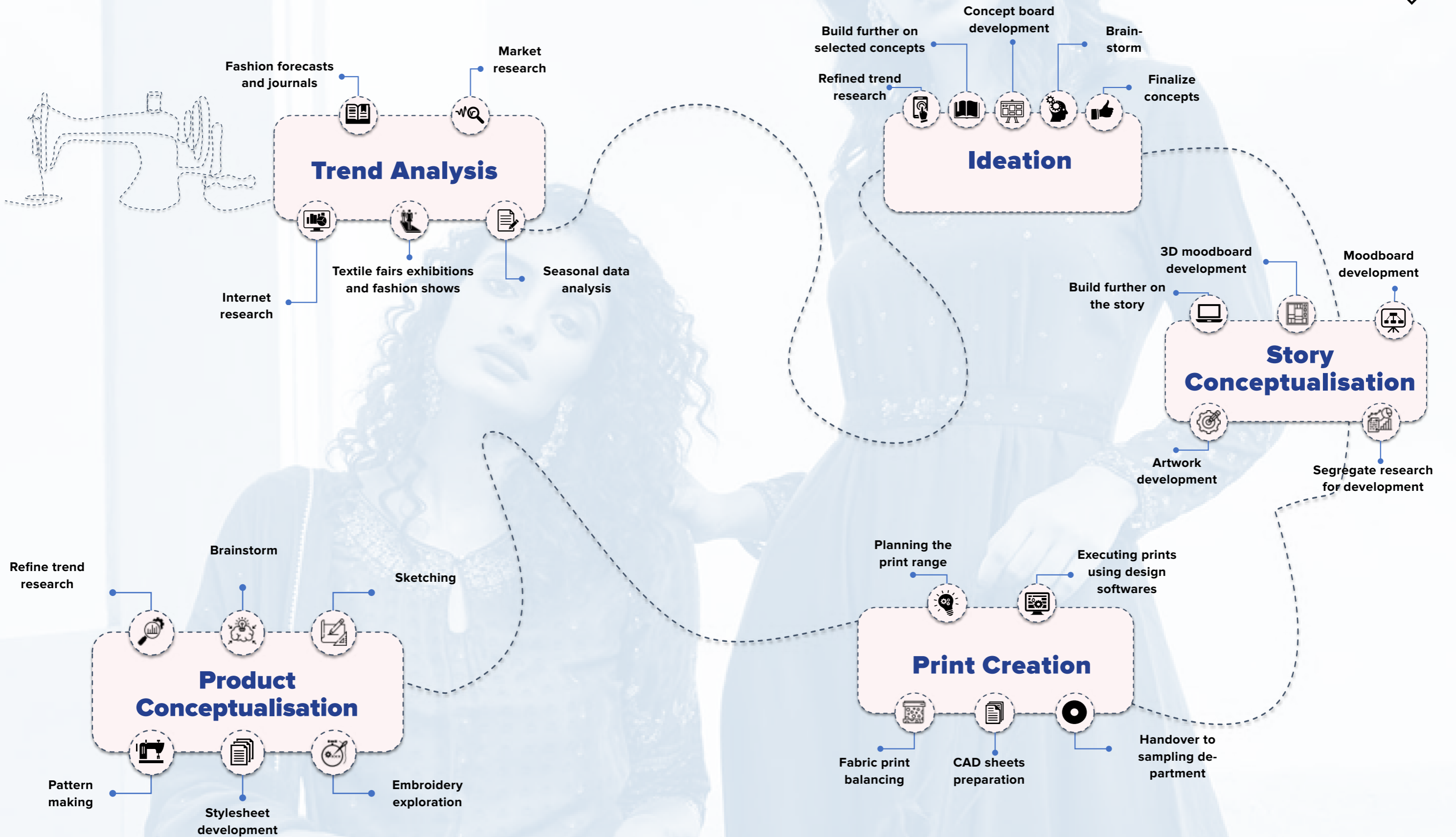
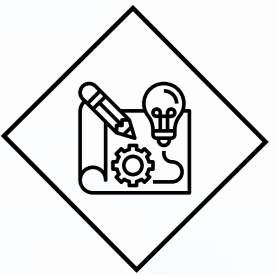


### Dynamic, design-led approach to deliver value

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



# Product Design Phases





# Incubation cell



To improve and diversify our offerings and cater to a larger segment of the Indian women, we continue to develop and launch new products. Our brands are built on innovation and as market leaders, we strive to stay ahead of the fashion curve at all times with the help of our incubation cell.

Delving into a new season of possibilities with a spirit of adventure and a bold new creative identity, 'The Incubation Cell', standing true to it being defined as the 'Art Lab', began its foray of merging artistic practices into fashion.

## Transforming challenges into possibilities

With various social and economic forces at play, challenges were turned into opportunities. Breaking away from old-world rules and restrictions and having a sensibility defined by boundless optimism and fearless innovation, to radically adapt to the ever-increasing shifts in consumer attitudes and behaviour, and to evolve the brand-consumer relationship.

Inspired by a myriad of themes which speak of slowed-down lifestyles, increased sensory awareness, a need for stability and moderation, a sense of enhancing wellbeing, enriching small moments of wonder, a renewed desire for festivities and celebrations, reconnecting with nature, appealing to a growing nostalgic sentiment of connecting back to the roots and restorative escapism as consumers seek the right balance.

## Materials & Weaves

Inherent comfort and tactility that connects to themes of authenticity and craftsmanship inspired development of one-of-a-kind innovative series of exceptional Kantha weaves. A new interpretation of traditional weaving of Jamdani was developed on the power loom. Organic textures were turned into woven crinkle effect, hand done space-dyed yarns, fresh qualities with handcrafted look in addition to subtle-shine fabrics, cost effective alternative for silks in heavier and textured variations.

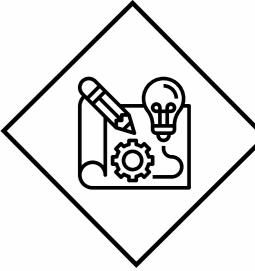


## Prints & Colours

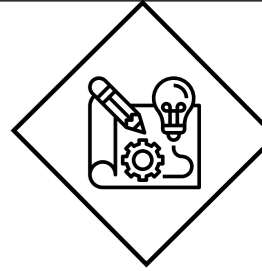
Giving traditional techniques of craftsmanship a contemporary spin through a unique translation of the Indian Jamdani weaves was interpreted through prints and neutral tones. A sense of nostalgia and heritage was generated through innovative rendering techniques. Calming, restorative shades that provide balance and connect to nature, reference of natural dyes, handcrafted vintage look paved way for varied patterns.

## Silhouettes & Surface

Introduced Angrakha Jumpsuit, Saree Draped Kurta, Circle Maxi Dress which were the key highlights of the season for W Campaign SS'22 and have gone on to be huge commercial successes. Waterfall Asymmetrical Hemlines, Cascade Embroidered Dresses & Kurta, Tapered Streamline Co-Ord Sets, Layered Drape Jacket, Fit & Flare A-Line were new additions to work-life hybrid wear. Stunning craftsmanship and a premium artisanal feel were brought through in the elegant sets for Wishful with Mashru silk combined with exquisite vintage embroidery detailing.







# DNA of Innovation:

## Product Innovations Revolutionising Women Apparel over the Last 20 Years



**2003**  
Launch of Iconic Knit Churidar – combining functionality and fashion, knit churidar revolutionised this category



**2005**  
Introduction of Half - Width Dupatta



**2012**  
Reinterpreting fusion wear- Palazzos and Slim Pants added an edge to fashion wear



**2015**  
Column Look – challenged norms and redefined casual wear with lean and long column look



**2017**  
Mughal Gown – festive occasion dresses



**2018**  
Gypsuit – ready to wear saree



**2020**  
Bomber Sets – smart festive for the modern Indian woman



**2021**  
Folk Song – rethinking artisan led fashion



**2022**  
Angrakha Jumpsuit signature fusion fashion style



# Diversified and Responsive Supply Chain

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

## Diversified Sourcing Base

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

### Relationship with suppliers

We have established long-term relationships with each of our suppliers in order to ensure timely and cost-effective delivery of high-quality products to our customers. To support the needs of our Product development teams, we have developed and managed a vast sourcing network.

## Our comprehensive sourcing processes

Our sourcing and supply chain process starts with a review of a supplier's production capacity for each season, based on previous season's deliveries and quantity supplied. We evaluate and allocate our sourcing needs, emphasising regular interaction between our production and quality control teams and our suppliers to assess their performance and production status. Our long-term sourcing initiatives include looking for new market techniques to increase production efficiency and guiding suppliers to adopt these techniques.

**150+**  
suppliers across India for printed and unprocessed fabrics/trims and garment manufacturing

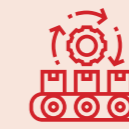
**3,000+**  
preliminary fabric prints designed per season

**5,000+**  
products launched every year



### Depth Management

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



### Life Cycle Management

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



### Variety Management

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

## Automated planning and replenishment system

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

The AI based system uses data analytics to aid the planning team in purchasing, allocation and replenishment processes. The system improves our operational efficiencies including better store sales, reduced discounting, better inventory management and also minimizes errors throughout the supply chain.

### Our automation process in phases

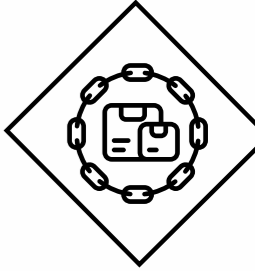
We piloted auto-replenishment and refreshment for EBO channels in Phase I, which allowed us to respond quickly to demand trends by supplying the necessary stock. In Phase II, we increased the breadth and scope of inventory management by reordering core and classic styles prudently during the season, maintaining the right attribute mix in the network, and redistributing stock to reduce unproductive inventory.

### On-time delivery of requirements

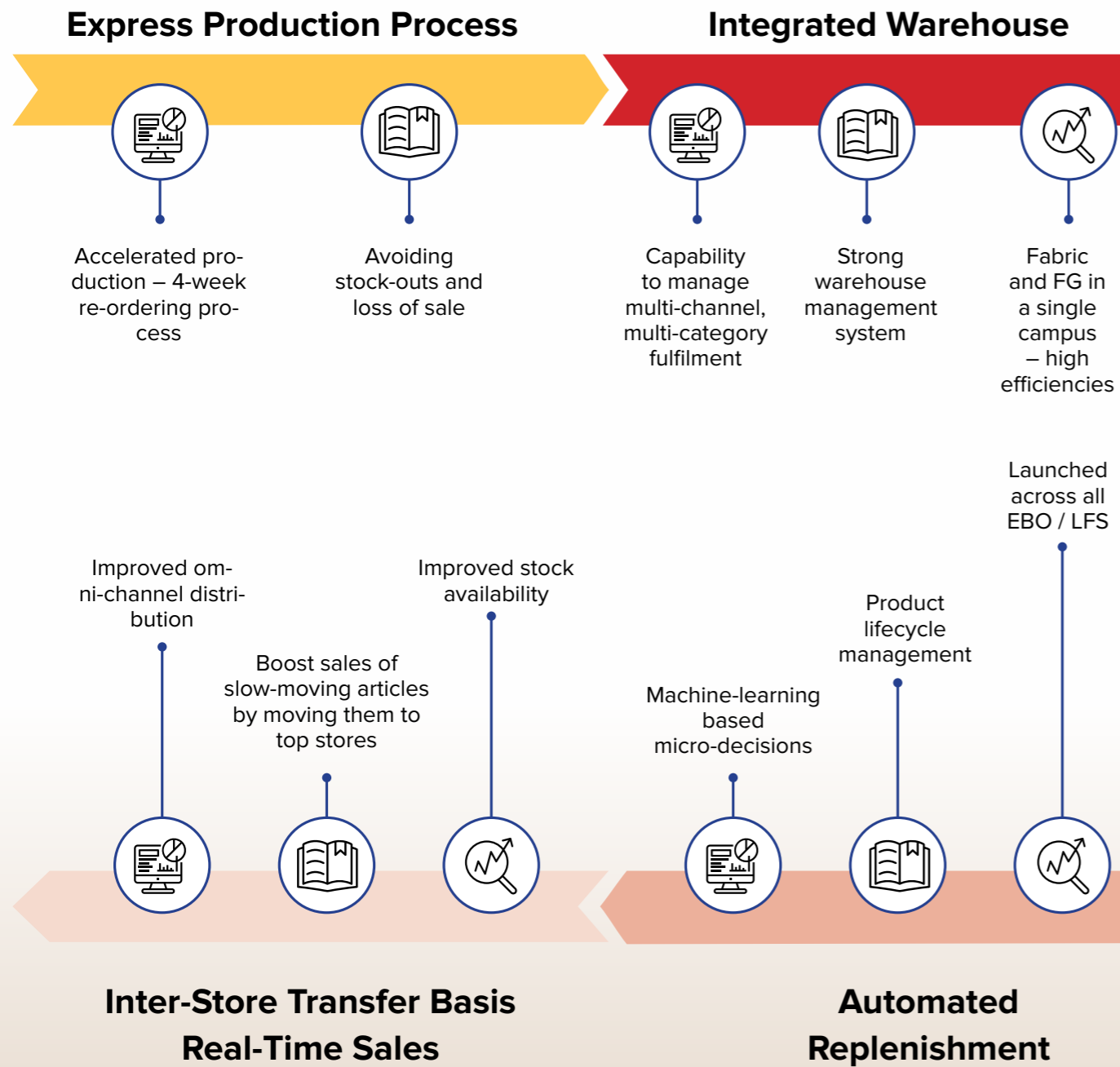
Our inventory replenishment mechanism, which includes sales monitoring at each store and warehouse, supports the analysis for stocking our products. At our exclusive brand outlets, we also have a 'Loss of Sale' application, which allows customers to order products that are not available in our retail stores. We make every effort to ensure that product requirements and order fulfilment are met in a timely and efficient manner at each store, regardless of store formats.



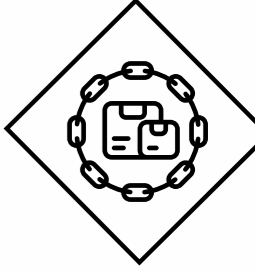




# Initiatives taken to Digitise, Enhance and Expedite Supply Chain







# Integrated Warehousing

We have established an integrated warehousing facility capable of managing new product categories and new age delivery modules. Our warehouse migration was completed with shifting of fabric operations to the Integrated Pataudi warehouse. We have a robust warehouse management system (WMS) that is backed by artificial intelligence (AI) tools, upgraded infrastructure, and a specialised third-party operations team.





# Strengthening Retail Footprint and Online Presence

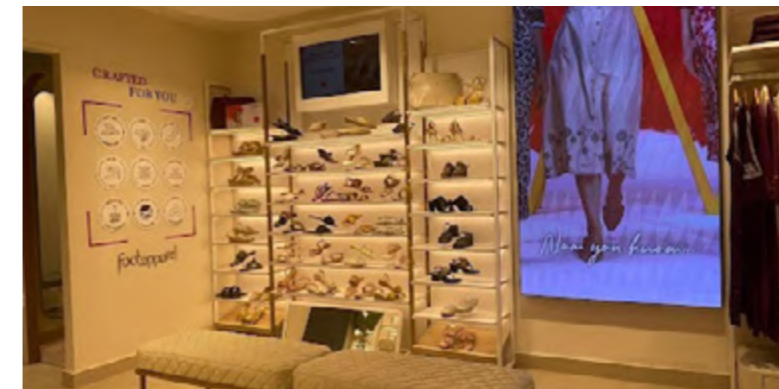
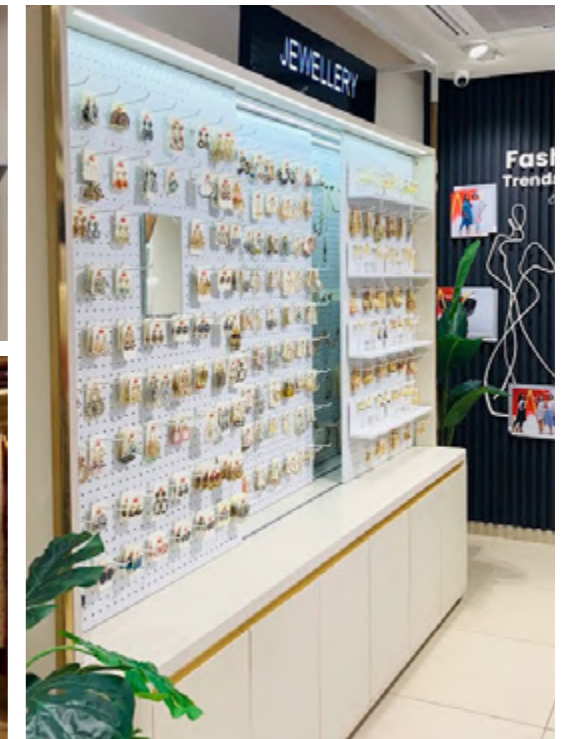
## Retail Channels

### Continuous Expansion

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

In FY22, we established 84 stores across brands on a gross basis and 48 on a net basis with 14 Project Rise and 15 Project Bharat stores in operation.

In addition to expanding our presence in our existing markets, we hope to broaden our geographic footprint in order to reach a more diverse customer base. We intend to increase our retail presence in key markets in order to showcase a complete representation of all brand collections and product categories.



LFS Partners – 2298 doors



MBO – 1098 doors





### Project Rise

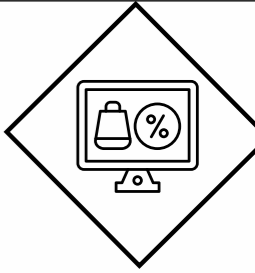
We intend to create a one-stop shop that offers a comprehensive look from head-to-toe, showcasing all product categories. We want to expand flagship stores of 2000–4000 square feet in major cities through Project Rise.





### Project Bharat

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





# Online Channels

## Ecommerce website

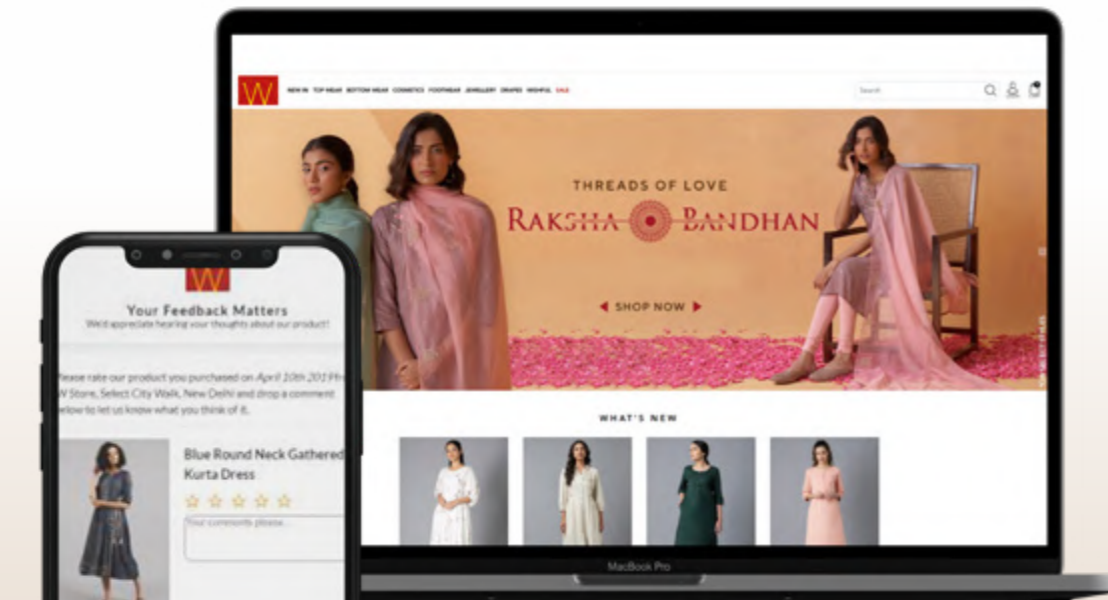
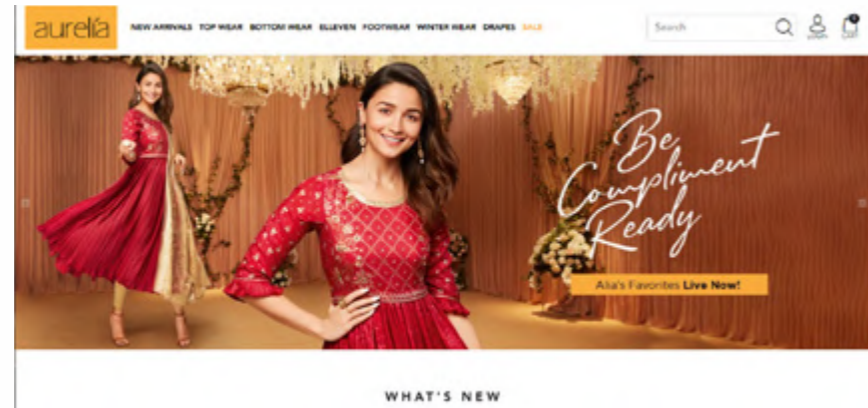
We continue to scale up our website through deeper omni offerings, personalised marketing and technology upgradation. We plan to expand the third-party marketplace with new business models, additional channels and online first product offering. Wishful and Elleven websites were launched during the year. Furthermore, we introduced Aurelia Girls on the Aurelia website and Cosmetics on the W website. The emphasis on category-specific marketing created an opportunity to segment customers more precisely, which improved online user interaction.

Our own website is tracking at one-fifth of total online sales. We also expanded third-party marketplace with new models with omnichannel fulfilment at ~20% share for select channels.

### Own brand websites offering complete selection and deeper engagement

## Direct-to-Consumer (D2C)

While leveraging a shared pool of inventory at our warehouses/stores, we are able to offer our entire catalogue of inventory to consumers across all major third-party marketplaces and our Brand.com websites. We have ensured an unsurpassed experience through streamlined operations and have received the highest certifications from our partners, while establishing this inventory efficient model. During the year, we launched a marketplace D2C model in partnership with Ajio and Limeroad.



### Key Online Partners



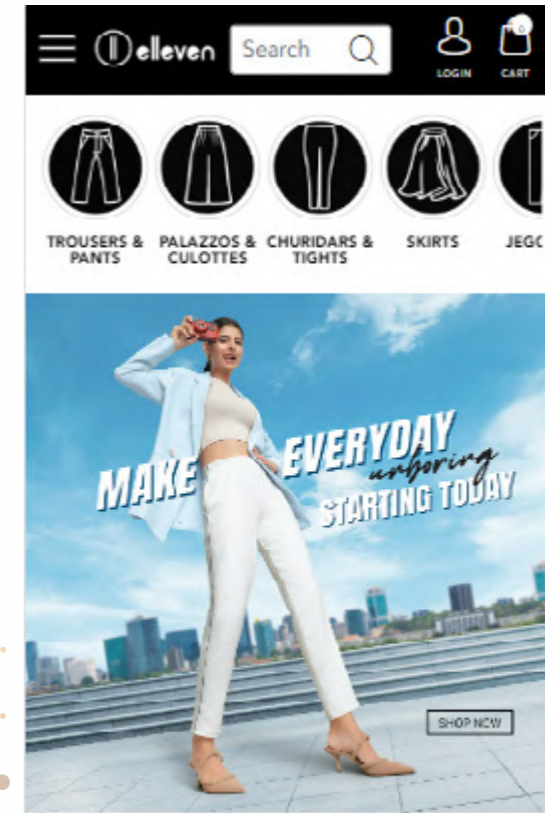
## Omnichannel

We offer our customers an unparalleled omnichannel experience owing to 599 EBOs and strong internal e-commerce capabilities. We extend our omni channel capability to our online partners, further strengthening our customer outreach. With our omnichannel capabilities, we can offer nearly 99% of the season's styles across channels at industry-leading fulfilment rates. We have launched omnichannel fulfilment with most key marketplaces such as Myntra, Nykaa, Flipkart, Ajio to ensure a seamless, effortless, and high-quality customer experience.

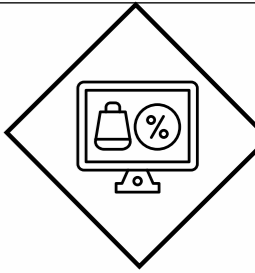
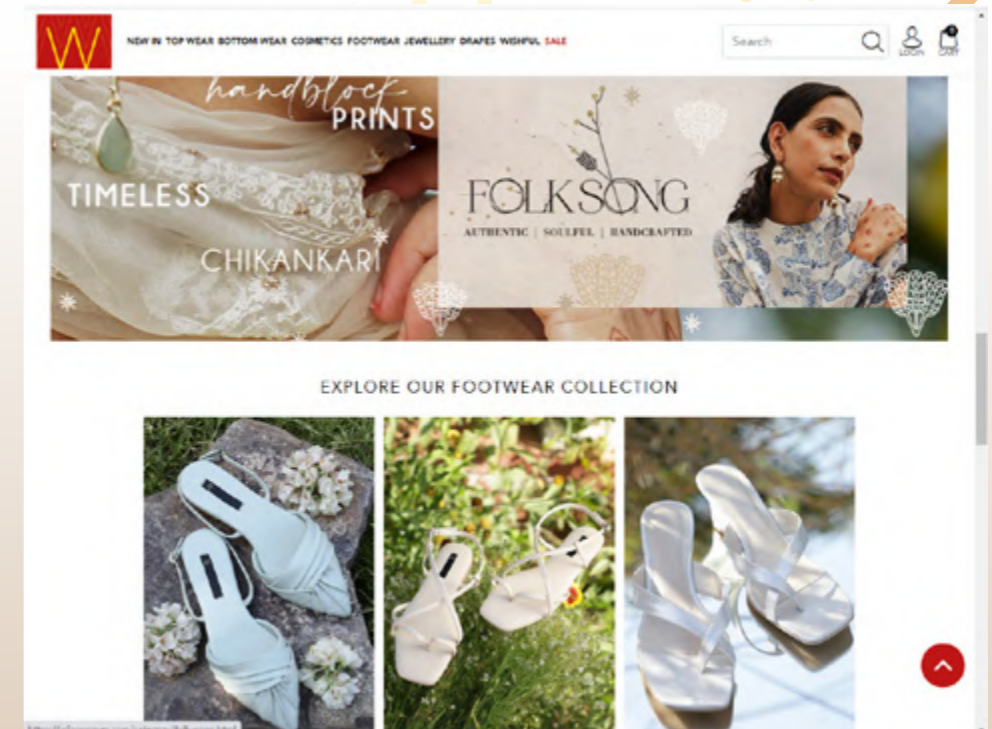
Omnichannel fulfilment increased to cover **90%** of the demand centres

Omnichannel fulfilment scaled up to fulfil **10%** of the online sales

Ranked **#1** brand for Omni sales in women ethnic category on Myntra



Trending Color





# Our People



People are our most valuable resource. Employees in our Corporate Office, our retail stores or employed by our supply chain partners are key to delivering the experience to our consumers. We invest in the overall wellness of our people across the chain. We believe in building 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 our corporate values. Employees are provided with an enabling work environment and equal opportunity for learning and individual growth.



# Employee well-being

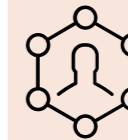
We held a number of health and safety webinars and workshops for our employees throughout the fiscal year. To promote employee well-being, we hosted webinars on 'Covid 19 Precautions and Care,' 'Living a Healthier, Happier Life,' and 'Mindful Meditation and Relaxation.' We also held a series of events called 'Let's Challenge Ourselves,' in which we encouraged our employees to participate in various exercises to improve their health and fitness. In order to promote emergency preparedness and safety, we also conduct fire and safety training at all levels of our organisation.

We place a high value on the holistic wellbeing of our employees since they are our most valuable resource. We categorise wellness into four main areas of focus:



### Mental Wellness

We continually highlight mental health at work because we believe that there needs to be a change in how both employees and employers perceive the importance of mental health and psychological conditions.



### Social Wellness

We emphasise on social wellbeing since having strong social ties is crucial for both wellbeing and productivity. An employee's interpersonal relationships with coworkers, interactions with management, and sense of belonging to the organisation as a whole are all indicators of social wellbeing.



### Physical Wellness

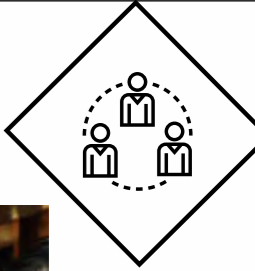
One of the best investments any employer can make is to encourage employees to attain their full potential by encouraging physical wellbeing. Along with many other advantages, exercise supports an active lifestyle and general wellbeing. Fitness challenges such as yoga, surya namaskar, and plank, among others, raised employee awareness of the need for fitness. The participation of family members was also encouraged along with the employees in these activities. Experts conducted Yoga classes and webinars on healthy lifestyles to raise awareness.



### Financial Wellness

Financial wellness entails teaching employees prudent financial management so they can manage their finances strategically. The employees had access to several financial education workshops that assisted them in formulating financial plans.





# TCNS Way of Life

## Team building

Since the onset, team building has been a fundamental element of the TCNS culture. Our core values are the guiding principles that drive our employees, so we believe it is crucial to instil these values in all of our employees. These activities are designed to promote teamwork, which facilitates problem-solving, planning, and decision-making skills. We organised a team-building activity with BlueSky Learning to increase employee engagement and camaraderie. The event featured everything essential to familiarise employees with our history, culture, and growth journey as well as to make them feel right at home, from sharing laughs and activities to conveying our core values and vision.



On International Women's Day, we worked to eliminate bias by celebrating Dress Code and Break the Bias program. We also organised a TCNS Premier League sports event that strengthened bonds between employees and made them work as a cohesive team.

## Training

We identify training needs in consultation with relevant stakeholders, and then plan employee training and development accordingly. To ensure the overall development of our employees, we conduct behavioural and skill-based training.

We provide training to our employees on a variety of skill-building and health-and-safety topics. All major training programmes, such as induction, product training, seasonal training, category management training, and so on, are just a click away for our employees on our Learning Management System.

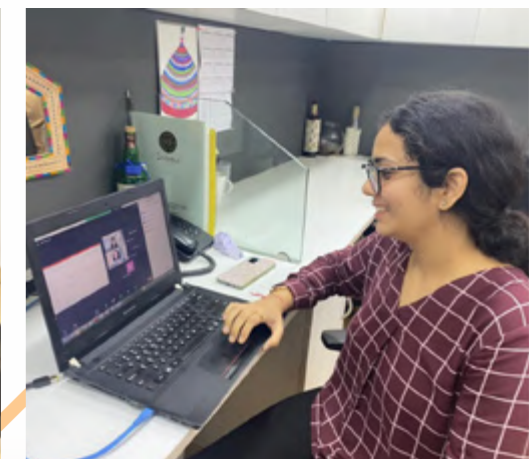


**94%**

Employees trained

**15.67**

Average Man Hours of Training



CELEBRATING

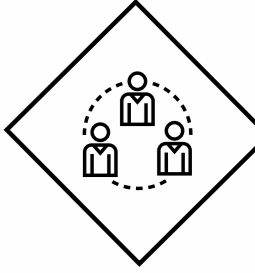
# RETAIL EXCELLENCE

#RetailEmployeesDay

TCNS Clothing Co. Limited

WISHFUL aurelia eleven





## Unlocking Fun

### Celebrating Earth Day

Encouraging our workforce to participate in Earth Day and fostering a sense of sustainability in them through activities like litter-picking and tree-planting, we contribute to a happier, healthier place to live.

### Joy of Giving

Our employees participated in events such as Joy of Giving, where we made school tools for children living in needs in collaboration with Pune Hears NGO. During the winter donation drive, we donated woollens to children and people living in slum areas.





aurelia®







W  
IS MORE





  
WISHFUL





**MAKE EVERYDAY**  
*unboring*





# Corporate Social Responsibility

With the core belief of giving back to society, TCNS has implemented many educational programmes as part of its CSR policy. The programmes offer specialised education and job training to those who are underprivileged, especially children, women, the elderly, and the differently-abled.

By setting up teacher inter-school programmes, student training programmes, and inter-school competitions for promoting value-based personality and psychological development, CSR funds are used to impart education.

Through our activities, we strive towards the goal of promoting students' spiritual, mental, and physical development.

Additionally, as a result of the combined efforts, several workshops, national assistance programmes, and slum development programmes are being implemented to assist children from underprivileged social groups.



**30**

Schools covered

**600**

Students are benefited every week

**31,200**

Student hours dedicated



The Indus Quality Foundation (IQF), a trust registered under the provisions of the Indian Trust Act of 1882, is the primary implementation agency for our CSR initiatives.



# Beyond CSR

## Women Empowerment

We have strengthened our commitment to empowering women by providing learning and livelihood opportunities by leveraging joint initiatives with our partners. This initiative has resulted in the establishment of two factories, one in Harur, Tamil Nadu, and one in Pathankot, Punjab, where majority of the workforce employed by the units are women.

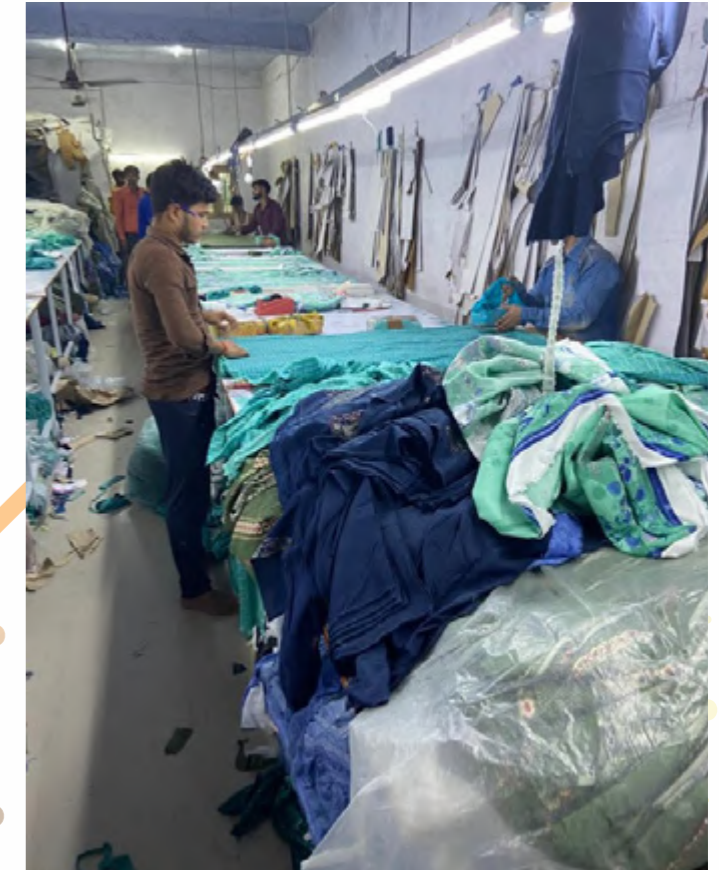
We will continue to expand our women empowerment initiatives with our vendor partners, encouraging them to open more manufacturing units in rural areas in order to reform the gender disparity.



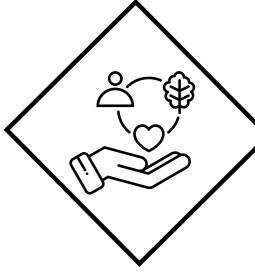
# Rural Development

At TCNS, we have undertaken significant rural development initiatives, including the establishment of manufacturing clusters in remote areas in collaboration with our supply chain partners. This effort has aided in the development of a competent workforce while also providing residents with social and economic empowerment.

We help communities grow sustainably by providing affordable and high-quality assistance programs, as well as scholarships and training programmes to help communities develop faster. Through our operations, we aim to improve community well-being, understand individual and collective concerns, and anticipate emerging social needs.







# Collaborating with NGOs

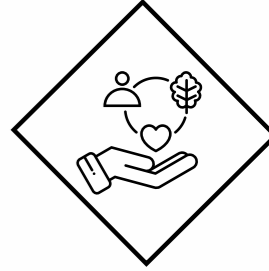
We believe every contribution counts, and every distribution makes a difference in someone's life. By hosting the display and sale of products manufactured from waste and recycled materials, we assist the non-profit organisation Prabhat's "Trash to Cash" programme, which aids disabled people by providing a means of livelihood.

TCNS has always believed in supporting and empowering women workforce. During this year, our team has extended its support to Asha Workers by distributing W & Aurelia apparel, in association with a NGO, Pure Hearts. Asha workers are community health workers who have been playing a crucial role in spreading awareness on Covid-19, for those living in rural poverty.

Women from low-income communities in Delhi's Aya Nagar and Bhatti Mines use donated fabric to make a variety of tailored and handcrafted products. We donate fabric regularly through the Shrishti Jagriti Mahila Foundation. The donated fabric is crucial in assisting these women's income-generating endeavours. The proceeds from their sales help them to support themselves and live a more empowered and dignified life.





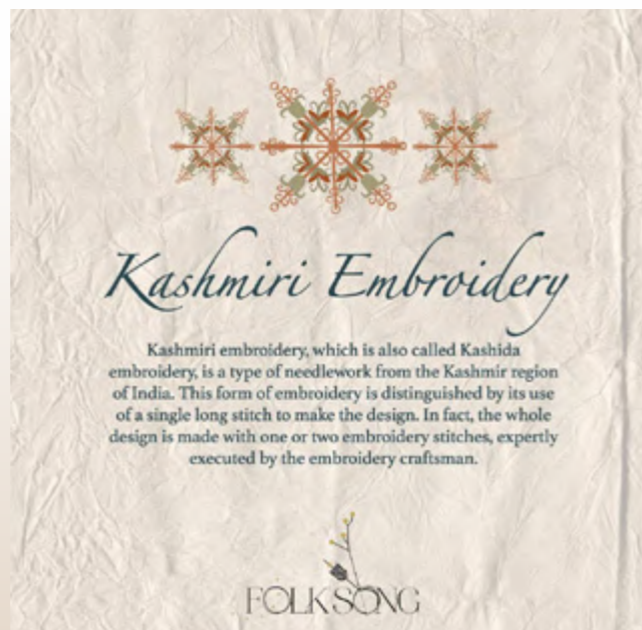


# Artisanal

Studying vintage garments and textiles that display the arts and crafts is where our design stories begin. We create affordable investment pieces women would want to live in. Our apparel is not categorised by age or season but rather by ideas and experience. It reveals a way of thinking and a readiness to adopt the unconstrained design of indigenous Indian crafts.

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

With this, our vision is to carve a new aesthetic for the modern woman of India by creating clothing that they can call theirs for lifetime.





# New Product Initiatives

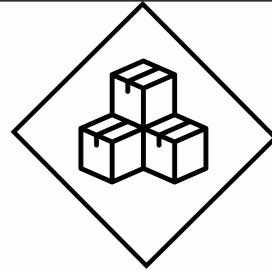
## Strengthening Foot Apparel

We have expanded our offering in the fashion ecosystem by entering the footwear sector with an exclusive collection of trendy Foot Apparel. Our Foot Apparel, which was introduced two years ago, is now sold in over 180 EBOs. The collection maintains a high level of fashion quotient, while ensuring comfort, making it the ideal wardrobe addition for the modern Indian woman who is always on the move.

Available in **180+** stores

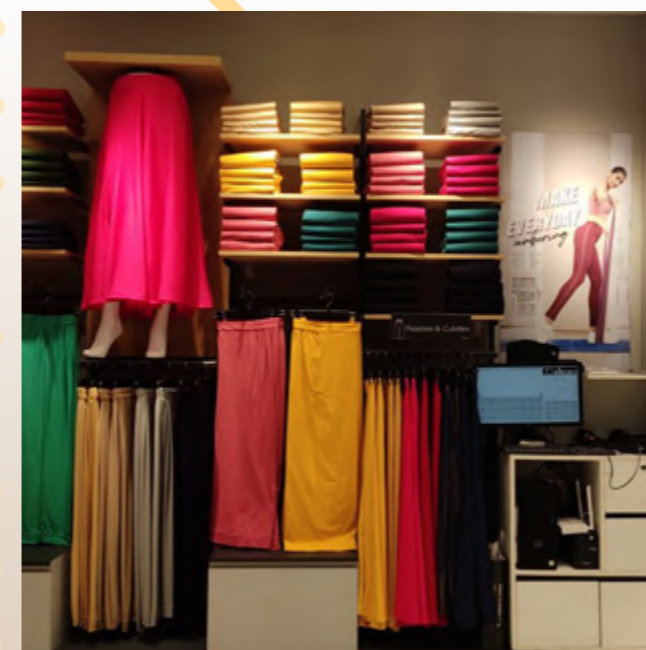




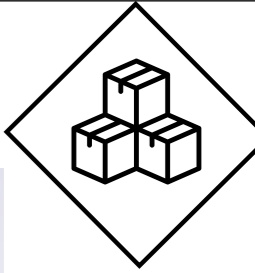


## Expanding Elleven's offline footprint

The brand emphasises the bottomwear category as a significant lifestyle choice that helps customers stay ahead in everyday comfort, fit, and fashion. Our Elleven store rollout has been received well by the consumers and the brand presence has been extended to 17 stores at end of FY22 while also being operational in over 40 SIS.







# W Beauty

With the launch of 'W Beauty,' we have expanded our product line by entering into the cosmetics segment. This endeavour aligns in with W's ongoing goal of providing a complete top to toe offering for the dynamic Indian woman.

Our cruelty-free vegan make-up line, W Beauty, was introduced with a diverse variety of items across categories. Our well-curated product line addresses our consumer's underlying need for a combination of fashion and utility with the benefits of skin care.

Available in **50+** stores





# Growing Folk Song

Our collection sculpts fresh aesthetics for contemporary Indian women who want to develop a more conscious sense of style. It does it in a straightforward, soulful, and nostalgic way to honour the independent, free-spirited women who manage to blend their traditional and western sensibilities.

The Folk Song collection is distinguished by its colour palettes, patterns, and natural textiles that tell their own stories while echoing India's rich textile legacy and artisanal craftsmanship. It makes use of naturally breathable materials including pure cotton, linens, cotton and silk blends, and eco-friendly viscose, which are precisely crafted into the brand's signature hand block prints and textiles. Moreover, the Folk Song collection creates an exquisite blend of minimalism, grace, individualism, and comfort in an effort to establish a distinctive aesthetic vocabulary.

Available in  
**60+** stores





## Trendy Indian Wear for Girls

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

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

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

Available in  
**220+** stores

aurelia  
*girls*





# Integrated Marketing Communication

Keeping the contemporary Indian woman at the core, we at TCNS create 360o campaigns ensuring the consumers engage with the brands across all relevant platforms. The campaigns are created keeping the consumer behaviour and preference in mind so as to make sure our brands are seen by the consumer at the most relevant places.



## Unpause

W had launched the new #UnPaused collection to be explored by customers. As life gradually returned to normal after the pandemic, the campaign indicated that it was time to press play on every little aspect that was put to hold. With the tagline 'Live Free, UnPause Every Moment,' the campaign aims to express the sentiment of Unpause to live life to the fullest.



## W is More

We expanded our offering in our W brand to cover head-to-toe fashion needs of our customers. Through our 'W is More', our first influencer-led digital campaign, we announced our expansion. The campaign features all the products offered by W with a tagline 'We've got you covered from head to toe quite literally'.





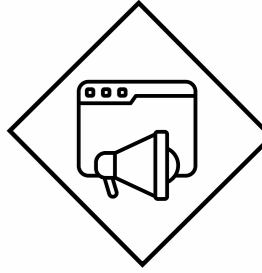
## Alia x Aurelia

To advertise our ethnic-wear brand Aurelia, we partnered with Bollywood actress Alia Bhatt as the ambassador. Associating with Alia Bhatt was a strategic decision to convey the same ethos. Alia is a fashion icon who is known for her effortless style. The brand's youthful image appeals to young and modern women who do not believe in superficial barriers, and Alia embodies this through her on- and off-screen presence.

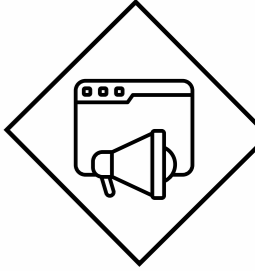


## Be Compliment Ready

With our first ever digital campaign for Aurelia, we emphasised on the beauty of effortless styling. The campaign featuring actor Alia Bhatt has a series of engaging films that inspire women to feel compliment-ready in any situation. The campaign aims to encourage women to be effortlessly themselves and feel confident and beautiful at all times.





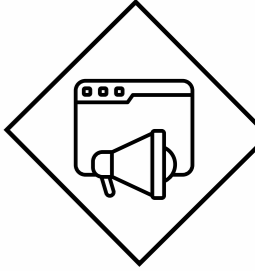


## Wishful x Rahul Mishra

Wishful collaborated with award-winning couturier Rahul Mishra to create a special festive collection for the quintessential Indian woman. The collaboration brings together two of India's most well-known fashion names. The collection is a perfect representation of Rahul Mishra's signature styles for the "Wishful" woman.







## Make Everyday Unboring with Elleven

With its distinctive styles, fit, and selection, Elleven's newest campaign, #makeeverydayunboring, aims to inspire consumers to go beyond the essentials and effortlessly create outfits that are unboring.

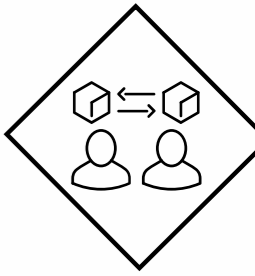
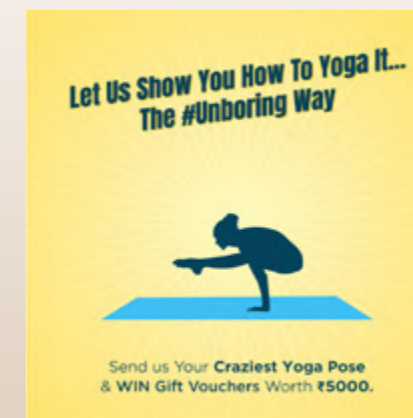
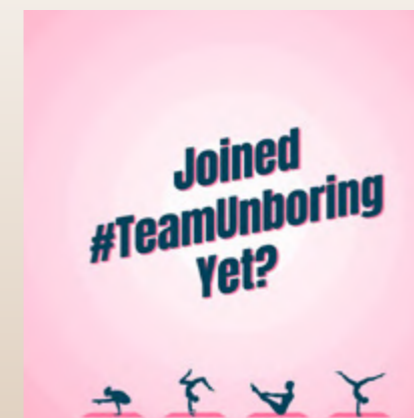
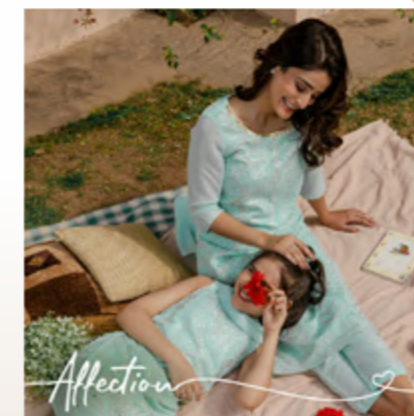
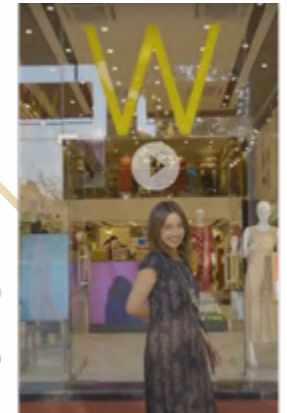
The campaign vividly conveys the brand's vitality while emphasising the range's aesthetics and functionalities. It not only portrays a range of women personalities, but it also emphasises how "Elleven" offers women to stand out from the crowd.





# Consumer Engagement

The consumer is the core at TCNS and engagement with the consumer is not limited to brand experience at product level. There are various store led events and initiatives which proactively connect with the consumers. Collaborating with influencers to highlight the right product for the right occasions has helped delivering enhanced consumer experience both at the store and online.





# Awards and Recognition

#e4mPlay 2021 award (Silver) for W is M , M is W campaign

W - Images Most Admired Fashion Innovator of the year - Retail Reimagined 2021

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

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

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

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

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

Aurelia-Images Most Admired Retailer of the Year: Visual Merchandising (Disha Patani Focussed VM)

Best Strategic Partner, Women's Wear - W & Aurelia, By Flipkart 2018

Aurelia - Best Performing Ethnic Women's wear Brand - By Flipkart





# Statutory Reports





# Board of Directors



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

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



**Mr Anant Kumar Daga**  
Managing Director

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



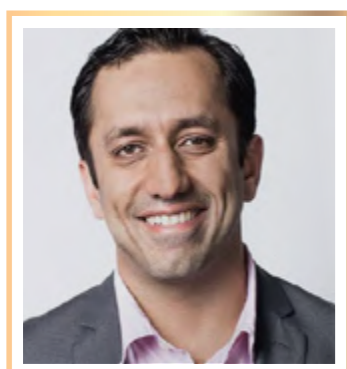
**Ms Neeru Abrol**  
Independent Director

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 Naveen Wadhwa**  
Non-Executive Director

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



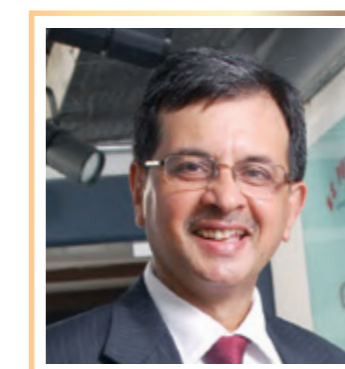
**Mr Arvinder Singh Pasricha**  
Non-Executive Director

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



**Mr Bhaskar Pramanik**  
Independent Director

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



**Mr Suresh Jayaraman**  
Independent Director

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



# Management Discussion and Analysis



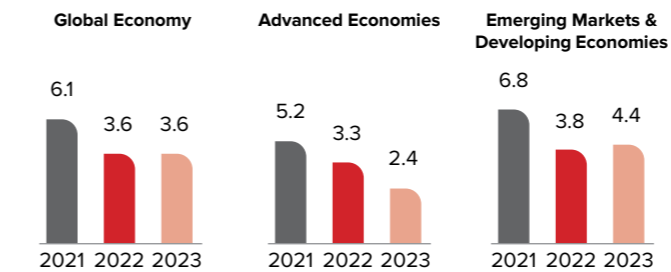
## Global economic scenario and Outlook

According to the International Monetary Fund, the world economy grew by 6.1% in CY2021. Global growth is projected to decline to 3.6% in CY2022 and CY2023. Over the medium run, global growth is expected to slow to around 3.3% after CY2023. This reflects an outlook of slow but steady recovery post the contraction in CY2020 which was severely impacted by pandemic.

Globally, economies continue to witness some form of pandemic's long-term impacts and supply-chain disruptions. However, there are green-shoots visible in form of increased economic activity and investments, which are expected to return to pre-pandemic levels. Inflation is a concern as it is estimated to be at 5.7% in advanced economies and 8.7% in emerging market and developing economies, owing to war-induced commodity price hikes and expanding pricing pressures.<sup>1</sup>

### Growth Projections

World Economic Outlook April 2022

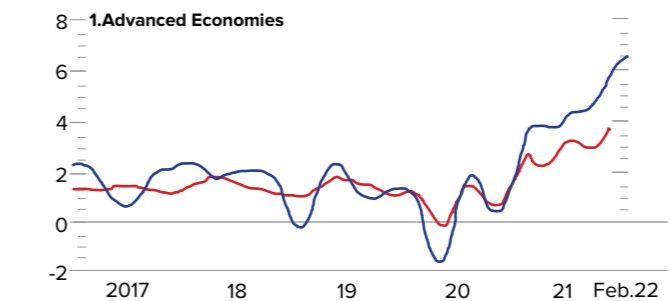


International Monetary Fund (IMF.org)  
Source: IMF

### Inflation Trends

(Three-month moving average; annualized percent change)

— Consumer price index — Core consumer price index



### 2. Emerging Market and Developing Economies



<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

<sup>2</sup> [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=53601](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53601)

## Indian economic review and Outlook

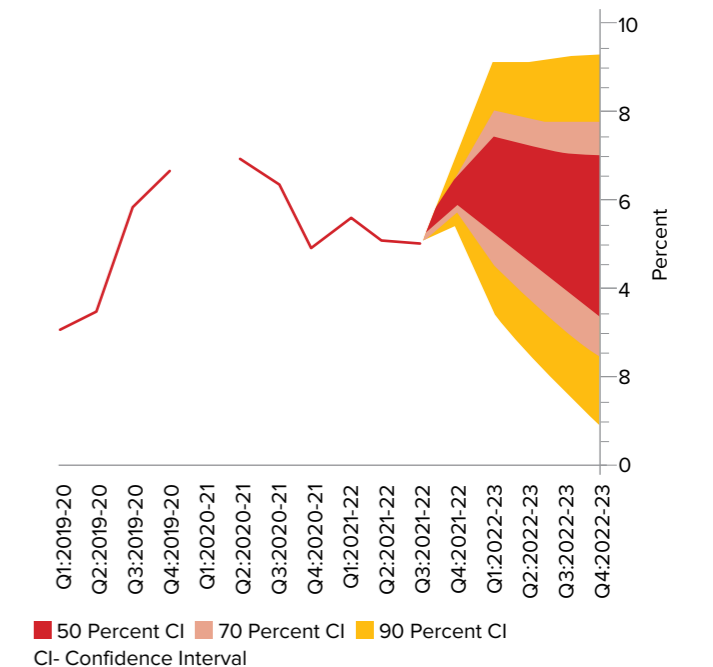
India is expected to register a growth of 8.9% in FY22, according to the second advance estimates of the National Statistical Office (NSO), 1.8% higher than the pre-pandemic (2019-20) level. On the supply side, real gross value added (GVA) increased by 8.3% in FY22, with important components such as services surpassing pre-pandemic levels. GDP growth slowed to 5.4% in Q3 of FY22.<sup>2</sup>

Headline CPI inflation increased to 6.0% in January 2022 and 6.1% in February 2022, exceeding the upper tolerance limit. Spike in food prices pushed up inflation, with cereals, vegetables, spices, and protein-based foods such as eggs, meat, and fish being the main drivers. Core inflation, which excludes food and fuel, remained high in February.<sup>2</sup>

Inflation will be heavily influenced by the growing geopolitical environment and its impact on global commodity pricing and logistics in the future. In terms of food costs, domestic cereal prices have risen along with international prices. Record food grain production and buffer stock levels should keep domestic prices in check.

With significant concerns surrounding global supplies, international crude oil prices remain unpredictable. With a broad-based increase in the price of essential industrial inputs and global supply chain disruptions, input cost pressures are likely to endure than previously anticipated. Their impact on retail prices was minimal due to the economy's continued slack. The manufacturing sector anticipates increased input and output pricing pressures in the future.

### Projection of Inflation



Source: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=53601](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53601)



**Industry overview**

• **Retail market in India**

India is the world's fifth largest retail destination. In terms of retail store availability per capita, the country ranks among the best in the world. Consumers in tier II and tier III cities, have driven remarkable growth for shops in CY2021.<sup>3</sup>

The year 2021 marked the gradual recovery from the pandemic struck precedent year. The retail industry benefitted from the Government's mass vaccination programmes across the country, resulting in India surpassing 100 crore COVID-19 immunisation. While there were disruptions during the second wave and the third wave of covid, the recovery in the retail sector post these waves were both sharper and homogenous across geographies and tiers.

• **Indian apparel and textile Industry**

In 2021, the Indian textile and apparel market was valued at US \$151.2 billion. According to a report by IMARC Group, this is estimated to grow to US \$344.1 billion by 2027, a CAGR of 14.8% from 2022 to 2027.<sup>4</sup>

India is one of the world's top textile and apparel producers and it contributes 5% to India's GDP. It generates 7% of the total industry output in value terms, and 12% of the country's export revenues. India is the world's sixth largest exporter of textiles and apparel. India's textile and clothing exports are predicted to exceed \$100 billion in the next five years, with a CAGR of 11%.

The textiles and apparel industry in India is the country's second largest employer, employing 45 million people directly and another 100 million in affiliated businesses.

India's textile and clothing sector is strong throughout the value chain, from fibre to yarn to fabric to clothes. The Indian textile and clothing business is immensely diversified, with segments ranging from traditional handloom, handicrafts, wool, and silk products to India's organised textile industry. Spinning, weaving, processing, and clothing manufacture are all part of India's organised textile industry, which is defined by the use of capital-intensive technology for mass production of textile items. The government is also investing in the Indian textile and apparel industry through the Integrated Textile Parks Scheme and the Technology Upgradation Fund Scheme to train workers and attract private investment.

Indian textile and apparel market drivers:

- India has one of the world's largest youth population. Approximately half of the overall population is under the age of 30. This age group is one of the largest

textile and garment consumers, and it is likely to drive spending over the next five years.

- Online retailing has seen considerable growth in the country, fuelled by increased internet usage. Consumers are now searching for shopping convenience, a variety of options, better deals, and easy return policies. The growth in online sales enabled the textile industry to reach customers across the country.
- Consumers are changing from need-based clothing to aspiration-based clothing as a result of a shift in buying behaviour. Buying clothes has become more than a fundamental requirement; it is now an expression of desire, personality, and a status symbol, in contrast to prior years, when Indian consumers purchased fashion products as and when required. Though basic textiles remain a component of the consumer's basket, demand for aspirational clothing has grown in recent years.

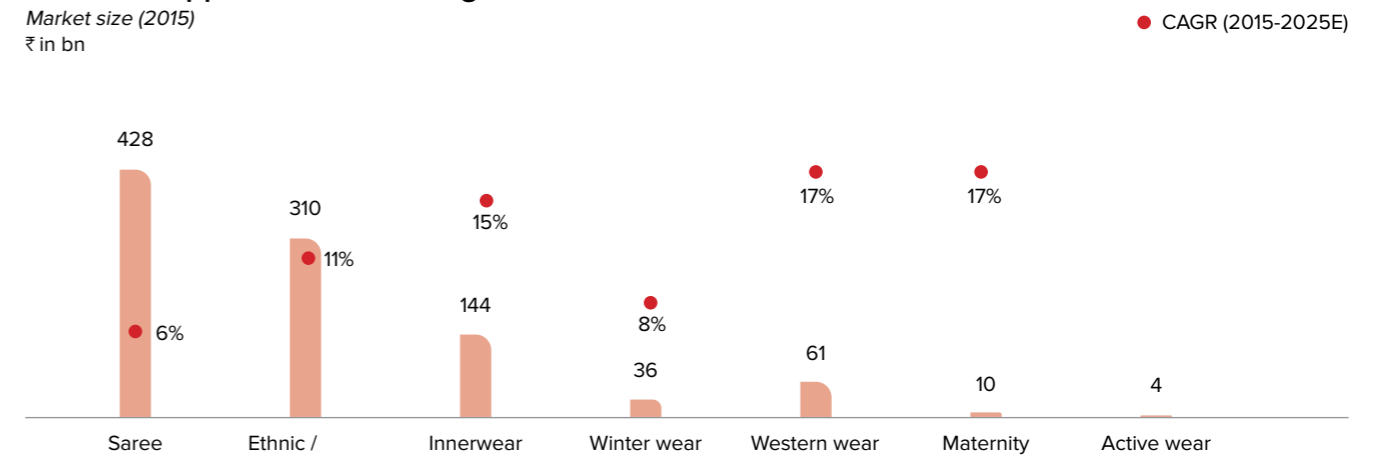
• **Women's Apparel wear market**

Women's apparel is growing faster than men's apparel and is set to surpass the size of men's apparel market by CY2025, reaching an estimated market size of USD 39 billion by CY2025.<sup>5</sup>

Women's apparel market is largely dominated by two segments: Sarees which is estimated to grow at 6% and the Ethnic-wear segment (Salwar, Kurta, Dupatta, SKD sets, Ethnic dresses etc) which is expected to grow much faster at 11%. The ethnic-wear categories have long since been a top pick across geographies as well as among customer segments from varied socio-economic origins, ages, and lifestyles and the evolving consumer preferences is fuelling the growth of Ethnic-wear on a large base of the market.

Branded clothing accounts for less than a quarter of the women's market today but fuelled by demand side dynamics such as shifting consumer behaviour, an increase in the number of working women, increase in disposable income, etc, the share of branded segment within overall women's apparel market is expected to grow sixfold in the next decade.

**Women's Apparel Market-Categories**



Source: [https://www.avendus.com/encrypted\\_pdf\\_path/img\\_5b0bf9c3491886.60428112\\_Women-Apparel-Report\\_VFinal.pdf](https://www.avendus.com/encrypted_pdf_path/img_5b0bf9c3491886.60428112_Women-Apparel-Report_VFinal.pdf)

**Growth drivers for womenswear market across volume and value**

**A**

**Increased number of women buying branded apparel led by**

- Increasing urbanization
- Increase in working women in service sector

**B**

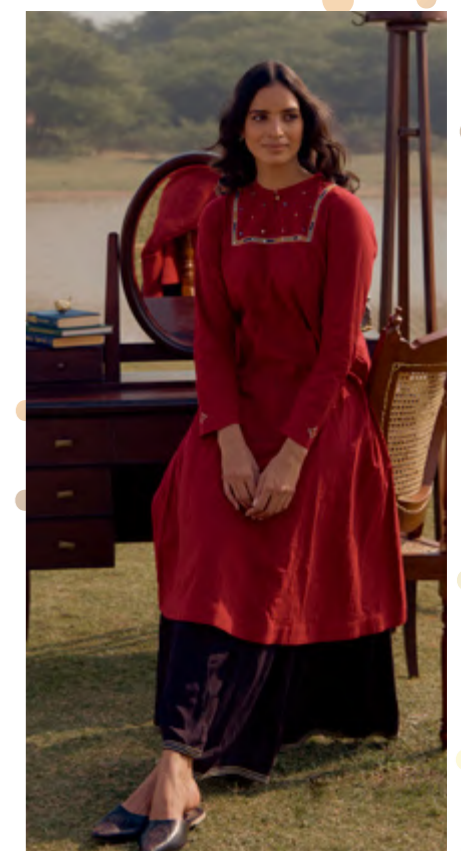
**Higher frequency of purchase led by**

- Emergence of occasions
- Shift to occasion specific clothing
- Accelerated fashion obsolescence

**C**

**Increased spend per wear led by**

- Higher quality and better designs
- Higher discretionary spends



<sup>3</sup><https://www.indianretailer.com/article/whats-hot/retail-trends/retail-sector-came-back-with-a-boom-in-2021.a7654/>

<sup>4</sup><https://www.imarcgroup.com/indian-textiles-apparel-market>

<sup>5</sup><https://www.indiaretailing.com/2021/12/30/fashion/the-year-in-retrospect-for-fashion/>



**Key Trends in Women Ethnic-Wear market:**

**Consumer's preference for convenience and comfort**

Ethnic apparel is becoming the most popular choice for social gatherings due to the convenience and comfort of Ethnic-wear as compared to the traditional Sarees.

**Increasing acceptance of digital channel**

The paucity of time and a lower penetration of modern retail outside top tier cities is also resulting into the growing of the digital channel

**The ethnic wear consumers are seeking association with brands**

Consumers are associating with brands increasingly in the Ethnic-wear space as the demand for fashion-right garments, innovation is increasing and the trust of quality offered by brands surpass the unorganized segment.

**Heterogeneous wardrobe**

Indian women now has a broader wardrobe that includes a mix of ethnic and western clothing ranging from sarees, kurtas, leggings, T-shirts, denims, dresses etc. This wardrobe is not only diversified, but it may also be worn interchangeably for similar purposes, such as work attire.



**Company overview**

TCNS is among select few success stories in creating multiple scaled independent brands in Women's apparel segment. TCNS has a portfolio of 4 segment defining brands which sets it poised for high-growth possibilities in the Women's apparel segment.

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

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

The Company has evolved from being a pure play apparel company to a lifestyle company. Following its success in scaling up its brands in apparel segment, the Company is expanding its brand portfolio into other products that offer head-to-toe fashion solutions for women.





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



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





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



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





## Operational Overview:

### Managing COVID-19

After two years and multiple waves of COVID-19 that significantly disrupted corporate operations, the pandemic is now subsiding into an endemic. The Indian apparel sector too has been experiencing a gradual return to normalcy. The focus of the company over the last two years has been conservation of its balance sheet strength and with the recovery of the apparel sector, the company is now switching gears and focussing on accelerated growth. The company's offline network have also tracked ahead of pre-covid numbers and with continued aggression on store expansion front, robust traction in MBO and online channel, new product forays across brands and categories, the Company has all key enablers across product, supply chain and distribution to pursue aggressive growth.

### Strategic initiatives

During the fiscal FY22, the Company's first focus area was to expand its store footprints. It started with an accelerated store expansion plan in Quarter 3 and added 48 net stores in the financial year. The Company incubated two initiatives to expand its retail footprint – Project RISE which is about opening flagship stores in key markets and Project Bharat which is about expanding presence in tier 3 / 4 cities through franchisee route. The Company ended the financial year with 14 Project Rise stores, which are already tracking at 1.5-2X of sales from same catchment areas. The Company unveiled W's new avatar with a completely new retail identity with the opening of a 3000 sq. ft. Project Rise store in Indira Nagar, Bengaluru. The store encapsulates and showcases all categories like apparel, footwear and accessories. Project Bharat also saw opening up of 15 new stores in FY22.

The second focus area for the Company was to expand its online business. The Company's online business on both its own website and other marketplaces grew meaningfully in FY22 over a large base. The brand websites have grown ahead of third-party channels and now contribute around

one-fifth of the online sales. A key focus for us has been building on the D2C (Direct to Consumer) model and its share has more than doubled over last year to contribute majority of sales in FY22. The Omni-channel fulfilment continued to scale up strongly and now contributes to ~20% of sales for select channels.

Third focus area was cash conservation and cost controls. Maintaining balance sheet strength was the primary objective of the Company that was laid out at the beginning of pandemic. The Company ended FY22 with more than Rs 150 Crs. of cash reserves. The Company managed to survive the pandemic and retain its cash reserves without any external funding.

### Outlook

With occasions making a comeback and workplaces progressively reopening, the women's ethnic apparel market is expanding. The company is witnessing a strong resurgence of consumers coming back to stores and engaging with fashion as opposed to a need-based chore. The year is also witnessing aggressive rollout plans by its channel partners in LFS and Online spaces and seeing a revival of MBO channel.

The Company's focus for FY23 will be accelerated growth. The Company has planned to scale its foray across channel and expand product assortment.

One of the key priorities would be store expansion - both horizontal and vertical. The Company would be targeting to open over 100 new stores in FY23 including store expansion in Tier 3 and 4 towns with Project Bharat and opening of new or upgradation of existing stores under Project Rise.

Offline growth would be complemented with aggressive growth in the Online business across both third-party marketplaces and brand websites. Strategic marketing, scaling up of the omni-channel fulfilment model & launching of online-first products would be key levers. Growth in own websites would be further enabled by personalization and improved communication for the consumers.

## Financial Overview:

The Company's financials for FY22 continued to be impacted due to 2nd and 3rd waves of COVID-19. The Company reported total revenues of Rs 896 Crs and incurred a loss of Rs 5.7 Crs due to impact of pandemic related lock-downs, store closures and other restrictions.

Particulars	₹ in Million		
	2021-22	2020-21	% Increase/ (Decrease)
Total Revenue	8960.52	6355.36	41%
EBIDTA	1243.35	514.29	142%
PBT	(72.19)	(769.38)	NA
PAT	(57.28)	(563.83)	NA
Total Asset	12607.09	10741.43	17%
Earnings per Share (EPS) in ₹	(0.90)	(8.85)	NA

### Key Ratios

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

Ratios	FY 2021-22	FY 2020-21
Debtors Turnover (in times)	5.29	3.73
Inventory Turnover (in times)	1.16	0.72
Interest Coverage Ratio (in times)	13.90	16.18
Current Ratio (in times)	2.66	3.65
Debt Equity Ratio (in times)	0.00	0.01
Operating Profit Margin (in %)	65.45%	57.14%
Net Profit Margin (in %)	(1)%	(9)%
Return on Net Worth (in %)	5%	(7)%

### Internal Control:

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

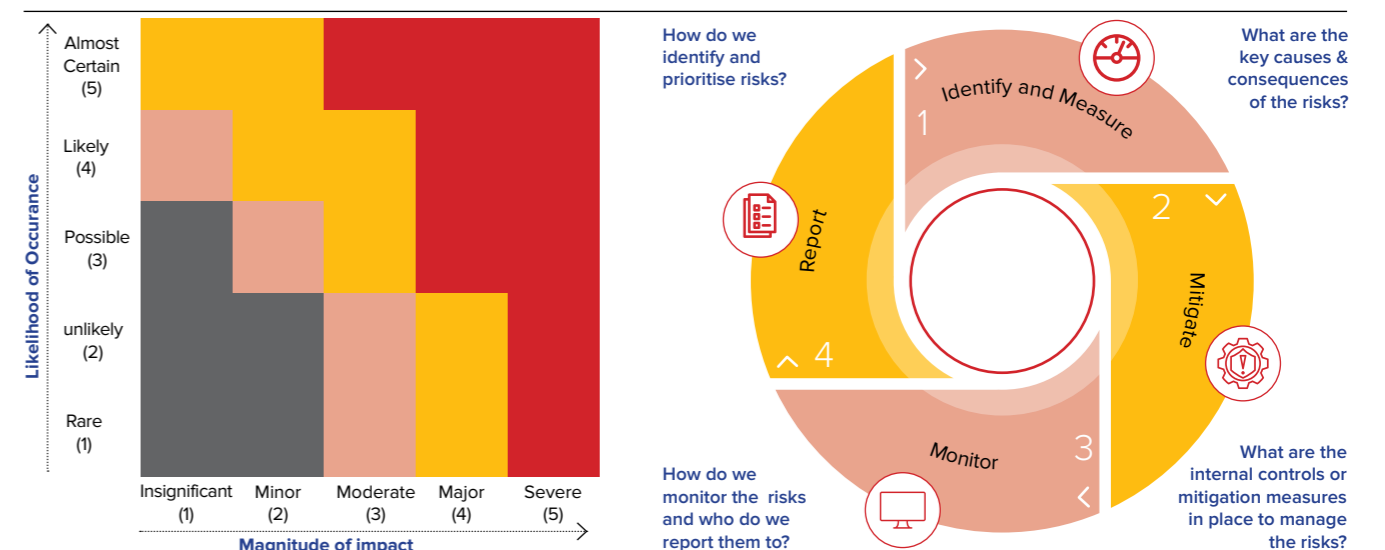
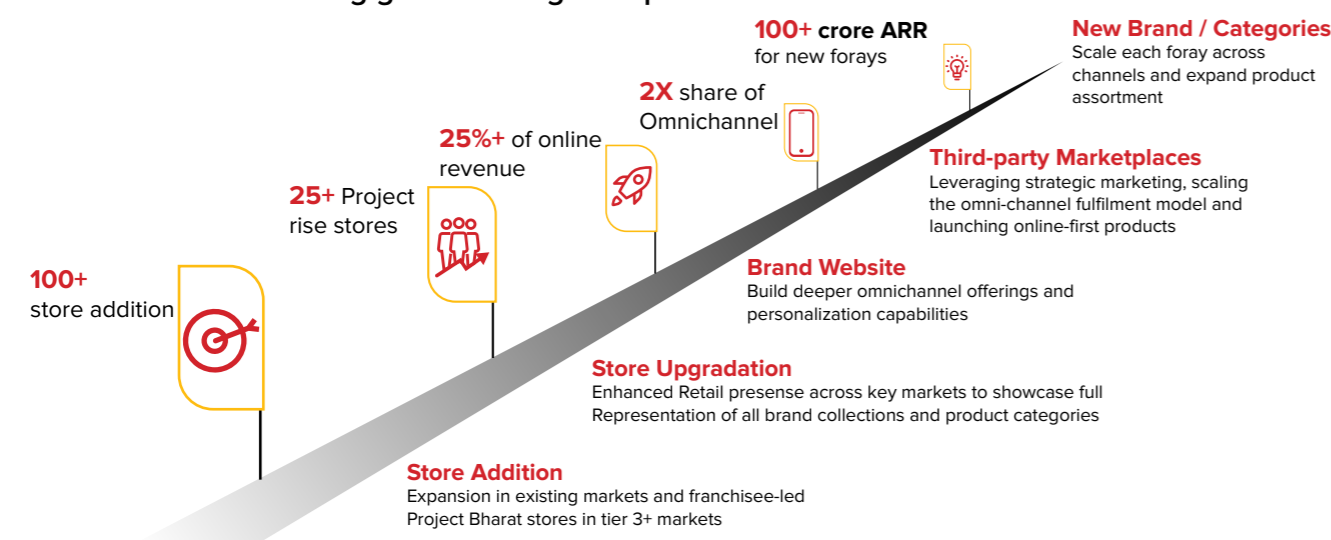
### Human Resources:

Our people are our most precious asset, and we strive to create a high-performing entrepreneurial organisation where everyone is driven to achieve their full potential. We are proud of our professional and healthy work culture, which is based on strong corporate values. Employees are given an enabling working environment and culture, as well as equal opportunities for learning and personal development. People are our most valuable asset, and we invest in their total well-being. The Company has a total of 4305 employees as on March 31, 2022 including contractual, temporary and permanent employees.

### Risk Management:

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

## FY23 focus: accelerating growth along multiple dimension





### The key risk areas for the company are :

Key Risks	Mitigation
<b>Strategic Risks:</b> Ability to retain leadership position in the Women Ethnic-wear market and adapting to market changes.	Creativity is at the core of TCNS brands and being the market leaders, we strive to be ahead of the fashion curve all the time. To build our edge further, we have set up the "Incubation Cell"-an initiative to push the envelope on product innovation beyond what we are doing today. It is like an "Art Lab" where the ideas are developed into something real, tangible and beautiful. Observation, Ideation, Innovation and Implementation are the founding principles. The cell hosts a dynamic environment to facilitate a free flow of thoughts, co-creation and collaborative development.
<b>Financial Risks:</b> Ability to sustain and grow margins, optimize working capital.	Women's ethnic wear is inherently a complex category due to the nature of fabrics, trims and value-additions involved and it requires a robust, agile and extensive supply chain base. At TCNS, we have been associated with 150+ suppliers for years now. While the manufacturing is outsourced, control over the entire supply chain enables us to re-engineer the product to mitigate any raw material price increases.  We have invested in Automated Inventory Management System. The data analytics based system assists in the buying, allocation and replenishment process. When completely implemented, the system will not only result in operational efficiencies but will also play a critical role in reducing discounting at our points of sales and inventory levels across the supply chain.
<b>Operational Risks:</b> Prevent design failures, inventory build-up, concentration of business with limited customers or suppliers etc.	The design process seamlessly integrates multiple stages of trend analysis, product conceptualization, print creation and range planning to produce the final products. Strong creative orientation and institutionalised product creation processes to ensure the balance of creativity and commerce for every single range, reducing risk of design failure.  Internal control process for approval of inventory buying along with the implementation of automated inventory management system ensures that the risk of inventory build-up is minimized.  We work with a wide array of fabric and job-work suppliers to ensure that the purchase of fabric and production is not concentrated with one vendor or job-worker. Similarly, our distribution is well diversified across channels and customers such that the business is re-risked from customer concentration.
<b>People Risks:</b> Ensure retention of current talent and ability to attract right talent for growth plans of the company.	We believe in providing the right environment, enriching culture and opportunity to grow to our employees. Various training and upskilling opportunity is provided to employees across the organization on a continuous basis. A transparent performance management system is in place to reward performance. To derisk the business from undesirable attrition, a multi-pronged approach is taken to identify critical roles and proactively plan for succession.
<b>Data/Technology Risks:</b> Ability to deploy right technology for various business segments to ensure internal controls and enhance productivity of operations while ensure data privacy & data security.	We continuously invest in technology solutions to enhance control over processes and improve efficiency of functions across planning, warehousing, retail operations, finance etc. In parallel, we take data privacy of our stakeholders seriously and have put in processes and tools to ensure that is not compromised. IT infrastructure is continuously monitored and upgraded as needed to mitigate the risk of any cyber attack and a regular data backup & recovery mechanism is in place.

#### • Disclaimer

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

# Notice

## Invitation to attend the Twenty Fifth (25<sup>th</sup>) Annual General Meeting ("AGM") of TCNS CLOTHING CO. LIMITED

Dear Members,

You are cordially invited to attend the Twenty Fifth (25<sup>th</sup>) Annual General Meeting ("AGM") of the Company to be held on Tuesday, September 20, 2022 at 10:30 AM (IST) through Video Conferencing ("VC"). The Notice convening the Annual General Meeting is attached herewith.

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

S. No.	Particulars	Details
1.	Time and date of AGM	Tuesday, September 20, 2022 at 10:30 AM (IST)
2.	Mode	Video Conferencing / Other Audio-Visual Means
3.	Link for attending the AGM through Video Conferencing (VC)	<a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
4.	Link for remote e-voting (Please use as applicable to you)	<a href="https://evoting.kfintech.com/">https://evoting.kfintech.com/</a> <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>
5.	Username and password for VC	Members may attend the AGM through VC by accessing the link <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> by using their remote e-voting credentials. Please refer the detailed instructions available in the Notice.
6.	Helpline number for VC participation and e-voting	Contact KFin Technologies Limited ("KFin Tech") at 1800-309-4001 or write to them at <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a>
7.	Cut-off date for e-voting	September 13, 2022
8.	E-Voting Start time and Date	September 17, 2022 (9:00 AM)
9.	E-Voting end time and Date	September 19, 2022 (5:00 PM)
10.	Book closure dates	September 14, 2022 to September 20, 2022 (both days inclusive).
11.	Link for Members to temporarily update e-mail address	<a href="https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx">https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx</a>
12.	Last date for publishing results of the e-voting	September 22, 2022
13.	Registrar and Share Transfer Agent contact details	Mr. Umesh Pandey, Manager KFin Technologies Limited "KFin Tech" Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. Toll-free No.: 1800-309-4001 E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> ; <a href="mailto:umesh.pandey@kfintech.com">umesh.pandey@kfintech.com</a> Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a>
14.	TCNS's contact details	<a href="mailto:investors@tcnsclothing.com">investors@tcnsclothing.com</a> 011-42193193/ 011-42193176
15.	Link of Proxy Advisors report	<a href="https://www.iiasadvisory.com/voting-recommendation">https://www.iiasadvisory.com/voting-recommendation</a> (Iias) <a href="https://www.sesgovernance.com/ses-recommendations">https://www.sesgovernance.com/ses-recommendations</a> (SES)
16.	Link of disclosures on Stock Exchange website and Company website	<a href="https://www.nseindia.com/companies-listing/corporate-filings-announcements">https://www.nseindia.com/companies-listing/corporate-filings-announcements</a> (NSE) <a href="https://www.bseindia.com/corporates/ann.html">https://www.bseindia.com/corporates/ann.html</a> (BSE) <a href="https://wforwoman.com/content/investor-relation">https://wforwoman.com/content/investor-relation</a>

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

Sd/-

**PIYUSH ASIJA**

Company Secretary and Compliance Officer  
ACS 21328

Date: August 24, 2022

Place: New Delhi



## Notice (Contd..)

Notice is hereby given that the Twenty Fifth (25<sup>th</sup>) Annual General Meeting ("AGM") of the Members of TCNS Clothing Co. Limited will be held on Tuesday, September 20, 2022 at 10:30 AM (IST) through Video Conferencing (VC)/Other Audio Video Mode (OAVM), to transact the following businesses:

**ORDINARY BUSINESS:**

**Item no. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.**

**Item no. 2: To re-appoint a Director in place of Mr. Anant Kumar Daga (DIN 07604184) who retires by rotation and being eligible, offers himself for re-appointment.**

**Item no. 3: To re-appoint M/s. Deloitte Haskins and Sells LLP (Firm registration number: 117366 W/W-100018) Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.**

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

**"RESOLVED THAT** pursuant to sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number: 117366 W/W-100018) ("Deloitte"), who being eligible, be and are hereby re-appointed as the Statutory Auditors who shall hold office from the conclusion of this 25<sup>th</sup> Annual General Meeting till the conclusion of the 29<sup>th</sup> Annual General Meeting of the Company to conduct audit of Accounts of the Company for the Four (4) consecutive financial years starting April 01, 2022 at such remuneration and terms and conditions mentioned in the Explanatory Statement."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorised by the Board/ Committee in this regard) be and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/ scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the

terms of appointment including any contracts or documents in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in the change in scope of work, etc. and necessary filings with appropriate authorities without being required to seek any further consent or approval of the members of the Company.

**SPECIAL BUSINESS:**

**Item no. 4: Re-appointment of Mr. Bhaskar Pramanik (DIN 00316650) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules made thereunder, read with Schedule IV of the Act and regulation 16(1)(b), 17(1A) and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations 2015") (including any statutory modifications or re-enactment(s) thereof for the time being in force) or any other applicable law and based on the recommendation of Nomination and Remuneration Committee and the approval of Board of Directors, Mr. Bhaskar Pramanik (DIN 00316650) aged Seventy One (71) years, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from December 14, 2022 to hold office for second term of Five (5) consecutive years i.e. upto December 13, 2027, notwithstanding that during the aforementioned term of Five (5) years, he attains the age of Seventy Five (75) years, on the terms and conditions as set out in the Explanatory Statement."

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

**Item no. 5: Re-appointment of Ms. Neeru Abrol (DIN 01279485) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules made thereunder, read with Schedule IV of the Act and regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 ("SEBI (LODR)

## Notice (Contd..)

Regulations 2015") (including any statutory modifications or re-enactment(s) thereof for the time being in force) or any other applicable law and based on the recommendation of Nomination and Remuneration Committee and the approval of Board of Directors, Ms. Neeru Abrol (DIN 01279485) be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from December 14, 2022 to hold office for second term of Five (5) consecutive years i.e. upto December 13, 2027 on the terms and conditions as set out in the Explanatory Statement."

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

**Item no. 6: Re-appointment of Ms. Sangeeta Talwar (DIN 00062478) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules made thereunder, read with Schedule IV of the Act and regulation 16(1)(b), and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI (LODR) Regulations 2015") (including any statutory modifications or re-enactment(s) thereof, for the time being in force) or any other applicable law and based on the recommendation of Nomination and Remuneration Committee and the approval of Board of Directors, Ms. Sangeeta Talwar (DIN 00062478) be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, with effect from December 14, 2022 to hold office for second term of Five (5) consecutive years i.e. upto December 13, 2027 on the terms and conditions as set out in the Explanatory Statement."

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

**Item no. 7: Re-Appointment of Mr. Onkar Singh Pasricha (DIN 00032290) as the Executive Director of the Company and to fix the terms of his appointment.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules made thereunder read with Schedule V to the Act (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and based on the recommendation of Nomination and Remuneration Committee and the approval of Board of Directors, Mr. Onkar Singh Pasricha (DIN 00032290), aged Seventy One (71) years, be and is hereby re-appointed as the Executive Director of the Company, liable to retire by rotation, with effect from December 14, 2022 for a for a term of Five (5) consecutive years i.e., upto December 13, 2027, and on such terms and conditions as set out in the Explanatory Statement."

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

**Item no. 8: Approval for fixation of remuneration of Mr. Onkar Singh Pasricha (DIN 00032290), Chairman and Executive Director of the Company.**

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

**"RESOLVED FURTHER THAT** pursuant to provisions of Sections 197, 198 and other applicable provisions of the Act, the rules made thereunder read with Schedule V of the Act (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors, the payment of remuneration, perquisites and other benefits to Mr. Onkar Singh Pasricha for a period of Three (3) years commencing from FY 2022-23 to FY 2024-25, as set out in the Explanatory Statement, be and is hereby approved with a liberty to the Board of Directors to revise remuneration on recommendation of the Nomination and Remuneration Committee within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or rules regulations and guidelines prescribed by the Government from time to time"



## Notice (Contd..)

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

**Item no. 9: Approval for Remuneration of Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company.**

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

“RESOLVED FURTHER THAT pursuant to provisions of Sections 197, 198 and other applicable provisions of the Act, the rules made thereunder read with Schedule V of the Act (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the approval of Board of Directors, the payment of remuneration, perquisites, and other benefits to

Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company for FY 2022-23, as set out in the Explanatory Statement, be and is hereby approved.”

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

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

Sd/-  
**PIYUSH ASIJA**  
Company Secretary and Compliance Officer  
ACS 21328

Date: August 12, 2022  
Place: New Delhi

## Notice (Contd..)

**NOTES:**

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 (“the Act”) related to the Special Business(es) to be transacted at the Annual General Meeting (“AGM”/ “Meeting”) is annexed hereto.
2. Pursuant to the provisions of section 149, 150, 152 of Companies Act, 2013, regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR), Regulations, 2015”) and the Secretarial Standard on General Meetings (“SS-2”), the relevant information in respect of the Directors seeking appointment/re-appointment and fixation of remuneration at the AGM is attached as **Annexure-B** and forms an integral part of this Notice.
3. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (“MCA”) issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively and SEBI circular SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 (“Applicable Circulars”) allowing, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means (“VC/OAVM”) facility on or before December 31, 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR), Regulations, 2015”), the 25<sup>th</sup> AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members. The deemed venue for the 25<sup>th</sup> AGM shall be the Registered Office of the Company.
4. As this AGM is being held pursuant to the Applicable Circulars through VC/OAVM, the route map to the AGM venue is not required to be annexed to this Notice.
5. As this AGM is being held pursuant to the Applicable Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not required to be annexed to this Notice.
6. M/s. KFin Technologies Limited, Registrar & Transfer Agent of the Company (“RTA”), shall be providing facility for voting and for attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of upto 2,000 members on a first-come-first-served basis. The members (holding 2% or more shareholding), Promoters, institutional investors,

Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinisers, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join Thirty (30) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of Fifteen (15) minutes after the scheduled time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in **Annexure-A** attached to this Notice.

7. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id [sanjaygrover7@gmail.com](mailto:sanjaygrover7@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com). The scanned image of the above-mentioned documents should be in the naming format “TCNS Clothing Co. Limited\_6856”
8. In case of joint holders, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., September 20, 2022.
10. The Company has appointed M/s. Sanjay Grover and Associates, Practicing Company Secretaries, to act as the Scrutiniser to scrutinise the E-voting process in a fair and transparent manner. Mr. Devesh Vasisht (FCS No. 8488 and CP No. 13700) and in case of his unavailability Mr. Vijay K. Singhal (ACS No. 21089 and CP No. 10385) on behalf of M/s. Sanjay Grover and Associates, has communicated his willingness to be appointed and be available for the purpose.
11. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Pursuant to the provisions of regulation 42 of the SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from September 14, 2022 to September 20, 2022 (Date of AGM) (Both days inclusive). The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-Off Date i.e., September 13, 2022.



## Notice (Contd..)

13. Pursuant to section 101 and section 136 of the Act read with the Applicable Circulars and relevant Rules made thereunder, to support the "Green Initiative" announced by the Government of India, read with Applicable Circulars, the Company is sending the Annual Report and Notice of the AGM with e-voting instructions only in electronic form to the registered email addresses of the Members. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on August 19, 2022 have been considered for the purpose of sending the AGM Notice and the Annual Report. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure provided in **Annexure-A** attached to this Notice. The Members seeking physical copy of Annual Report for FY 2021-22 are required to raise a request at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com) mentioning their Folio No./ DP ID and Client ID.
14. Pursuant to section 72 of the Act read with the rules made thereunder, members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 to KFin Tech. Members holding shares in electronic form may contact their respective DPs for availing this facility. The Nomination form can be downloaded from the Company's website at [https://wforwoman.com/content/wp-content/uploads/2021/12/4\\_FORM-SH-13.pdf](https://wforwoman.com/content/wp-content/uploads/2021/12/4_FORM-SH-13.pdf)
15. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company/ KFin Tech has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation by contacting the Company/KFin Tech for assistance in this regard.
16. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN to KFin Tech.
17. In case of change in residential status of Non-Resident Indian Shareholders, the same should be immediately

informed to the Registrar & Share Transfer Agents of the Company along with particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank.

**18. INSPECTION OF DOCUMENTS:**

- (i) Certificate from M/s. Sanjay Grover and Associates, Secretarial Auditors of the Company, with respect to implementation of Employee Stock Option Scheme, Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Act and all other relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.
- (ii) All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com). Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company at least 7 days before the date of AGM, through email at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com). The same will be replied by the Company suitably.
19. (i) Further, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs in order to increase the efficiency of the voting process.
- (ii) Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
20. The 25<sup>th</sup> Annual General Meeting is being convened through VC/OAVM in Compliance with applicable provisions of the Companies Act, 2013 read with Rules and Applicable Circulars.
21. The recorded transcript of this meeting shall be made available on the website of the Company at <https://wforwoman.com/content/investor-relation>

## Notice (Contd..)

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

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

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

**3. INSTRUCTION FOR REMOTE E-VOTING**

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

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

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

**OPTION 1 – LOGIN THROUGH DEPOSITORIES****Members having NSDL as Depository**

- Members who have already registered and opted for IDeAS facility to follow below steps:
  - Go to URL: <https://eservices.nsdl.com>
  - Click on the "Beneficial Owner" icon under 'IDeAS' section.
  - On the new page, enter the existing User ID and Password. Post successful authentication, click on "Access to e-Voting".
  - Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.

**Members having CDSL as Depository**

- Members who have already registered and opted for Easi / Easiest to follow below steps:
  - Go to URL: <https://web.cdslindia.com/myeasi/home/login>; or
  - URL: [www.cdslindia.com](http://www.cdslindia.com) and then go to Login and select 'New System Myeasi'
  - Login with user id and password.
  - The option will be made available to reach e-Voting page without any further authentication.
  - Click on company name or e-Voting service provider name to cast your vote during the remote e-Voting period.



## Notice (Contd..)

## OPTION 1 – LOGIN THROUGH DEPOSITORIES (CONTD..)

Members having NSDL as Depository	Members having CDSL as Depository
<p>2. User not registered for IDeAS e-Services</p> <p>(i) To register click on link: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> (Select "Register Online for IDeAS") or <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>(ii) Proceed with completing the required fields.</p>	<p>2. User not registered for Easi/Easiest</p> <p>(i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>(ii) Proceed with completing the required fields.</p>
<p>3. First-time users can visit the e-Voting website directly and follow the process below:</p> <p>(i) Go to URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>(ii) Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>(iii) Enter User ID (i.e., 16-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.</p> <p>(iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>3. First-time users can visit the e-Voting website directly and follow the process below:</p> <p>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>(ii) Click on the icon "E-Voting"</p> <p>(iii) Provide demat Account Number and PAN No.</p> <p>(iv) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>(vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

## OPTION 2 - LOGIN THROUGH DEPOSITORY PARTICIPANTS

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

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

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

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

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

- (i) Please access the RTA's e-voting platform at the URL: <https://evoting.kfintech.com/>
- (ii) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from RTA which will include details of **E-Voting Event Number (EVEN) i.e., 6856**, USER ID and password. Members are requested to use these credentials at the Remote Voting Login at the above-mentioned URL.

## Notice (Contd..)

- (iii) Alternatively, if the member is already registered with RTA's e-voting platform, then he can use their existing User ID and password for casting the vote through remote e-voting. If they have forgot the password, then they may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (iv) Members can also use SMS service to get the credentials if their mobile number is registered against Folio No./DP ID Client ID, by sending SMS: MYEPWD <space> EVEN No + Folio No. (in case of physical shareholders) or MYEPWD <space> DP ID Client ID (in case of shares held in DEMAT form) to 9212993399.

Example for NSDL	MYEPWD<SPACE> IN12345612345678
Example for CDSL	MYEPWD<SPACE> 1402345612345678
Example for Physical	MYEPWD<SPACE>Event No. HMT12345678

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

- (i) The remote e-voting facility will be available during the following period:
- |                     |  |
|---------------------|--|
| Start date and time | September 17, 2022 at 09:00 A.M. (IST) |
| End date and time   | September 19, 2022 at 05:00 P.M. (IST) |
- (ii) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by RTA upon expiry of the aforesaid period.
- (iii) Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.
- (iv) In case of any query pertaining to e-voting, please refer "Help" or "FAQs" and "User Manual for shareholders" available at the "Download" section on the website (bottom corner) of our RTA at <https://evoting.kfintech.com/>. Member may also call RTA at toll free number 1-800-3094-001 or send an e-mail request to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) for all e-voting related matters.

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

- (i) Only those members who will be present in the e-AGM through video conference facility and have not cast

their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM.

- (ii) Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.
- (iii) Upon the declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall be required to click on the "Vote"/ (🗳️) icon on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- (iv) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- (v) The facility of Instapoll will be available not exceeding Fifteen (15) minutes from the commencement of e-voting as declared by the Chairman at e-AGM and can be used for voting only by those Members who hold shares as on the cut-off date viz. September 13, 2022 and who have not already cast their vote(s) through remote e-voting.

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

- i. Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFin Tech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFin Tech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM though VC/OAVM shall open at least Thirty (30) minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended



## Notice (Contd..)

- to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Members who would like to express their views/ ask the questions may register their queries before the AGM by accessing the link <https://emeetings.kfintech.com> from September 14, 2022 to September 16, 2022. The Company has further provided a “post your query” option, to the members to express their views or ask questions during the AGM. The Company reserves the right to restrict the number of answers to the queries depending on the availability of time for the AGM. The unanswered queries, if any, shall be answered by the Company after the AGM suitably. Please note that, Members’ questions will be answered only if they continue to hold shares as on the cut- off date.
  - vi. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL [https://www.youtube.com/watch?v=0QpzRQ\\_IQdM](https://www.youtube.com/watch?v=0QpzRQ_IQdM)
  - vii. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/ OAVM platform. The Members may click on the voting (v) icon displayed on the screen to cast their votes.
  - viii. A Member can opt for only single mode of voting i.e., through Remote e-voting or instapoll voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
  - ix. Institutional Members are encouraged to attend and vote at the AGM through VC/ OAVM.

**7. OTHER INSTRUCTIONS**

- i. In case of any query and/ or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFin Tech

Website) or contact Mr. Umesh Pandey, Manager KFin Technologies Limited (‘KFin Tech’) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032. Toll-free No.: 1800-309-4001 E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); [umesh.pandey@kfintech.com](mailto:umesh.pandey@kfintech.com) Website: <https://www.kfintech.com> for any further clarifications.

- ii. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on September 13, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- iii. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-off date i.e., September 13, 2022.
- iv. The Scrutiniser shall, immediately after the conclusion of the remote e-voting at the AGM, first count the votes cast through remote e-voting during the Meeting and thereafter unblock the votes cast through remote e-voting before the AGM in presence of at least two witnesses not in the employment of the Company, and make a consolidated Scrutiniser’s Report of the total vote cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him in writing who shall countersign the same.
- v. The results on resolutions shall be declared not later than (2) Two working days from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.
- vi. The results declared along with the Scrutiniser’s Report will be made available on the website of the Company ([www.wforwoman.com](http://www.wforwoman.com)) and on Service Provider’s website (<https://evoting.kfintech.com>) and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited.

## Notice (Contd..)

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

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

**Item No. 3:**

Statement pursuant to requirements of Regulation 36(5) of SEBI (LODR) Regulations, 2015.

The Company had appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants (FRN: 117366W/W-100018) (“Deloitte”) as Statutory Auditors of the Company at its Board meeting held on November 14, 2016 to fill the casual vacancy of Statutory Auditors for the Financial Year 2016-17 to hold the office till conclusion of 20<sup>th</sup> Annual General Meeting of the Company. The Shareholders of the Company in their Extraordinary General Meeting convened on December 23, 2016 ratified the appointment of Deloitte as the Company’s Statutory Auditors for the accounting period April 1, 2016 to March 31, 2017. Deloitte was to hold the office of the Statutory Auditors of the Company until the conclusion of the 20<sup>th</sup> AGM to be convened in financial year 2017-2018.

The appointment of Deloitte was further approved by the Members at the 20<sup>th</sup> Annual General Meeting of the Company held on September 27, 2017 for a period of five (5) consecutive financial years starting April 01, 2017 and to hold the office of Statutory Auditors till the conclusion of 25<sup>th</sup> Annual General Meeting of the Company.

The Audit Committee in its meeting dated August 12, 2022 evaluated the re-appointment of Deloitte as Statutory Auditors. The Audit Committee considered various parameters like capability of Deloitte to serve a diverse and complex business landscape as that of the Company, audit experience in the Company’s operating segments, market standing of the firm, clientele served, technical knowledge etc. Deloitte have also affirmed and confirmed that they meet the independence and eligibility criteria as required under applicable law rules and regulations. The Audit Committee found Deloitte to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. Therefore, considering the evaluation of the past performance, experience and expertise of Deloitte, the Audit Committee of the Company recommended the proposal to re-appoint Deloitte as Statutory Auditors of the Company.

Based on the recommendation of Audit Committee and subject to approval of Shareholders, the Board of Directors of the Company have approved the re-appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors for further period of four (4) consecutive financial years starting April 01, 2022.

The remuneration for audit and limited review services of M/s Deloitte Haskins & Sells LLP (“Deloitte”) for conducting the audit for the financial year 2021-22, was ₹ 7.0 Mn. excluding taxes as applicable.

On the recommendation of the Audit Committee, the proposed remuneration to be paid to Deloitte for Audit and limited review services for the FY23, is upto ₹ 8.5 Mn. excluding applicable taxes.

The Board of Directors and the Audit committee may approve revisions to annual remuneration of the Statutory Auditors for the remaining part of their tenure. The Board of Directors, in consultation with the Audit committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Besides the Audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee. The proposed fee above shall exclude certification fees, fee for any other services, applicable taxes and reimbursements.

Deloitte have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act 2013 and other applicable rules and regulations.

The Board of Directors recommends the passing of the Resolution contained in this Item no. 3 of the accompanying Notice as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution. The Board recommends this resolution for the approval of Shareholders as Ordinary resolution.

**Item no. 4:**

Mr. Bhaskar Pramanik (DIN 00316650), aged Seventy One (71) years was appointed as Non-Executive Independent Director of Company with effect from December 14, 2017 and his existing term to hold the office of Director will expire on December 13, 2022, therefore, the Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on August 12, 2022, subject to the approval of Shareholders of the Company, have approved the re-appointment of Mr. Bhaskar Pramanik as Non-Executive Independent Director of the Company with effect from December 14, 2022 for a period of Five (5) years under section 149, 150 of the Companies Act, 2013 (“the Act”).



**Notice (Contd..)**

The Company has received notice under section 160 of the Act from a member signifying and proposing his candidature as Non-Executive Independent Director of the Company.

As on date of sending of this notice, Mr. Bhaskar Pramanik, is aged Seventy One (71) years and would be attaining the age of Seventy Five (75) years during the term of his re-appointment. Therefore, in view of the provisions of regulation 17 (1A) of SEBI (LODR) Regulations, 2015, for the continuation of Mr. Bhaskar Pramanik as Independent Non-Executive Director upon attaining the age of Seventy Five (75) years, consent of the Shareholders is also required by way of a Special Resolution.

Mr. Bhaskar Pramanik has given a declaration that he fulfills the conditions as set out in Section 149(6) and Schedule IV of the of the Act and "SEBI (LODR) Regulations, 2015" for being eligible for his re-appointment and has given all the requisite disclosures.

Mr. Bhaskar Pramanik has given his consent to act as a Director and confirmed that he is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and is not debarred from appointment by any order of SEBI or any other authority. He is eligible for re-appointment for a further term of Five (5) years.

The Board considers that continuance of his association for a second term of Five (5) years would be of immense benefit to the Company considering the knowledge, acumen, expertise and experience in respective field, substantial contribution and performance evaluation conducted for the first term on following parameters:

- Active and consistent participation in Board and Committee meetings;
- Valuable contribution towards strategy impacting Company's performance; and
- Experience on critical areas of functions of the organization.

Mr. Bhaskar Pramanik meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company:

- Leadership experience of running large enterprise Like Microsoft India. He is an accomplished management leader and professional from the Technology Industry, actively involved with the Indian IT industry since 1982 and is a regular speaker on computer & technology related subjects at public forums and industry meetings.
- Experience in strategic planning and risk management, understanding of emerging local and global trends in IT Industry.

Mr. Bhaskar Pramanik shall be eligible to be paid remuneration by way of sitting fee for attending meetings of the Board or Committees thereof and commission as may be decided by the Board on recommendation of the Nomination and Remuneration Committee and as per the limits specified under Companies act, 2013 ("the Act") and applicable rules and regulations. He shall be reimbursed for all the expenses incurred by him for travelling, boarding and lodging during his business trips, if any conducted on behalf of the Company.

The terms and conditions of appointment of Mr. Bhaskar Pramanik would be available for inspection by the members by writing an email to the Company at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com).

Except Mr. Bhaskar Pramanik, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives (to the extent of their shareholding in the Company, if any) are concerned or interested, financially or otherwise, in the resolution no. 4 as set out in the Notice.

The Board of Directors based on the recommendation of the Nomination and remuneration Committee considers the re-appointment of Mr. Bhaskar Pramanik as an Independent Director in the interest of the Company and recommends the Special resolution as set out in the Notice for approval of Shareholders.

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) in respect of appointment at Item Nos. 4 is given in **Annexure-B** to this Notice.

**Item no. 5:**

Ms. Neeru Abrol (DIN 01279485), aged Sixty Seven (67) years, was appointed as Non-Executive Independent Director of Company with effect from December 14, 2017 and her existing term to hold the office of Director will expire on December 13, 2022, therefore, the Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on August 12, 2022, subject to the approval of Shareholders of the Company, have approved the re-appointment of Ms. Neeru Abrol as Non-Executive Independent Director of the Company with effect from December 14, 2022 for a period of Five (5) years under section 149, 150 of the Companies Act, 2013 ("the Act").

The Company has received notice under Section 160 of the Act from a member signifying and proposing her candidature as Non-Executive Independent Director of the Company.

Ms. Neeru Abrol has given a declaration that she fulfills the conditions as set out in Section 149(6) and Schedule IV of the of the Act and SEBI (LODR) Regulations, 2015 for being eligible for her re-appointment and has given all the requisite disclosures.

**Notice (Contd..)**

Ms. Neeru Abrol has given her consent to act as a Director and confirmed that she is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and is not debarred from appointment by any order of SEBI or any other authority. She is eligible for re-appointment for a further term of Five (5) years.

The Board considers that continuance of her association for a second term of Five (5) years would be of immense benefit to the Company considering the knowledge, acumen, expertise and experience in respective field, substantial contribution and performance evaluation conducted for the first term on following parameters:

- Active and consistent participation in Board and Committee meetings;
- Valuable contribution towards strategy impacting Company's performance; and
- Experience on critical areas of functions of the organization.

Ms. Neeru Abrol meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company:

- Leadership and managerial experience of running large enterprise like National Fertilizers limited, Steel Authority of India and Others – Ms. Abrol is a Chartered Accountant by profession and has over Four (4) decades of rich experience in manufacturing industry. She embodies an extensive experience in the field of financial management.
- Experience in handling management and regulatory environment, strategic planning and risk management, understanding of applicable accountancy laws, accounting standards and financial management.

Ms. Neeru Abrol shall be eligible to be paid remuneration by way of sitting fee for attending meetings of the Board or Committees thereof and commission as may be decided by the Board on recommendation of the Nomination and Remuneration Committee as per the limits specified under Companies act, 2013 ("the Act") and applicable rules and regulations. She shall be reimbursed for all the expenses incurred by him for travelling boarding and lodging during his business trips, if any conducted on behalf of the Company.

The terms and conditions of appointment of Ms. Neeru Abrol would be available for inspection by the members by writing an email to the Company at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com).

Except Ms. Neeru Abrol, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives (to the extent of their shareholding in the Company, if any) are concerned or interested, financially or otherwise, in the resolution no. 5 as set out in the Notice.

The Board of Directors based on the recommendation of the Nomination and remuneration Committee considers the re-appointment of Ms. Neeru Abrol as an Independent Director in the interest of the Company and recommends the Special resolution as set out in the Notice for approval of Shareholders.

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) in respect of appointment at Item Nos. 5 is given in Annexure- B to this Notice.

**Item no. 6:**

Ms. Sangeeta Talwar (DIN 00062478), aged Sixty Six (66) years was appointed as Non-Executive Independent Director of Company with effect from December 14, 2017 and her existing term to hold the office of Director will expire on December 13, 2022, therefore, the Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on August 12, 2022, subject to the approval of Shareholders of the Company, have approved the re-appointment of Ms. Sangeeta Talwar as Non-Executive Independent Director of the Company with effect from December 14, 2022 for a period of Five (5) years under Section 149, 150 of the Companies Act, 2013 ("the Act") and Articles of Association of the Company.

The Company has received notice under Section 160 of the Act from a member signifying her candidature as Non-Executive Independent Director of the Company.

Ms. Sangeeta Talwar has given a declaration that she fulfills the conditions as set out in Section 149(6) and Schedule IV of the of the Act and SEBI (LODR) Regulations, 2015 for being eligible for her re-appointment and has given all the requisite disclosures.

Ms. Sangeeta Talwar has given her consent to act as a Director and confirmed that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and is not debarred from appointment by any order of SEBI or any other authority. She is eligible for re-appointment for a further term of Five (5) years.

The Board considers that continuance of her association for a second term of Five (5) years would be of immense benefit to the Company considering the knowledge, acumen, expertise and experience in respective field, substantial contribution and performance evaluation conducted for the first term on following parameters:

- Active and consistent participation in Board and Committee meetings;
- Valuable contribution towards strategy impacting Company's performance; and



## Notice (Contd..)

c. Experience on critical areas of functions of the organization.

Ms. Sangeeta Talwar meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company:

- a. Leadership experience of managing brands like Nestle, Tata Tea and Mattel— Experience in leading well-governed large organizations, with an understanding of organizational systems.
- b. Experience in handling stakeholder relations, strategic planning and Brand building, understanding of consumer expectations and latest trends.

Ms. Sangeeta Talwar shall be eligible to be paid remuneration by way of sitting fee for attending meetings of the Board or Committees and commission as may be decided by the Board on recommendation of the Nomination and Remuneration Committee as per the limits specified under Companies act, 2013 ("the Act") and applicable rules and regulations. She shall be reimbursed for all the expenses incurred by her for travelling boarding and lodging during his business trips, if any conducted on behalf of the Company.

The terms and conditions of appointment of Ms. Sangeeta Talwar would be available for inspection by the members by writing an email to the Company at [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com).

Except Ms. Sangeeta Talwar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives (to the extent of their shareholding in the Company, if any) are concerned or interested, financially or otherwise, in the resolution no. 6 as set out in the Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the re-appointment of Ms. Sangeeta Talwar as an Independent Director in the interest of the Company and recommends the Special resolution as set out in the Notice for approval of Shareholders.

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) in respect of appointment at Item Nos. 6 is given in **Annexure-B** to this Notice.

**Item no. 7:**

Mr. Onkar Singh (DIN 00032290), aged Seventy-One (71) years was appointed as the Executive Director of the Company by the Board at its Meeting held on December 14, 2017 for a period of Five (5) years and his existing term to hold the office of Executive Director will expire on December 13, 2022.

Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors at their meeting held on August 12, 2022, subject to

the approval of Shareholders of the Company, approved the re-appointment of Mr. Onkar Singh Pasricha as the Executive Director of the Company for a further period of Five (5) years from December 14, 2022 up to December 13, 2027 upon the terms & conditions including remuneration hereinafter mentioned.

The Company has received notice under Section 160 of the Act from a member signifying and proposing his candidature as Executive Director of the Company.

Mr. Onkar Singh Pasricha is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Executive Director and also confirmed that he is not debarred from appointment by any order of SEBI or any other authority. He is eligible for re-appointment for a further term of Five (5) years.

As on date of sending of this notice, Mr. Onkar Singh Pasricha is aged Seventy One (71) years, therefore, in view of the provisions of section 196 of the Act, for the re-appointment of Mr. Onkar Singh Pasricha, Executive Director consent of the Shareholders is required by way of a Special Resolution.

The principal terms and conditions of appointment of Mr. Onkar Singh Pasricha as the Executive Director are as follows:

- a. **PERIOD OF APPOINTMENT:** For a period of Five (5) years from December 14, 2022 up to December 13, 2027.
- b. **REMUNERATION DETAILS:** As detailed in explanatory statement of item no. 8
- c. **OTHER KEY TERMS:**
  - i. Unless terminated earlier or extended later by the parties pursuant to the existing Employment Agreement, the existing Employment Agreement shall terminate on the earlier of (a) December 13, 2022 or (b) on receipt of the shareholder approval of the New Employment Agreement effective December 14, 2022. The New Employment Agreement shall expire on December 13, 2027.
  - ii. **Retirement:** Mr. Pasricha will retire from the Company at the end of the Proposed Term on December 13, 2027.
  - iii. **Notice period:** Each party agrees to provide ninety (90) days' notice prior to terminating the agreement for reasons other than cause or for good reason.
  - iv. **Severance:** Not entitled to any severance pay unless approved by Board.
  - v. **Policies:** All the Human Resource Policies of the Company shall also be applicable to the Executive Director unless specifically provided otherwise.

## Notice (Contd..)

vi. **Expenses:** The Company will reimburse Mr. Pasricha for reasonable travel or other expenses incurred in accordance with the Company's expense reimbursement policy.

vii. **Variation:** Any variation to the terms and conditions of his appointment and remuneration, including Fixed pay, Variable pay and others, will be subject to review and approval by the Nomination and Remuneration Committee, the Board and the shareholders (if applicable) in accordance with the applicable law, including the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

viii. **Qualification:** Mr. Pasricha's employment is conditioned on his representation that he is not disqualified or prevented from acting as a Director/WTD on the Board of the Company, under applicable law including the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there are no other restrictions, such as a non-compete or non-solicitation agreement.

ix. **Duties:**

- a. The Onkar Singh Pasricha shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board of Directors in connection with and in the best interests of the business of the Company. He continues to be the Key Managerial Personnel of the Company.
- b. Mr. Onkar Singh Pasricha undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board of Directors.

The Board considers that his association would be of immense benefit to the Company, and it is desirable to continue availing services of Mr. Onkar Singh Pasricha as the Executive Director.

Except Mr. Onkar Singh Pasricha, being an appointee and Mr. Arvinder Singh Pasricha, Non-Executive Director (being his relative), none of the Directors or Key Managerial Personnel of the Company or their relatives (to the extent of their shareholding in

the Company, if any) are concerned or interested, financially or otherwise, in the resolution no. 7 as set out in the Notice.

The Board of Directors based on the recommendation of the Nomination and remuneration Committee considers the appointment of Mr. Onkar Singh Pasricha as Executive Director in the interest of the Company and recommends the passing of the resolution contained in item no. 7 of accompanying notice as a Special resolution.

This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) in respect of appointment at Item No. 7 is given in **Annexure-B** to this Notice.

**Item no. 8:**

The existing term of Mr. Onkar Singh (DIN 00032290), aged Seventy One (71) years, as Executive Director will expire on December 13, 2022. Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors at their meeting held on August 12, 2022, approved the re-appointment of Mr. Onkar Singh Pasricha as the Executive Director of the Company for a further period of Five (5) years from December 14, 2022 up to December 13, 2027 subject to the approval of Shareholders of the Company.

The remuneration proposed to be paid to Mr. Onkar Singh Pasricha, Chairman and Executive Director of the Company per annum is commensurate with his roles and responsibilities and is in line with the industry benchmarks and the performance of the company. Due to unprecedented COVID-19 pandemic situation, Mr. Onkar Singh Pasricha had voluntary foregone majority part of his salary during the FY 2020-21 and no increments were given since the appointment in 2017. Considering the size of the operations of the Company, role and responsibilities assigned to in his position, his background, competence, experience and his association with the Company and the industry benchmarks; remuneration packages of similarly placed personnel of other corporate bodies in the country, the remuneration proposed to be paid to him is considered to be fair, just and reasonable as stated below:

a. **REMUNERATION DETAILS:**

- i. **Period:** From April 01, 2022 to March 31, 2025 (FY 2022-23 to 2024-25)
- ii. **Compensation Details**
  - **Salary:** Upto Rs. 4.5 Mn. per annum (including Retirals, Perquisites, allowances and other benefits).



## Notice (Contd..)

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

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

If for any financial year during the aforesaid period i.e., between April 1, 2022 to March 31, 2025, the Company has no profits or its profits are inadequate, it shall pay to Mr. Onkar Singh Pasricha remuneration as specified above per annum, as minimum remuneration subject to the limits laid down and, in the manner, as stipulated in Schedule V to the Act, as may for the time being, be in force

The annual increments which will be effective April 1, each year will be decided by the Board in consultation with the Nomination and Remuneration Committee and the same shall be based on the Company's remuneration philosophy, policy and principles.

Except Mr. Onkar Singh Pasricha, being an appointee and Mr. Arvinder Singh Pasricha, Non-Executive Director (being his relative), none of the Directors or Key Managerial Personnel of the Company or their relatives (to the extent of their shareholding in the Company, if any) are concerned or interested, financially or otherwise, in the resolution no. 8 as set out in the Notice.

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

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) in respect of payment of remuneration at Item No. 8 is given in Annexure-B to this Notice.

**Item No. 9:**

The Members of the Company on the recommendation of the Nomination and Remuneration Committee and the Board, had approved the re-appointment of Mr. Anant Kumar Daga as Managing Director of the Company for a period of Five (5) years with effect from September 07, 2021 to September 06, 2026 and his remuneration for FY 2021-22, in the 24<sup>th</sup> AGM of the Company held on September 17, 2021.

In recognition of Mr. Anant Kumar Daga's contribution to the Company's strong performance and increase in shareholder value over the years and considering the company's performance on defined parameters, industry benchmarks and individual performance and based on the recommendation of the Nomination and Remuneration Committee the Board at its meeting held on August 12, 2022 approved the remuneration of Mr. Anant Kumar Daga (DIN 07604184), Managing Director of the Company for the FY 2022-23 subject to approval of shareholders under Section 197 and 198 of the Companies Act, 2013 and other applicable rules and regulations.

The remuneration proposed to be paid to Mr. Anant Kumar Daga, Managing Director of the Company for FY 22-23 as mentioned below is commensurate with his roles and responsibilities and is in line with the industry benchmarks and the performance of the company. Due to unprecedented COVID-19 pandemic situation, Mr. Anant Kumar Daga had voluntarily foregone majority part of his salary during the FY 2020-21. Considering the size of the operations of the Company, role and responsibilities assigned to in his position, his background, competence, experience and his association with the Company and the industry benchmarks remuneration packages of similarly placed personnel of other corporate bodies in the country, the remuneration proposed to be paid to him is considered to be fair, just and reasonable.

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

**a. REMUNERATION DETAILS:**

- Period:** From April 01, 2022 to March 31, 2023 (FY 2022-23)
- Compensation details:**
  - **Salary:** Upto Rs. 30 Mn. per annum (including Retirals, variable pay as per the policy of the Company, Perquisites, allowances and other benefits).
  - **Commission:** Nil
  - **Retirals** include Company's contribution to provident fund, superannuation or annuity fund and gratuity fund as per the service rules of the Company and applicable laws.

## Notice (Contd..)

- **Sitting Fee:** Nil
- **Perquisites:** Perquisites include but not limited to expenses pertaining to medical reimbursements as per policy of the Company, Leave Travel Concession as per policy of the Company, conveyance reimbursements, personal accident insurance, term policy, life insurance policy premium, usage of Company car(s) with driver, telephone/internet expenses and other utilities, membership fees of industry associations and/or clubs.

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

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

If during the financial year, the Company has no profits or its profits are inadequate, it shall pay to Mr. Anant Kumar Daga, remuneration as specified above, as minimum remuneration subject to the limits laid down and, in the manner, as stipulated in Schedule V to the Act, as may for the time being, be in force.

It is submitted that based on the projections, the managerial remuneration as aforesaid payable individually to Mr. Anant Kumar Daga may exceed the limits specified in section 197 of the Companies Act, 2013, therefore the Board of Directors recommends passing of the Resolution at Item No. 9 of the accompanying Notice as a Special Resolution.

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

This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Additional information pursuant to the Secretarial Standard on General Meetings (SS-2) in respect of appointment at Item No. 9 is given in **Annexure-B** to this Notice.

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

Sd/-

**PIYUSH ASIJA**

Company Secretary and Compliance Officer

ACS 21328

Date: August 12, 2022

Place: New Delhi



Notice (Contd..)

**Annexure-B****Details under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking appointment. (Executive Directors)**

<b>Resolution No.</b>	Resolution No. 2 & 9 (Re-appointment and approval of remuneration)	Resolution No. 7 & 8 (Re-appointment and approval of Remuneration)
<b>Name of Director (DIN)</b>	Mr. Anant Kumar Daga (DIN 07604184)	Mr. Onkar Singh Pasricha (DIN 00032290)
<b>Brief Resume, Experience and Expertise in specific functional areas</b>	Mr. Anant Kumar Daga joined TCNS Clothing Co. Limited as a Chief Executive Officer with effect from March 16, 2010. He was appointed on the Board as Managing Director on September 07, 2016 and re-appointed on September 07, 2021. Prior to joining the Company, Mr. Anant Kumar Daga has worked with Reebok India and ICICI bank.	Mr. Onkar Singh Pasricha holds a bachelor's degree in Technology in Electrical Engineering from Indian Institute of Technology, Delhi. He is one of the Co-founders of TCNS Clothing Co. Limited and has been on the Board of the Company since December 3, 1997. He has more than Forty Five (45) years of experience in the fashion industry spanning from retail, trading, whole-selling, manufacturing and exports. From the early 1970s he has set up manufacturing operations and contract manufacturing in India and other countries to serve global developed markets for international brands and chain store retailers. He has been also awarded for Entrepreneur of the year by Images North Indian Awards (FY 2019).
<b>Date of Birth (Age in years)</b>	April 28, 1977 (45 years)	September 21, 1950 (71 years)
<b>Qualifications</b>	Bachelor's degree in Commerce from the University of Calcutta and a postgraduate diploma in management from Indian Institute of Management, Ahmedabad	B-Tech, Electrical Engineering, IIT-Delhi.
<b>Terms and conditions of appointment/ re-appointment including remuneration</b>	As mentioned in explanatory statement	As mentioned in the explanatory statement
<b>Details of remuneration last drawn</b>	₹ 24.45 Mn.	₹ 3.00 Mn.
<b>Date on which first appointed on the Board</b>	September 07, 2016	December 03, 1997
<b>Details of shareholding in the Company directly or on beneficial basis</b>	36,05,124 equity shares	67,52,681 equity shares
<b>Relationship with other Directors Manager and Key Managerial Personnel (if any)</b>	Not related to any Director of the Company.	Relative of Mr. Arvinder Singh Pasricha (Non-Executive Director) (DIN: 00032420)

Notice (Contd..)

<b>Number of Board meetings attended during the year</b>	5 out of 5 Board meetings	5 out of 5 Board meeting
<b>Board memberships of other Companies</b>	Nil	1. TCNS Limited 2. TCNS Resorts Private Limited
<b>Chairperson/Member of the Committee of the Board of Directors of Company</b>	1. Risk Management Committee (Member) 2. Stakeholders Relationship Committee (Member)	1. Risk Management Committee (Chairperson) 2. Nomination and Remuneration Committee (Member) 3. Corporate Social Responsibility Committee (Member)
<b>Chairperson/Member of the Committee of the Board of Directors of other Companies</b>	Nil	Nil
<b>Name of Listed Companies from which resigned during last Three (3) years</b>	Nil	Nil



## Notice (Contd..)

**Details under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking appointment. (Non Executive Directors)**

Resolution No.	Resolution No. 4 (Re-appointment)	Resolution No. 5 (Re-appointment)	Resolution No. 6 (Re-appointment)
<b>Name of Director (DIN)</b>	Mr. Bhaskar Pramanik (DIN 00316650)	Ms. Neeru Abrol (DIN 01279485)	Ms. Sangeeta Talwar (DIN 00062478)
<b>Brief Resume, experience and Expertise in specific functional areas</b>	Mr. Bhaskar Pramanik is the former Chairperson of Microsoft India. He looked after the company's overall sales, marketing and all other transactions across India. He retired from Microsoft in September 2017. He has served as the Chairperson of Sun Microsystems India and Managing Director of Oracle India. He has also served as an Independent Director on the Board of State Bank of India.  Mr. Pramanik has more than Thirty (30) years of experience in the Indian IT industry and has been actively involved with the Indian IT industry since 1982 and is a regular speaker on computer & technology related subjects at public forums and industry meetings. He is a member of various committees in CII, MAIT, NASSCOM and was the Chairperson of the American Chamber of Commerce, Karnataka, in 2003-2004. He is a member of the Executive Council of NASSCOM.	Ms. Neeru Abrol has more than Four (4) decades of rich experience in the Manufacturing and Processing Industry. She worked for Twenty Six (26) years with Steel Authority of India Limited at various critical management positions. She was Chairperson & Managing Director at National Fertilizers Limited.	Ms. Sangeeta Talwar 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, Tat a Tea as an Executive Director (Marketing) and NDDDB Dairy Services as its Managing Director
<b>Date of Birth (Age in years)</b>	March 20, 1951 (71 years)	February 07, 1955 (67 years)	May 05, 1956 (66 years)
<b>Qualifications</b>	Bachelor's degree in Technology from Indian Institute of and Advanced Marketing Management Program from Stanford University.	Chartered Accountant, ICAI	Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata
<b>Terms and conditions of appointment/re-appointment including remuneration</b>	As detailed in Explanatory Statement above	As detailed in Explanatory Statement above	As detailed in Explanatory Statement above
<b>Details of remuneration last drawn</b>	Sitting fee: ₹ 1.20 Mn.	Sitting fee: ₹ 1.50 Mn.	Sitting fee: ₹ 1.27 Mn.

## Notice (Contd..)

Date on which first appointed on the Board	December 14, 2017	December 14, 2017	December 14, 2017
<b>Details of shareholding in the Company directly or on beneficial basis</b>	Nil	Nil	Nil
<b>Relationship with other Directors Manager and Key Managerial Personnel (if any)</b>	Not related to any Director of the Company.	Not related to any Director of the Company.	Not related to any Director of the Company.
<b>Number of Board meetings attended during the year</b>	5 out of 5 Board meeting	5 out of 5 Board meeting	5 out of 5 Board meeting
<b>Board memberships of other Companies</b>	<ol style="list-style-type: none"> <li>1. Myytake Private Limited</li> <li>2. Route Mobile Limited</li> <li>3. Royal Orchid Hotels Limited</li> <li>4. Myy Sports Private Limited</li> <li>5. Cordillera Hospitality Private Limited</li> <li>6. TBO Tek Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Apollo Pipes Limited</li> <li>2. APL Apollo Tubes Limited</li> <li>3. Apollo Tricoat Tubes Limited</li> <li>4. Stecol International Private Limited</li> <li>5. Apollo Metalex Private Limited</li> <li>6. Shri Lakshmi Metal Udyog Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Manipal Global Education Services Private Limited</li> <li>2. HCL Infosystems Limited</li> <li>3. Sembcorp Green Infra Limited</li> <li>4. Mahindra First Choice Wheels Limited</li> <li>5. Castrol India Limited</li> <li>6. Sembcorp Energy India Limited</li> <li>7. Mahindra Holidays and Resorts India Limited</li> <li>8. Happy Jars Private Limited</li> </ol>
<b>Chairperson/Member of the Committee of the Board of Directors of Company</b>	<ol style="list-style-type: none"> <li>1. Nomination and Remuneration Committee (Chairperson)</li> <li>2. Audit Committee (Member)</li> <li>3. Corporate Social Responsibility Committee (Member)</li> <li>4. Risk Management Committee (Member)</li> </ol>	<ol style="list-style-type: none"> <li>1. Audit Committee (Chairperson)</li> <li>2. Nomination and Remuneration Committee (Member)</li> <li>3. Stakeholders Relationship Committee (Member)</li> <li>4. Corporate Social Responsibility Committee (Member)</li> <li>5. Risk Management Committee (Member)</li> </ol>	<ol style="list-style-type: none"> <li>1. Stakeholders Relationship Committee (Chairperson)</li> <li>2. Audit Committee (Member)</li> <li>3. Nomination and Remuneration Committee (Member)</li> <li>4. Corporate Social Responsibility Committee (Member)</li> <li>5. Risk Management Committee (Member)</li> </ol>
<b>Chairperson/Member of the Committee of the Board of Directors of other Companies.</b>	<ol style="list-style-type: none"> <li>1. Route Mobile Limited (Chairperson of Stakeholders Relationship Committee)</li> <li>2. Royal Orchid Hotels Limited (Member of Audit Committee and Stakeholders Relationship Committee)</li> </ol>	<ol style="list-style-type: none"> <li>1. APL Apollo Tubes Limited (Chairperson of Nomination and Remuneration Committee, Member of Audit Committee and Risk Management Committee)</li> </ol>	<ol style="list-style-type: none"> <li>1. HCL Infosystems Limited (Chairperson of Stakeholders Relationship Committee and Nomination and Remuneration Committee and Member of Audit Committee)</li> </ol>



## Notice (Contd..)

- |  |   |   |
|--|---|---|
| <p><b>3. TBO Tek Limited</b> (Chairperson of Stakeholders Relationship Committee, Members of Audit Committee and Risk Management Committee)</p>  | <p><b>2. Apollo Pipes Limited</b> (Chairperson of Stakeholders Relationship Committee and Nomination and Remuneration Committee, Member of Audit Committee and Risk Management Committee)</p> | <p><b>2. Sembcorp Energy India Limited</b> (Chairperson of Nomination and Remuneration Committee and Member of Corporate Social Responsibility Committee)</p>                 |
| <p><b>4. Apollo Tricoat Tubes Limited</b> (Chairperson of Stakeholders Relationship Committee, Members of Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Risk Management Committee)</p> | <p><b>3. Sembcorp Green Infra Limited</b> (Chairperson of Nomination and Remuneration Committee and Member of Audit Committee and Corporate Social Responsibility Committee)</p>              | <p><b>3. Sembcorp Green Infra Limited</b> (Chairperson of Nomination and Remuneration Committee, Member of Audit Committee and Corporate Social Responsibility Committee)</p> |
| <p><b>4. Stecol International Private Limited</b> (Chairperson of Audit Committee, Member of Risk Management Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee)</p>                               | <p><b>4. Castrol India Limited</b> (Chairperson of Nomination and Remuneration Committee, Member of Audit Committee and Corporate Social Responsibility Committee)</p>                        | <p><b>4. Castrol India Limited</b> (Chairperson of Nomination and Remuneration Committee, Member of Audit Committee and Corporate Social Responsibility Committee)</p>        |
| <p><b>5. Apollo Metalex Private Limited</b> (Member of Corporate Social Responsibility Committee)</p>  | <p><b>5. Mahindra First Choice Wheels Limited</b> (Member of Audit Committee and Nomination and Remuneration Committee)</p>   | <p><b>5. Mahindra First Choice Wheels Limited</b> (Member of Audit Committee and Nomination and Remuneration Committee)</p>   |
| <p><b>6. Shri Lakshmi Metal Udyog Limited</b> (Member of Corporate Social Responsibility Committee)</p>  | <p><b>6. Manipal Global Education Services Private Limited</b> (Chairperson of Corporate Social Responsibility Committee and Member of Audit Committee)</p>                                   | <p><b>6. Manipal Global Education Services Private Limited</b> (Chairperson of Corporate Social Responsibility Committee and Member of Audit Committee)</p>                   |
|  | <p><b>7. Mahindra Holidays and Resorts India Limited</b> (Chairperson of Corporate Social Responsibility Committee and Member of Stakeholders Relationship Committee)</p>                     | <p><b>7. Mahindra Holidays and Resorts India Limited</b> (Chairperson of Corporate Social Responsibility Committee and Member of Stakeholders Relationship Committee)</p>     |

<p><b>Name of Listed Companies from which resigned during last (3) Three years</b></p>	<p>1. State Bank of India Nil</p>	<p>1. Glaxosmithkline Consumer Healthcare Limited (cease to be Director due to Amalgamation)</p>
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## For and on behalf of Board of Directors

Sd/-  
**PIYUSH ASIJA**  
 Company Secretary and Compliance Officer  
 ACS 21328

Date: August 12, 2022  
 Place: New Delhi

# Board's Report

To  
**THE MEMBERS**  
**TCNS CLOTHING CO. LIMITED**

Your Directors take pleasure in presenting 25<sup>th</sup> Annual Report on business performance along with the Audited Financial Statements for the Financial Year ended March 31, 2022 (FY22) and Auditor's Report thereon.

## 1. FINANCIAL RESULTS

Particulars	(Rs. in Mn.)	
	FY 2021-22	FY 2020-21
Revenue from Operations	8,960.52	6,355.36
EBITDA	1,243.35	514.29
Finance Costs	371.70	364.53
Depreciation and Amortization Expense	943.84	919.14
Profit/(Loss) Before Tax	(72.19)	(769.38)
Tax Expenses	(14.90)	(205.55)
Profit/(Loss) After Tax	(57.29)	(563.83)
Other Comprehensive Income/(Loss)	12.13	16.18
Total Comprehensive Income/(Loss) for the Year	(45.16)	(547.65)

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

Revenue of the Company increased to Rs. 8,960.52 Mn. in FY22 compared to Rs. 6,355.36 Mn. in the previous year. The retail operations continued to be impacted due to various lockdowns and other restrictions imposed by governments and local authorities during the second and third wave of COVID-19, impacting revenues from the offline channels. The Company's EBITDA (Earnings Before Interest, Tax and Depreciation) was Rs. 1,243.35 Mn. against previous year's EBITDA of Rs. 514.29 Mn. Profit After Tax (PAT) was Rs. (-) 57.29 Mn. against previous year's PAT of Rs. (-) 563.83 Mn.

The operating environment this year continued to remain volatile and challenging. India witnessed a devastating second wave of COVID-19 during the year with a significant humanitarian and economic impact. With the onset of second wave of COVID-19 towards the middle of March 2021, the business got impacted in Q1 of FY22 due to temporary closure of retail outlets, curtailed operating hours and lockdowns impacting other parts of the business. Q2 and Q3 of the FY22 witnessed gradual recovery across channels, tiers and formats. Q4 was again disrupted due to the third wave of COVID-19. As we ended the year, the business was on its path to recovery from pandemic induced disruptions. With mobility going up, there was an increase in demand for discretionary products and we witnessed need-based demand spurts

and a gradual recovery for other use cases. With offices gradual opening up, we expect complete recovery in the demand for women ethnic wear.

The first priority in our COVID-19 response plan was to ensure business continuity while ensuring the safety of our employees, business partners and customers. The Company had temporarily closed all stores, offices, and warehouses as applicable under the lockdown regulations. The Company also facilitated work from home for various teams through secured remote access with continued robust financial controls.

During FY22, our key focus continued to be preserving the balance sheet strength while investing into growth levers. The key priorities were calibrated offline expansion, online business growth, cash conservation and swifter thought to shelf process. The Company achieved its objectives on these fronts. The Company ended the financial year with cash reserves of over Rs 1,500 Mn. With the markets recovering now, the Company is in a healthy position to invest into the growth levers and pursue an accelerated growth strategy. The accelerated retail expansion which started in Q3 of FY22 would be continued in FY23. Timely readiness for shift of Online business from B2B inventory-based model to D2C model and investments in building a resilient and customer-oriented brand websites have reaped significant benefits for us in terms of growth in the Online business. Our investments in various thought-to-shelf initiatives are ready to give us benefits across various parts of the supply chain and enabling us to optimize our working capital.

India's retail landscape is rapidly evolving as technology continues to influence consumer behavior, with shoppers' path to purchase now spanning various channels and devices. The fast-evolving shoppers of today move seamlessly between online and offline channels, seeking convenience and value across categories. To service the needs of these discerning digital shoppers, we have adapted an Omni-channel approach. We now have robust Omni-channel capabilities to leverage inventory across channels to be displayed and sold to our consumers.

India is undergoing rapid digital transformation, new-age technologies are transforming the landscape of consumer goods market, bringing opportunities for brands, consumers and customers alike. E-Commerce continues to gain traction as more consumers shop online and with more digital-first brands entering the market. With a technology-focused approach, retailers are reinventing their business models to stay more connected in the digital world.



## Board's Report (Contd..)

The two years of pandemic has made us a stronger, better business which is much more resilient and responsive. As the economy, consumer and channel landscapes rapidly evolve, we continue to be agile to leverage our strengths, capture opportunities and navigate through the challenges.

**3. DIVIDEND**

Considering the Company's financial performance in FY22 and investment commitment in various growth initiatives, the Company would seek to retain its cash reserves and the Board of Directors recommends not to distribute any dividend for the Year under review.

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

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

**5. TRANSFER TO RESERVES**

During the year under review, the Company transferred a Total Comprehensive Income/(Loss) of Rs. 12.13 Mn. to the Retained Earnings. Post this transfer, Retained Earnings amounts to Rs. 1,999.59 Mn. as on March 31, 2022. There is no amount proposed to be transferred to the General Reserves during the year under review.

**6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A separate section on "Management Discussion and Analysis Report" is included in this Annual Report as required under schedule V read with regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Management Discussion and Analysis Report includes discussion on global economic scenario and outlook, industry developments, Company's operational and financial performance during the year, risk management, internal control systems and their adequacy, material developments on human resource and key financial ratios.

**7. SHARE CAPITAL**

During the year under review, the Company has allotted 80,175 (Eighty thousand one hundred and seventy five) equity shares of Rs. 2/- (Rupees two) each under TCNS ESOP Scheme 2014-17 and 10,000 (Ten thousand) equity shares of Rs. 2/- (Rupees two) each under TCNS ESOP Scheme 2018-2023. Thereby, the paid-up equity nominal

capital of the Company increased by Rs. 1,80,350/- (Rupees one lakh eighty thousand three hundred and fifty).

**8. MATERIAL CHANGES AND COMMITMENTS**

The Company continues to work on measures to mitigate the adverse impact of COVID-19 in the offline channels and continue the growth trajectory in the Online business. The Company is pursuing an accelerated growth strategy in FY23 and as demand recovers to normalcy, the Company intends to reap the benefits of its investment in various growth levers including offline retail expansion, capabilities to manage a D2C (direct-to-consumer) online business, foray into new brands and categories. The product initiatives incubated in the last couple of years are showing progress in improving sales in footwear and brand "Elleven". In FY22, the Company forayed into Beauty & Personal Care with launch of "W Cosmetics" to give a top-to-toe product offering to its consumers. With a portfolio of iconic, well-loved and purposeful brands that span the price-benefit pyramid, we ensure that our brands are accessible and aspirational for all consumers across the country.

There are no other material changes and commitments affecting the financial position of the Company between the end of the Financial Year to which the financial statements relate and the date of the report. Further, there has been no change in the nature of business of the Company during the year.

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

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

The foreign exchange earned (actual inflows) and foreign exchange outgo (actual outflows) during the year are as follows:

Particulars	(Rs. in Mn.)	
	FY 2021-22	FY 2020-21
Foreign Exchange Inflow	50.50	37.34
Foreign Exchange Outflow	8.15	2.86

## Board's Report (Contd..)

**10. DIRECTORS**

The Board of Directors consists of eight (8) members, of which four (4) Directors are Independent Directors which includes two (2) Women Independent Directors. Three (3) new appointments were made on the Board during the period under review namely, Mr. Arvinder Singh Pasricha (DIN 00032420) (Non- Executive Non-Independent Director), Mr. Naveen Wadhwa (DIN 02503164) (Non- Executive Non-Independent Director) and Mr. Suresh Jayaraman (DIN 03033110) (Non- Executive Non-Independent Director). Further, Mr. Naresh Patwari (DIN 03319397) (Non-Executive Non-Independent Director) ceased to be the member of the Board of Directors during the year with effect from February 11, 2022.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anant Kumar Daga (DIN 07604184), Director of the Company, retiring by rotation at the 25<sup>th</sup> Annual General Meeting, being eligible, offers himself for re-appointment. Mr. Anant Kumar Daga is also the Managing Director of the Company.

Mr. Onkar Singh Pasricha (DIN 00032290) was appointed and designated as the Executive Director of the Company by the Board at its Meeting held on December 14, 2017, for a period of 5 years i.e., from December 14, 2017 to December 13, 2022. The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Company and subject to approval of the Shareholders at the 25<sup>th</sup> Annual General Meeting have approved the re-appointment of Mr. Onkar Singh Pasricha as Executive Director of the Company for a period of 5 (five) years from December 14, 2022 to December 13, 2027, upon the terms & conditions mentioned in the explanatory statement of the Notice of the 25<sup>th</sup> Annual General Meeting.

A brief resume of Mr. Anant Kumar Daga (DIN 07604184) and Mr. Onkar Singh Pasricha (DIN 00032290) along with the other details as stipulated under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2") are provided in the Notice for convening the 25<sup>th</sup> Annual General Meeting of the Company. Further, there were no changes except the changes stated above in the Board of Directors during the Financial Year under review.

**Independent Directors**

The Board of the Company comprises of four (4) Independent Directors. During the period under review, Mr. Suresh Jayaraman (DIN 03033110) was appointed as an Independent Director with effect from December 30, 2021. All the Independent Directors were appointed by the Shareholders of the Company and letters of appointment were issued to them as per Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of

Independent Directors are available on the website of the Company at <https://wforwoman.com/content/report/terms-and-conditions-of-appointment-of-independent-directors>. Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 read with Schedule IV and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Board of Directors in their meeting held on August 12, 2022 approved the re-appointment of Mr. Bhaskar Pramanik (DIN 00316650) (Non-Executive Independent Director), Ms. Neeru Abrol (DIN 01279485) (Non-Executive Independent Director) and Ms. Sangeeta Talwar (DIN 00062478) (Non-Executive Independent Director) with effect from December 14, 2022 for a term of consecutive five (5) years subject to the approval of the Shareholders at the 25<sup>th</sup> Annual General Meeting of the Company. A brief resume of Mr. Bhaskar Pramanik (DIN 00316650), Ms. Neeru Abrol (DIN 01279485) and Ms. Sangeeta Talwar (DIN 00062478) along with the other details as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2") are provided in the Notice for convening the 25<sup>th</sup> Annual General Meeting of the Company.

**Familiarization Programme**

Every Director's letter of appointment explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The terms and conditions of the appointment are also placed on the website of the Company. Each Director is taken through a familiarization programs in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including interaction with the Managing Director, Chief Financial Officer and the Senior Management of the Company covering marketing, finance and other important aspects of the Company. Necessary presentations, documents, reports, internal policies and updates are provided to them to familiarize with the Company's business policies, procedures and practice from time to time. The policy and details on familiarization programs attended by the Independent Directors is available on the website of the Company at <https://wforwoman.com/content/report/familiarization-programme-redressal-and-other-relevant-details>.

**Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors have adopted a process for evaluating its performance and effectiveness as well as that of its Committees and the Directors individually. During the year under review, the Board carried out the evaluation of its own performance



## Board's Report (Contd..)

and that of its Committees and the individual Directors. In a separate meeting of the Independent Directors held on March 24, 2022, performance of the Non-Independent Directors, the Board as a whole and the Chairman was also evaluated on the basis of pre-set criterion. The evaluation criteria included various aspects such as functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision-making, roles & responsibilities including monitoring, benchmarking, feedback relationship with the stakeholders and as provided by the Guidance Note on Board Evaluation issued by SEBI dated January 05, 2017.

**11. KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of sections 2(51), 203, of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Onkar Singh Pasricha (DIN 00032290), Executive Director, Mr. Anant Kumar Daga (DIN 07604184), Managing Director, Amit Chand, Chief Financial Officer and Mr. Piyush Asija, Company Secretary and Compliance Officer continue to be Key Managerial Personnel of the Company as per the provisions of section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**12. SECRETARIAL STANDARDS**

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

**13. EMPLOYEES****Particulars of Employees**

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

**Employee Stock Option Scheme**

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and section 62(1)(b) of the Companies Act, 2013 read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed and marked as **Annexure 'D'** to this Report.

**Disclosure on Sexual Harassment of Women at Workplace**

Pursuant to the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition &

Redressal) Act, 2013 and rules made thereunder, the Company has an Internal Complaints Committee for providing a redressal mechanism and to prevent the sexual harassment of women employees at workplace. To build awareness in this area, the Company has been conducting induction/refresher programs through external consultants and its in-house training team in the organization on regular intervals basis.

There were two (2) cases reported during the year under review, which was addressed within the prescribed time. As on March 31, 2022, there is one (1) case of alleged discrimination pertaining to previous year which is pending resolution as on March 31, 2022 before the National Commission of Women (NCW).

**14. GOVERNANCE AND SECRETARIAL**

The Board has an optimum mix of Executive, Non-Executive and Independent Directors and is headed by Mr. Onkar Singh Pasricha (DIN 00032290), an Executive Chairman. The Board of the Company is diverse in terms of qualification, competence, experience, and expertise which enable it to ensure long term value creation for all stakeholders. As on March 31, 2022, the Board comprises of two (2) Executive Directors, two (2) Non-Executive Non-Independent Directors, and four (4) Non-Executive Independent Directors. The details related to meetings of the Board, Directorships and Committees, are disclosed in the Corporate Governance Report forming part of the Annual Report as **Annexure 'G'**.

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

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

**Policy for Determining Material Subsidiaries**

The policy for Determining the Material Subsidiaries of the Company is available on the website of the Company at <https://wforwoman.com/content/report/lodr-policies>. There are no subsidiaries of the Company as on March 31, 2022.

**Dividend Distribution Policy**

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates top one thousand (1,000) Listed Companies (on the basis of their market capitalization as calculated on the 31<sup>st</sup> day of March of every year) to frame a policy for distribution

## Board's Report (Contd..)

of dividend. Accordingly, the Company adopted the said policy in the Board Meeting dated May 28, 2019. This policy aims at laying down a broad framework for considering decisions by the Board of the Company with regard to distribution of dividend to Shareholders and/or retention or plough back of its profits. The said policy is available on the website of the Company at <https://wforwoman.com/content/report/lodr-policies>.

**Whistle Blower Policy**

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

**Risk Management**

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

Risk Management is integral to Company's strategy and for the achievement of long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities generated by our business and the markets we operate in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's agenda, which is where we believe it should be. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Senior Management, Managing Director, Chief Financial Officer, Risk Management Committee, Audit Committee and Board of Directors. For each of our principal risks, we have a risk management framework detailing the internal controls we have in place and who is responsible for managing both the overall risk and the individual controls mitigating that risk. Our assessment of risk considers short and long term as well as internal and external risks including financial,

operational, sustainability (particularly environment, social and governance related risks), cyber security, data privacy and security and any other risks as may be determined by the Company's leadership teams. The emerging risk areas are reviewed on an ongoing basis by Risk Management Committee and the Board at least twice a year.

**Code of Conduct**

The Board of Directors have approved and adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company to whom the Code applies. The Code of Conduct is also available on the website of the Company at <https://wforwoman.com/content/report/lodr-policies>. The affirmation by the Managing Director that the Code of Conduct has been complied by the Board of Directors and Senior Management Personnel forms part of the Corporate Governance Report.

**Prevention of Insider Trading**

The Company has formulated and adopted TCNS Insider Trading Policy including a Code of Fair Disclosure in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as may be amended from time to time. The policy lays down the guidelines, procedures to be followed from time to time and disclosures to be made while dealing with the securities of the Company along with consequences for violation. The policy is formulated to regulate, monitor and ensure reporting of deals by designated persons and maintain highest level of ethical standards while dealing in the Company's securities. The TCNS Insider Trading Policy including Code of Fair Disclosure is available on the website of the Company at <https://wforwoman.com/content/report/lodr-policies>. The Company is maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Also, time to time internal trainings and awareness programmes were conducted during the year to make the employees familiar with Insider Trading Policy of the Company formulated as per SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company monitors its Designated Persons through TCNS INSIDERS MONITORING PORTAL ("TIMP") a web-based comprehensive solution especially designed for catering all the requirements arising under SEBI (Prohibition of Insider Trading) Regulations, 2015 viz. applying pre-clearance and approval thereof, recording of trades, disclosure under Reg 7(2), recording of UPSI etc. The Designated Persons are being monitored regularly with respect to their dealing in securities of the Company.

The Company is also maintaining the System Driven Disclosure on Central Depository Services Limited ("CSDL") (Designated Depository) in terms of SEBI circular dated September 09, 2020.



## Board's Report (Contd..)

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

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

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

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

**16. GENERAL BODY MEETINGS**

During the Financial Year under review, the 24<sup>th</sup> Annual General Meeting of the Company was held on September 17, 2021. No Extraordinary General Meeting was conducted during the year under review.

**17. PUBLIC DEPOSITS**

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

**18. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES**

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

**19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

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

**20. ENVIRONMENT, HEALTH AND SAFETY**

We have always strived to grow our business while protecting the planet and doing good for the people. We believe that to generate superior long-term value, we need to care for all our stakeholders – our consumers, customers, employees, shareholders and above all, the planet and society. The environmental cleanliness, health and safety is a key focus area for the Company. The Company aims to grow its business while minimizing any adverse impact of expansion on the environment. The Company continuously works with its vendors and suppliers to reduce any negative environmental impacts caused by the manufacturing processes, storage or logistics involved. The Company is evaluating its ESG Strategy and has internal commitments with respect to reducing usage of plastic packaging, e-waste generation, energy consumption and sustainable sourcing.

In alignment with Company's safety standards, employees adhere to required norms and comply with relevant statutory provisions. The Company provides its employees a healthy workplace with an aim to achieve zero injuries to all its employees and all stakeholders associated with the Company's operations. The Company has established and implemented a Work-From-Home Policy (WFH) which provides for the employees to work from the safety of their homes. The Company has formulated health and safety protocols and conducts for all its employees including front-end retail employees. Standard operating procedures at the Company's office, warehouses and retail stores includes regular thermal scanning, compulsory wearing of masks, maintaining social distancing norms, regular washing of hands with soap, sanitization of premises and other safety procedures as prescribed by the appropriate authorities from time to time.

**21. EXTRACT OF ANNUAL RETURN**

The draft of Annual Return for the FY22 in prescribed form MGT – 7, pursuant to provisions of section 92 of the

## Board's Report (Contd..)

Act read with the rules framed thereunder, is available on the website of the Company at <https://wforwoman.com/content/report/annual-return>. The Company shall immediately after the filing of the Annual Return for the year 2021-22 within the timelines prescribed under Companies Act, 2013, make the same available on the website of your Company.

**22. BUSINESS RESPONSIBILITY REPORT**

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

**23. CORPORATE GOVERNANCE REPORT**

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

**24. CORPORATE SOCIAL RESPONSIBILITY ("CSR") REPORT**

The Board, pursuant to requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and on the recommendation of the CSR Committee, had adopted a CSR Policy and the same is available on the website of the Company at <https://wforwoman.com/content/report/csr-policy>. With a vision to "actively contribute to the social and economic development of the society in which your Company operates", the Company has undertaken projects/programs in accordance with the CSR Policy directly and through implementing agencies. The detailed report on the CSR activities is annexed and marked as **Annexure 'B'** forming part of this Report.

**25. DIRECTOR'S RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal Auditors, Statutory Auditors, Secretarial Auditors and external

consultant(s) and the reviews made by the Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during the FY22.

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

- i. The applicable accounting standards have been followed with no material departure in the preparation of the accounts for the Financial Year ended March 31, 2022;
- ii. The accounting policies were selected and applied consistently, and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit/loss of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

**26. AUDITORS AND AUDIT REPORT****Statutory Auditors**

As per the provisions of Section 139 of the Act, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Reg. No. 117366W/W-100018) were appointed as Statutory Auditors of the Company by the members at the 20<sup>th</sup> Annual General Meeting held on August 27, 2017 for a term of five (5) consecutive financial years and their term expires at the conclusion of 25<sup>th</sup> Annual General Meeting of the Company. Therefore, the Board of Directors on the recommendation of Audit Committee in their meeting held on August 12, 2022 have recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company for a term of four (4) consecutive financial years starting April 01, 2022. M/s. Deloitte Haskins &



## Board's Report (Contd..)

Sells LLP, Chartered Accountants will hold the office of Statutory Auditors from the conclusion of 25<sup>th</sup> Annual General Meeting of the Company till the conclusion of 29<sup>th</sup> Annual General Meeting of the Company subject to the approval of the Shareholders.

**Audit Report**

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

**Secretarial Audit**

During the year under review, the Board of Directors of the Company had appointed M/s. Sanjay Grover and Associates, Practicing Company Secretaries firm with Registration No.: P2001DE052900, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013, the Rules framed thereunder and regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the FY22. The Secretarial Audit Report for the FY22, was considered by the Board in its meeting held on May 27, 2022 and the said Report is annexed to this Report as **Annexure 'H'**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks which need any explanation or comments of the Board. The Board, in its meeting dated May 27, 2022, has re-appointed M/s. Sanjay Grover and Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for the FY23.

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

The Company has robust system for Internal Financial Controls, Internal Audit and Corporate risk assessment and mitigation. The Internal Audit plan is approved by Audit Committee at the beginning of every year. The conduct of Internal Audit is oriented towards the review of internal controls and risks in the Company's operations and covers all functions. Every quarter, the Audit Committee is presented with a summary of significant audit observations and follow-up actions thereon. Business risk assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans. KPMG India is the Internal Auditors of the Company.

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. Further, audit procedures monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating procedures, accounting procedures and policies at all locations of the Company. Based on the audit reports, corrective actions in respective areas

are taken to strengthen the controls. Significant audit recommendations and corrective actions thereon were presented to the Audit Committee, Risk Management Committee and Board periodically.

The Company has laid down Standard Operating Procedures and policies to guide the operations of the business. Functional heads are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

The Board of Directors of the Company have adopted various policies viz. Policy on Related Party Transactions, Whistle Blower Policy, Anti-fraud Policy, Anti-bribery and Anti-corruption Policy, for ensuring the orderly and efficient conduct of its business, safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

**28. RELATED PARTY TRANSACTIONS**

All related party transactions entered into during the period under review were placed before the Audit Committee and the Board for their approval, and the same are disclosed in the financial statements of your Company. Further, in terms of the provisions of section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all contracts/ arrangements/transactions entered into by the Company with its related parties during the year under review were in ordinary course of business of the Company, on an arm's length basis and in accordance with the policy on related party transactions formulated by the Company and reviewed on a periodic basis. The Board of Directors in their meeting held on November 5, 2021 and February 11, 2022 has amended Policy on dealing with Related Party Transactions in terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment), Regulations 2021 dated August 03, 2021 and SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment), Regulations 2021 dated November 09, 2021 respectively effective dated January 01, 2022 and April 01, 2022 respectively.

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected to independent review by an independent Chartered Accountant to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations.

## Board's Report (Contd..)

All related party transactions entered during the year were in ordinary course of the business and at arm's length basis. No material related party transactions, as per the materiality threshold adopted by the Board of Directors, were entered during the year by your Company which could have had a potential conflict with the interests of the Company. Accordingly, form AOC-2, containing the details on the related party transactions occurred during the year is annexed and marked as **Annexure 'I'**.

**29. HUMAN RESOURCE**

Health and safety of our employees, their families and the people in our extended value chain remained our priority. We continued to nurture a culture in which our people can thrive, become future-fit and bring their best selves to work. During the pandemic, the focus of the Company was to ensure the safety and well-being of its employees and partners. The Company laid emphasis to use this period of crisis in a positive manner by encouraging and enabling its employees to learn new skills and emerge stronger and ready for the new normal.

COVID-19 has been a catalyst to expand flexible and more inclusive ways of working. We also continue to build organizational capabilities with a clear focus on functional learning to enable our people to upskill and reskill for their roles and help them prepare for the changing landscape of work. This was achieved through various technical, operational, behavioral, safety, leadership and Prevention of Sexual Harassment (POSH) trainings.

Alongside safety at work, supporting our people's physical, mental and emotional wellbeing has never been more important. We dialed up our systematic approach on wellbeing with customized interventions for various employee segments. We provided our people a range of tools to help them to focus on their wellbeing.

In a highly competitive talent market, we made concerted efforts to attract and retain talent. We continued to build meaningful and deep engagements with students, digitally as well as on campus, to strengthen our employer brand and attract the best talent for the Company.

We also want to be a workplace where everyone feels they belong and are able to thrive. This means creating an inclusive culture free from the barriers that limit people in reaching their true potential. We have identified our equity, diversity and inclusion priorities – gender, people with disabilities. We are building the capabilities of our business leaders and HR practitioners to support equity

advocacy, diversity awareness and psychological safety in their teams. We continue to make progress in our commitment to be gender balanced across various levels in the organization.

We are transforming how we work by introducing agile ways of working that unlock capacity and help individuals find a meaningful and balanced way of working. We implemented created our hybrid ways of working, keeping employee context and flexibility at the heart. We continue to create flexible working options for our people.

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

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

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

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

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

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

**33. ACKNOWLEDGEMENT**

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

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

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

Place: New Delhi  
Date: August 12, 2022

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



## Board's Report (Contd..)

**ANNEXURE 'A' TO THE BOARD'S REPORT**

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

**CONSERVATION OF ENERGY**

We understand that progressing in a sustainable business model involves offering ethical and responsible products as well as being more efficient with the resources across facilities: offices, stores and warehouses logistics centres, warehouses, vendor/supplier facilities.

Conservation of energy is an important aspect for the company and therefore, we have taken continuous initiatives towards optimizing energy consumption through implementation of energy-conservation programmes and training of employees. We are committed to objectives such as optimising energy consumption, reducing greenhouse gas emissions, deploying renewable energy.

The Company consciously encourages its employees and business partners to take adequate steps on energy conservation measures through adoption of technology and improved processes. The Company has augmented latest technologies and innovations in the Apparel and Retail Industry with respect to energy efficiency initiatives with sustainable energy usage in warehouses, as a key transformational shift. The flagship steps taken by the Company to impact conservation of energy are mentioned below:

**Catalysing technical access for energy conservation**

- i. The Company has ensured integration of advanced machineries that operate on innovative technology, such as energy efficient Under Bed Trimmer (UBT) across its supply chain. This has resulted in reduced power consumption (by ~25%) across ~6,000 machines used by the supply chain vendors and suppliers
- ii. The installation of energy-efficient, smart LED lighting in manufacturing units of vendors and suppliers and exclusive business stores of the company have contributed towards reducing our overall energy consumption.

**Conservation of resources**

- i. The Plastic wrapping on finished products used is as per government mandated norms (above 51 Microns). The recycling process is partially monitored as a brand owner by the Company.
- ii. The e-waste produced by the company is sent for treatment, storage, and/or disposal. This process has been approved by the Central Pollution Control Board (CPCB) and is disclosed in the Annual Return. The emissions and waste generated by the company are under permissible limits given by CPCB and State Pollution Control Board (SPCB).
- iii. The Company's conducts regular donation of its scrap fabrics to NGO's who recycle them to create a useable commodity. This not only helps in reducing the negative impact on the environment, but it also helps the people associated with such NGOs to generate livelihood.

- iv. The Company continues to emphasize social and environmental sustainability across the value chain. With the aim of achieving secure working conditions and positive footprints across the supply chain, the Company regularly evaluates vendors on key aspects including labour standards, health & safety, management systems, business ethics and environmental safety. Regular audits and training workshops by certified institutions provide further support in taking corrective actions as warranted. Our vendors are required to be formally certified to be compliant on key social and environment related parameters. We are using digital tools to identify new potential innovation partners, onboarding new suppliers by conducting virtual audits, monitoring, and reviewing quality performance online, and tracking logistics and supply risks in real time.
- v. We are committed to objectives such as improving energy consumption, reducing greenhouse gas emissions, deploying renewable energy and improving efficiency in our shipments.
- vi. The Company continue to use sustainable fabric and raw material for production its finished products in increasing proportion

**Assessing pre-existing systems**

The Company has conducted an internal evaluation of fixed power load at various stores and facilities that has successfully enabled to reduce fixed power load in such stores, thereby optimizing energy consumption.

**Reducing emissions and identifying alternate energy sources**

- i. The Company encourages its manufacturing and warehouse partners to explore switching to sustainable energy sources to the extent possible.
- ii. The Company encourages the suppliers to adopt sustainable brick fuel via coal boilers to be used for conversion of Piped Natural Gas to Compress Natural Gas for reduction of carbon footprint.
- iii. The Company encourages fabric suppliers to recycle dyeing water for further dyeing of products effectuating carbon neutrality.
- iv. The raw material used for upper part of our footwear products is polyurethane (PU) the usage and production of which results in reduction of the amount of waste generated from the manufacturing process. Simplification of the list of materials needed in the manufacturing process of footwear and use of technology, software and Artificial intelligence in manufacturing process has resulted in reducing the overall carbon footprint.

## Board's Report (Contd..)

**Protection of biodiversity**

The beauty products offered by the Company are free of any form of animal cruelty.

**Capital investment on energy conservation equipment**

Not Applicable as the Company outsources manufacturing of its product to jobworkers.

**TECHNOLOGY ABSORPTION**

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

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

**Efforts made towards technology absorption**

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

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

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

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

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

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

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

Place: New Delhi  
Date: August 12, 2022

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



## Board's Report (Contd..)

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

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

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

The Company has been undertaking and implementing CSR activities both directly as well as with support of its primary implementing agency Indus Quality Foundation ("IQF"). These activities are undertaken with primary focus on providing values-based education and providing financial assistance to the poor and needy. Additionally, during the year under review, activities were undertaken for promoting safety against the spread of COVID-19. The Company is committed to carry out CSR activities/programs in an integrated, planned and time bound manner. The core theme of CSR Policy is giving back to the society from which it draws its resources. The long-term focus areas are Education, Sustainability, Health & Nutrition, Disaster Management, Women Empowerment, Slum Area Development, Rural Development Programmes and Agriculture.

## 2. Composition of CSR Committee:

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

## 3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are Published:

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

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

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

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

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	Not Applicable	Not Applicable	Not Applicable

## 6. Average net profit of the Company as per section 135(5): Rs. 502.49 Mn.

## 7. a. Two percent of average net profit of the Company as per section 135(5): Rs. 10.05 Mn.

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

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

d. Total CSR obligation for the Financial Year (7a+7b-7c): Rs. 10.05 Mn.

## Board's Report (Contd..)

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

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

## b. Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project (State, District)	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency - CSR Name Registration number
1.	-	-	-	-	-	NIL	NIL	NIL	-	-
Total						NIL	NIL	NIL		

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project (State, District)	Amount spent for the project (In Mn.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency - CSR Registration number.
1.	<b>Comprehensive Development &amp; Education in Delhi NCR:</b> Inter School Events, Student training for class 8 <sup>th</sup> to 12 <sup>th</sup> , Teacher training workshops, Free academic coaching, Supply of nutritional supplements to children & free health check-ups.	Education, Health, Slum Area Development & Nutrition	Yes	Delhi, New Delhi	3.56	No	Indus Quality Foundation CSR00007618
2.	<b>Student development workshops and Inter School events:</b> Self-empowerment and personality Development workshops for students and teachers, Student exchange programs, Value education, emotional and spiritual development programmes	Education	No except for Delhi Operations	Uttarakhand, Dehradun, Chamoli District, Almora District, Punjab, Assam and Jammu & Kashmir, Champawat District (Uttarakhand), Bhatinda (Punjab), Guwahati (Assam), Bulandsahar (Uttar Pradesh)	0.73	No	Indus Quality Foundation CSR00007618
3.	<b>Academic Education in a comprehensive Facility -</b> Academic education in a school created by the Trust, Animal welfare, Agroforestry, Rural development projects, Development of School Infrastructure for comprehensive Child development and Childcare facility meeting all needs of a student – Education, nutrition, sports for wholesome development with day care	Education, Rural development	No	Karnataka, Madikeri, Kodagu	5.76	No	Indus Quality Foundation CSR00007618
Total						10.05	



## Board's Report (Contd..)

d. Amount spent in Administrative Overheads: NIL

e. Amount spent on Impact Assessment, if applicable: NIL

f. Total amount spent during the Financial Year (8b+8c+8d+8e): Rs. 10.05 Mn.

g. Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs in Mn.)
(i)	Two percent of average net profit of the company as per section 135(5)	10.05
(ii)	Total amount spent for the Financial Year	10.05
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Mn.)	Amount spent in the reporting Financial Year (in Mn.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in Mn.)
				Name of the Fund	Amount (in Mn.)	Date of transfer	
1.	2020-21	NIL	NIL	-	NIL	-	NIL
2.	2019-20	NIL	NIL	-	NIL	-	NIL
3.	2018-19	NIL	NIL	-	NIL	-	NIL
	Total		NIL		NIL		NIL

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

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

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

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

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

Sd/-  
**Sangeeta Talwar**  
 Chairperson- Corporate Social Responsibility Committee  
 DIN:00062478  
 Date: May 27, 2022  
 Place: New Delhi

Sd/-  
**Anant Kumar Daga**  
 Managing Director  
 DIN:07604184

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

## Board's Report (Contd..)

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

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

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the FY22, the percentage increase in remuneration of each of the Executive Director, Chief Financial Officer and Company Secretary during the FY22 is as follows:

Name of Executive Director/KMP and Designation No.	Remuneration of Director/KMP for Financial Year 2021-22 (Rs. in Mn.)	% Increase in Remuneration in Financial Year 2021-22	Ratio of Remuneration of Director to Median Remuneration of employees
Mr. Onkar Singh Pasricha, Chairman and Executive Director	3.00	401% (**)	16
Mr. Anant Kumar Daga, Managing Director	24.45	455% (**)	133
Mr. Piyush Asija, Company Secretary*	5.25	14%	22
Mr. Amit Chand, Chief Financial Officer	12.11	- (***)	66

\*Includes perquisite value of ESOPs exercised during the year: ₹ 1.34 Mn.

\*\* The average increase in the managerial remuneration is higher due to payment of full approved compensation as compared to previous year where a temporary pay cut was undertaken as a cost rationalization measure across all levels of employees due to COVID induced business slow down. Accordingly, the remuneration paid for FY22 is not comparable with that of FY21.

\*\*\* Mr. Amit Chand was appointed as the Chief Financial Officer of the Company on November 02, 2020 and received compensation for part of the FY21. Accordingly, the remuneration paid for FY22 is not comparable with that of FY21.

Notes:

- The Non-Executive Non- Independent Directors were not paid any remuneration.
- The Non- Executive Independent Directors are not paid any remuneration except the sitting fee and commission within the prescribed statutory limits and as approved by Members as disclosed in Corporate Governance Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors are therefore not considered for the purpose above.
- The number of permanent employees on rolls of the Company as on March 31, 2022 were 3,910 and the average median remuneration was Rs. 1.84 Mn. per annum. The median remuneration of employees (excluding Executive Directors and KMPs) in FY22 decreased by 17.91%.
- The average increase in the Remuneration of Managerial Personnel was 223.65% on comparison of compensation paid for FY22 with the compensation that was paid in FY21 when the Management had taken salary cuts as a cost rationalization measure.

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

For and on behalf of Board of Directors

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

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

Date: August 12, 2022  
 Place: New Delhi



## Board's Report (Contd..)

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

Disclosure pursuant to regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended

## TCNS ESOP Scheme 2014-17:

A GENERAL DISCLOSURE		Disclosures in terms of the guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details, please refer to notes to Financial Statement mentioned in Annual Report 2021-22.					
B SUMMARY		TCNS ESOP Scheme 2014-17					
Description		TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Employee Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Employee Stock Option Plan 2017	TCNS Employee Stock Option Plan 2018
1	Date of Shareholders approval*	July 01, 2014	November 19, 2015	November 19, 2015	November 19, 2015	January 05, 2018	February 02, 2018
2	Total number of options approved under the scheme	69,00,000	39,75,000	6,00,000	2,00,000	1,07,500 (part of the pool approved under TCNS Senior Management Stock Option Plan 2015)	62,500 (part of the pool Approved under TCNS Senior Management Stock Option Plan 2015)
3	Date of Grant	July 01, 2014, February 04, 2015 and March 16, 2015	November 19, 2015 and April 01, 2016	June 27, 2017	November 19, 2015	June 27, 2017	May 28, 2018
4	Options Granted	1,17,95,000 (Including granted from lapsed Options)					
5	Vesting Schedule	Refer Notes on Vesting Conditions					
6	Pricing Formula	At a price as recommended by Board and approved by the Shareholders of the Company. For details Refer Note Number 39 of the Financial Statements.					
7	Maximum term of options granted	10 years	10 years	10 years	10 years	10 years	10 years
8	Source of shares	Primary	Primary	Primary	Primary	Primary	Primary
9	Variation in terms of options	Enhanced share limit of the plan from 1,18,00,000 to 1,38,00,000 on March 16, 2015 (Options of Rs. 1 each before Consolidation of Face value of Shares)	NA	Amendment to TCNS ESOP Plan 2015 On June 27, 2017 Change in vesting Conditions.	NA	NA	NA
10	Method used for accounting of ESOP's	The ESOPs are measured at fair value of the equity instruments at the grant date, details are forming part of the Financial Statements.					
11	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	(0.90)					
	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.					

## Board's Report (Contd..)

12. Weighted average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

Please refer the note number 39 of the Financial Statements.

## 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	-	13,00,000	3,86,125	1,82,369	0
2	Option granted during the year	-	-	-	-	-
3	Options vested during the year	-	-	1,33,750	-	0
4	Options exercised during the year	-	-	80,175	-	-
5	Weighted average exercise price	-	100	300	100	-
6	Number of shares arising as a result of exercise of options during the year	-	-	80,175	-	-
7	Options cancelled & lapsed during the year	-	-	-	-	-
8	Options Outstanding at the end of the year	-	13,00,000	3,05,950	1,82,369	0
9	Options exercisable at the end of the year	-	13,00,000	3,05,950	1,82,369	0
10	Money realized by exercise of options (in Rs. )	-	-	2,40,52,500	-	-
11	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA
D	Options granted to Senior Management Personnel	Name of the Employee with designation	Number of options granted during the year	Exercise price		
	None	-	-	-		
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	Nil	Nil	Nil
F	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil	Nil	Nil
G	A description of the method and significant assumptions used during the year to estimate the fair value of options.	Refer Note-I	Refer Note-I	Refer Note-I	Refer Note-I	Refer Note-I

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

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



## Board's Report (Contd..)

Particulars	Fiscal 2015		Fiscal 2016		Fiscal 2017	Fiscal 2018	Fiscal 2019
	TCNS Employee Stock Option Plan 2014	TCNS Senior Management Stock Option Plan 2015	TCNS Senior Executive Stock Option Plan 2015	TCNS Senior Management Stock Option Plan 2015	TCNS Senior Management Stock Option Plan 2015	TCNS Employees Stock Option Plan 2017 & TCNS Employees Stock Option Plan 2015 amended in June 2017	TCNS Employee Stock Option Plan 2018
Grant Date	July 01, 2014	February 04, 2015 and March 16, 2015	November 19, 2015	April 01, 2016	June 27, 2017	May 28, 2018	
Weighted average share price at the date of grant.	261.28	261.28	261.28	261.28	261.28	261.28	288.68
Exercise Price	76.00	80.00	100.00	100.00	100.00	300.00	372.00
Volatility	49.26%-49.39%	49.26%-49.39%	49.26%-49.39%	49.39%	49.26%-49.39%	45.83%	45.17%
Life of the options granted in Years	1.88-2.59	1.88-2.59	2.00-2.63	1.77-2.00	2.00-2.63	5.00	5.00
Expected dividends	-	-	-	-	-	-	-
Average risk-free Interest rate	6.85%-6.87%	6.85%-6.87%	6.85%-6.87%	6.85%	6.85%-6.87%	6.68%	7.76%

The method used and the assumptions made to incorporate the effects of expected early exercise.

Black Scholes Method

How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.

Based on the historical volatility of historical companies over periods corresponding to the remaining life of respective options.

Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

NA

## TCNS ESOP Scheme 2018-23:

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 2021-22.					
B	Summary	TCNS ESOP Scheme 2018-23					
1	Description	TCNS ESOP Scheme 2018-23					
2	Date of Shareholders approval	TCNS ESOP Scheme 2018-23 was approved by the shareholders on February 02, 2018, ratified and amended on August 26, 2019.					
3	Total number of options approved under the scheme	64,67,817					
4	Date of grant	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	October 01, 2021
	Options granted	50,72,751	83,800	1,60,000	1,35,000	30,000	85,000
5	Vesting Schedule	Refer Note on Vesting Schedule.					
6	Pricing formula	At a price as recommended by the Nomination and Remuneration Committee and approved by Shareholders. Refer Note Number 39 to the Financial Statements for details.					
7	Maximum term of options granted	10 years					
8	Source of shares	Primary					
9	Variation in terms of options	NA					

## Board's Report (Contd..)

10	Method used for accounting of ESOP	The ESOPs are measured at fair value of the equity instruments at the grant date, details are Forming part of the Financial Statements.					
11	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with "Accounting Standard 20-Earnings Per Share" issued by ICAI or any other relevant accounting standards as prescribed from time to time.	(0.90)					
	Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time.	All relevant disclosures have been made in Note Number 39 to the Financial Statements.					
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					
	Particulars (As per plans)	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	October 01, 2021
1	Options Outstanding at the beginning of the year	47,70,207	83,800	1,60,000	1,35,000	30,000	85,000
2	Weighted average exercise price	373.26	716	500	500	500	605.50
3	Options vested during the year	-	16,760	-	-	-	Nil
	Weighted average exercise price	-	-	-	-	-	-
4	Options exercised during the year	10,000	-	-	-	-	-
	Weighted average exercise price	-	-	-	-	-	-
5	No. of shares arising as a result of exercise of options during the year	-	-	-	-	-	-
6	Options cancelled & lapsed during the year	0	-	-	-	-	-
	Weighted average exercise price	-	-	-	-	-	-
7	Options Outstanding at the end of the year	47,60,207	83,800	1,60,000	1,35,000	30,000	85,000
	Weighted average exercise price	373.26	716	500	500	500	605.50
8	Options exercisable at the end of the year	9,60,354	33,520	-	-	-	-
	Weighted average exercise price	373.26	716	500	500	500	605.50
9	Money realized by exercise of options (in Rs.)	37,32,600	Nil	Nil	Nil	Nil	Nil
10	Loan repaid by the trust during the year From the exercise price received	NA	NA	NA	NA	NA	NA
D	Options granted to Senior Management Personnel	Name of the Employee with designation	No. of Options granted during the year	Exercise price			
		Puneet Sewra (Chief Marketing Officer)	85,000	605.50			



## Board's Report (Contd..)

E	Options granted to any employee during the year amounting to 5% or more of options granted during the year.	Nil	Nil	-	Nil
F	Options granted to any employee equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil	-	Nil	-
	Description	Scheme 2018-23			
G	A description of the method and significant assumptions used during the year to estimate the fair value of options.	Refer note - I			

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

Particulars (Date of Grant)	February 02, 2018	November 08, 2019	August 18, 2020	November 10, 2020	March 02, 2021	October 01, 2021
Weighted average share price	Rs. 288.68	Rs. 727.95	Rs. 347.45	Rs. 389.65	Rs. 495.90	Rs. 652.60
Exercise Price	Rs. 373.26	Rs. 716.00	Rs. 500.00	Rs. 500.00	Rs. 500.00	605.50
Volatility	44.28%	35.23%	43.94%	44.13%	44.48%	44.20%
Life of the options granted in years	2.75	5.00	2.97-7.01	2.74-6.01	3.00-6.01	5.50 -7.00
Average risk-free Interest rate	7.16%	6.31%	4.76%-5.82%	4.48%-5.62%	4.90-6.02%	5.69-6.00%
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
The method used and the assumptions made to incorporate the effects of expected early exercise.	Nil	Nil	Nil	Nil	Nil	Nil
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining Life of respective options.	Based on the historical volatility of companies over Periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.	Based on the historical volatility of companies over periods corresponding to the remaining life of respective options.
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N. A	N. A	N. A	N. A	N. A	N. A

## Board's Report (Contd..)

## NOTE ON VESTING SCHEDULES

## TCNS Employee Stock Option Scheme 2014-17 and TCNS Senior Management Stock Option Plan 2015

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 2 each)
April 01, 2017	EBITDA of the Company for FY2016-17 exceeds Rs. 1,500 Mn. #	18,75,000
April 01, 2018	EBITDA of the Company for FY 2017-18 exceeds Rs. 1,900 Mn. #	18,75,000
On completion of one year from the date of Grant or the date of achieving the vesting condition, whichever is later.	Launch of website as well as the mobile application For online sales.	50,000
	Monthly sales via online platforms on or before June 30, 2016, exceeds Rs. 60 Mn.	25,000
	Monthly sales via online platforms on or before September 30, 2016, exceeds Rs. 10 Mn. but not more than Rs. 90 Mn. / exceeds Rs. 90 Mn.	25,000/50,000
	Monthly sales via online platforms on or before December 31, 2016, exceeds Rs. 50 Mn.	50,000

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

## TCNS Senior Executive Stock Option Plan 2015

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 2 each)
April 01, 2017	No. of options to be vested = (4.5%*Incremental EBITDA) / (Price per share – Exercise Price). Incremental EBITDA = EBITDA for FY 17 minus EBITDA for FY 16. Price per share = (15 X EBITDA for FY 17/ Number of shares as on March 31, 2017).	2,00,000
April 01, 2018	No of options to be vested = (4.5%*Incremental EBITDA)/ (Price per share – Exercise Price). Incremental EBITDA = EBITDA for FY 18 minus EBITDA for FY 17. Price per share = (15 X EBITDA for FY 18/ Number of shares as on March 31, 2018).	

## TCNS Employee Stock Option Plan 2017

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 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



## Board's Report (Contd..)

## TCNS Employee Stock Option Plan 2015 (Amended In 2017)

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

## TCNS Employee Stock Option Plan 2018

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 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

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

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

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

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 2 each)
November 09, 2020	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2021	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2022	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2023	Continuing in employment of the Company until date of Vesting.	16,760
November 09, 2024	Continuing in employment of the Company until date of Vesting.	16,760

## Board's Report (Contd..)

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

## For Time Based Options

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 2 each)
August 19, 2023	Continuing in employment of the Company until date of Vesting.	15,000
August 19, 2024	Continuing in employment of the Company until date of Vesting.	15,000
August 19, 2025	Continuing in employment of the Company until date of Vesting.	15,000
August 19, 2026	Continuing in employment of the Company until date of Vesting.	15,000

## For Event based Options

S. No.	Vesting conditions	Total Options (face value of Rs. 2 each)
1.	Threshold 1 ESOP Pool: Threshold 1 ESOP Pool shall vest upon the occurrence of Threshold 1 liquidity event or deemed Threshold 1 liquidity event or IPO full exit event. "Threshold 1 Liquidity Event" means: a) A sale by the Investor of all or any part of the Shares; or b) The Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor. at a price per Share which is more than the Threshold 1 Sale Price i.e., Rs. 947.36.	50,000
2.	Threshold 2 ESOP Pool: Threshold 2 ESOP Pool shall vest upon the occurrence of Threshold 2 liquidity event or deemed Threshold 2 liquidity event or IPO full exit event. "Threshold 2 Liquidity Event" means: a) A sale by the Investor of all or any part of the Shares; or b) The Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor. at a price per Share which is more than the Threshold 2 Price i.e., Rs. 1,171.72.	50,000
<b>Total</b>		<b>1,00,000</b>

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

## For Time Based Options

Date of Vesting	Vesting conditions	Total Options (face value of Rs. 2 each)
November 11, 2022	Continuing in employment of the Company until date of Vesting.	18,750
November 11, 2023	Continuing in employment of the Company until date of Vesting.	18,750
November 11, 2024	Continuing in employment of the Company until date of Vesting.	18,750
November 11, 2025	Continuing in employment of the Company until date of Vesting.	18,750

## For Event based Options

S. No.	Vesting conditions	Total Options (face value of Rs. 2 each)
1.	Threshold 1 ESOP Pool: Threshold 1 ESOP Pool shall vest upon the occurrence of Threshold 1 liquidity event or deemed Threshold 1 liquidity event or IPO full exit event. "Threshold 1 Liquidity Event" means: a) A sale by the Investor of all or any part of the Shares; or b) The Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor. at a price per Share which is more than the Threshold 1 Sale Price i.e., Rs. 947.36.	30,000
2.	Threshold 2 ESOP Pool: Threshold 2 ESOP Pool shall vest upon the occurrence of Threshold 2 liquidity event or deemed Threshold 2 liquidity event or IPO full exit event. "Threshold 2 Liquidity Event" means: a) A sale by the Investor of all or any part of the Shares; or b) The Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor. at a price per Share which is more than the Threshold 2 price i.e., Rs. 1,171.72.	30,000



## Board's Report (Contd..)

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

## For Time Based Options

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

## For Event Based Options

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

## TCNS ESOP Scheme 2018-23 (Granted on October 01, 2021)

## For Time Based Options

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

## For Event based Options

S. No.	Vesting conditions	Total Options (face value of Rs. 2 each)
1.	Threshold 1 ESOP Pool: Threshold 1 ESOP Pool shall vest upon the occurrence of Threshold 1 liquidity event or deemed Threshold 1 liquidity event or IPO full exit event. "Threshold 1 Liquidity Event" means: a) A sale by the Investor of all or any part of the shares; or b) The Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor at a price per Share which is more than the Threshold 1 Sale Price i.e., Rs. 947.36.	21,000
2.	Threshold 2 ESOP Pool: Threshold 2 ESOP Pool shall vest upon the occurrence of Threshold 2 liquidity event or deemed Threshold 2 liquidity event or IPO full exit event. "Threshold 2 Liquidity Event" means: a) A sale by the Investor of all or any part of the Shares; or b) The Investor having received a confirmed offer from a third party for the purchase of all Shares held by the Investor. at a price per share which is more than the Threshold 2 price i.e., Rs. 1,171.72.	21,000
<b>Total</b>		<b>42,000</b>

## Board's Report (Contd..)

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

ESOP Plans	Date of grant	No. of options granted	No. of options exercised	No. of options cancelled	No. of options lapsed (Options lapsed were added back to the pool)	No. of options outstanding as on March 31, 2022
TCNS Employee Stock Option Plan 2014	July 01, 2014, and March 16, 2015	69,00,000	69,00,000	-	-	-
TCNS Senior Management Stock Option Plan 2015	November 19, 2015	39,25,000	25,00,000	-	1,25,000	13,00,000
TCNS Employee Stock Option Plan 2015	November 19, 2015	6,00,000	2,51,550	-	42,500	3,05,950
TCNS Senior Executive Stock Option Plan 2015	November 19, 2015	2,00,000	17,631	-	-	1,82,369
TCNS Employee Stock Option Plan 2017	June 27, 2017	1,07,500	-	-	-	-
TCNS Employee Stock Option Plan 2018	May 28, 2018	62,500	-	-	-	62,500
<b>Total Options outstanding under TCNS ESOP Scheme 2014-17 as on March 31, 2022.</b>						<b>18,50,819</b>

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

Date of Grant	No. of options granted	No. of options exercised till date	No. of options cancelled	No. of options lapsed (Options lapsed were added back to the pool)	No. of options outstanding as on March 31, 2022
February 02, 2018	50,72,751	10,000	-	-	47,60,207
November 08, 2019	83,800	-	-	-	83,800
August 18, 2020	1,60,000	-	-	-	1,60,000
November 10, 2020	1,35,000	-	-	-	1,35,000
March 2, 2021	30,000	-	-	-	30,000
October 1, 2021	85,000	-	-	-	85,000
<b>Total Options outstanding under TCNS ESOP Scheme 2018-23 as on March 31, 2022.</b>					<b>52,54,007</b>



## Board's Report (Contd..)

**ANNEXURE 'E' TO THE BOARD'S REPORT****POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY**

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

**Effective Date:** February 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:**

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

**3. ATTRIBUTES, QUALIFICATIONS AND DIVERSITY****Directors and Key Managerial Personnel**

- The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.
- The Company recognizes the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. On such basis, the Board of the Company consists of such number of directors as is necessary to effectively manage the Company, subject to a minimum of 3 (three) and maximum of 15 (fifteen) directors with an appropriate combination of Executive, Non-executive, Independent Director and Woman Director. The Company also appoint a Chairman and a Managing Director or Chief Executive Officer. The Company ensure that the role

of the Chairman and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

- While evaluating a person for appointment / re-appointment as director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board. The Director or as KMP will also be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.
- The Committee shall ensure that the proposed director satisfies the following additional criteria:
  - Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of section 164 and other applicable provisions of the Companies Act, 2013 and the Listing Regulations.
  - A Managing Director or Whole-time Director or Manager should in addition to the above fulfil the conditions specified in section 196 of the Act.
  - The Company shall not appoint or continue the employment of any person as Managing Director / Whole Time Director/ Manager who is below the age of twenty-one years or has attained the age of seventy years. Further, Company shall not appoint or continue the employment of any person as Non-Executive Director who has attained the age of seventy-five years.

Provided that such aforesaid threshold age may be extended beyond the age of seventy/ seventy-five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such extension.
- Does not hold directorship in more than 20 (twenty) companies (including private and public limited companies) or 10 (ten) public limited companies incorporated in India.

## Board's Report (Contd..)

- A whole time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:
  - Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013, the Listing Regulations and other applicable laws.
  - Shall not hold the position of Independent Director in more than 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.
- The re-appointment / extension of term of any board members shall be on the basis of their performance evaluation report.

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

**4. TERM/ TENURE**

- Managing director/ Whole Time Director/ Manager**  
The Company shall appoint or re-appoint any person as its Managing Director /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.
- Independent Director**  
An Independent Director shall hold office for a term up to five consecutive years on the Board of the

Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

**5. REMUNERATION POLICY****(a) Board Members**

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

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

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

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

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

**(b) Remuneration to Key Managerial Personnel (other than Managing Director and Whole- Time Director), Senior Managerial Personnel and other Employees.**

The remuneration of KMP's (other than Managing Director and Whole-Time Director), Senior Management and other employees shall be approved by the Board and any revision thereof shall be done as per the compensation and appraisal policy of the Company.

The remuneration payable to KMP's (other than managing director and whole- time director), Senior Management Personnel shall consist of (a) fixed pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy;



## Board's Report (Contd..)

variable pay (paid at the end of financial year) directly linked to the performance of the individual employee (i.e., achievement against pre-determined KRA's), his / her respective business unit and the overall Company performance; long term incentive / ESOPs, as may be decided by the Committee from time to time.

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

**(c) Loan and advances to directors, key managerial personnel, and senior management personnel**

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

**6. PERFORMANCE EVALUATION OF DIRECTORS**

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

**7. DISCLOSURES BY THE COMPANY**

This Policy shall be disclosed in the Company's annual report.

**8. AMENDMENT TO THE POLICY**

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

## Board's Report (Contd..)

**ANNEXURE 'F' TO THE BOARD'S REPORT  
BUSINESS RESPONSIBILITY REPORT****About TCNS Clothing Co. Limited**

TCNS Clothing was set up in 1997 with the aim to empower Indian Contemporary Woman through her fashion choices. To meet this objective, TCNS incubated and developed four brands "W", "Wishful", "Aurelia" and "Elleven" under which its products are sold. The success lies in estimating the fashion requirement of its customers, forecasting market trends and offering innovation to the customers while managing production and supply chain in an ethical and sustainable manner.

The TCNS Clothing Co. Limited Business Responsibility Report 2021-22 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs ("MCA"), Government of India. This report substantially complies with the National

Guidelines on Responsible Business Conduct (NGRBC) released by MCA in 2019.

The BRR Report will be available on the Company's website: [www.wforwoman.com](http://www.wforwoman.com)

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and social dimensions. In keeping with the guiding principles of integrated reporting, we have provided cross-references to the reported data within the main sections of this Annual Report and ESG Report for all topics that are material to us and to our stakeholders.

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number of the Company	L99999DL1997PLC090978	
2.	Name of the Company	TCNS CLOTHING CO. LIMITED	
3.	Registered Address	119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030	
4.	Website	<a href="https://wforwoman.com/">https://wforwoman.com/</a>	
5.	E-mail ID	<a href="mailto:investors@tcnsclothing.com">investors@tcnsclothing.com</a>	
6.	Financial Year Reported	2021-22	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Description
		141	Manufacture of Wearing Apparel
8.	List three key products/services that the Company manufactures/provides (as in balance Sheet)	Women's Ethnic Top-wear, Drapes and Bottom-wear	
9.	Total number of locations where business activity is undertaken by the Company	Points of Sale	
		• Number of National Locations: 580 Brand Exclusive Brand Outlets	
		• Number of International Locations: 19 Brand Exclusive Brand Outlets	
10.	Markets served by the Company	India, Nepal, Sri Lanka, Mauritius, Bangladesh (Excludes Online sale territories)	

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up Capital (Rs. In Mn.):	123.23
2.	Total Turnover (Revenue from operations) (Rs. In Mn.):	8960.52
3.	Total profit/(loss) after taxes (Rs. in Mn.):	(45.16)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company has reported a loss of Rs. 45.16 Mn. for FY22. An amount of Rs. 10.05 Mn. was spent towards CSR initiatives during the FY22.
5.	List of activities in which expenditure in 4 Above has been incurred:	<ul style="list-style-type: none"> <li>• Education</li> <li>• Sustainability</li> <li>• Women Empowerment</li> <li>• Agriculture</li> <li>• Rural Development Programmer</li> <li>• Health &amp; Nutrition</li> <li>• Slum Area Development</li> </ul>



## Board's Report (Contd..)

## SECTION C: OTHER DETAILS

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

## SECTION D: BR INFORMATION

1.	(a) Details of Director/Directors responsible for BR	DIN Number : 07604184 Name : Anant Kumar Daga Designation : Managing Director
	(b) Details of the BR head	<b>S. No</b> <b>Particulars</b> <b>Details</b> 1. DIN Number (if applicable) 07604184 2. Name Anant Kumar Daga 3. Designation Managing Director 4. Telephone No. 011-42193193 5. E-mail id <a href="mailto:anant.daga@tcnsclothing.com">anant.daga@tcnsclothing.com</a>

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

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

These are as follows:

<b>P1</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	TCNS CODE OF CONDUCT, TCNS WHISTLE BLOWER POLICY & TCNS ANTI BRIBERY AND ANTI CORRUPTION POLICY
<b>P2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	N. A
<b>P3</b>	Businesses should promote the wellbeing of all employees.	TCNS HUMAN RESOURCE POLICIES, EHS POLICY
<b>P4</b>	Businesses should respect the interests of, and been responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	TCNS CORPORATE SOCIAL RESPONSIBILITY POLICY
<b>P5</b>	Businesses should respect and promote human rights.	TCNS CODE OF CONDUCT & TCNS CORPORATE SOCIAL RESPONSIBILITY POLICY
<b>P6</b>	Business should respect, protect, and make efforts to restore the environment.	N.A.
<b>P7</b>	Businesses, when engaged in influencing public and Regulatory policy, should do so in a responsible manner.	TCNS CODE OF CONDUCT POLICY, TCNS WHISTLE BLOWER POLICY & TCNS ANTI BRIBERY AND ANTI CORRUPTION POLICY
<b>P8</b>	Businesses should support inclusive growth and Equitable development.	TCNS CORPORATE SOCIAL RESPONSIBILITY POLICY
<b>P9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	TCNS CODE OF CONDUCT

## Board's Report (Contd..)

## Details of compliance (Reply in Y/N)

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

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

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

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

## 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.	The Board of Directors, Committees of the Board and the CEO assess the Business Responsibility Performance of the Company annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The Business Responsibility Report is included as a part of the Annual Report which is available on the website of the Company i.e., <a href="https://wforwoman.com/">https://wforwoman.com/</a> .



Board's Report (Contd..)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery, and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Our corporate governance practices apply and extend across our suppliers and distributors. Our Code of Conduct complies with the legal requirements of applicable laws and regulations including the anti-bribery and anti-corruption policies, and timely disclosure of reports and documents which are filed with the relevant regulatory bodies in the regions they operate in. The TCNS Anti-Bribery Policy has been formulated with an aim to conduct business ethically as well as create a conducive work environment for all. Further, there is also a separate code of conduct for Key Managerial Personnel, Senior Managerial Personnel and Directors of the Company for which an affirmation is sought annually. We also have a Whistleblower Policy accessible to all our stakeholders which apply to all employees, suppliers, and distributors of the company. This policy enables employees to report concerns about 'unethical behavior' which could entail fraud, violation of the TCNS code of conduct, while providing safeguards, checks and balances. The Company encourages its business partners including suppliers, contractors, and franchisees to adhere to the standards and the relevant aspects are included in the responsibilities of the vendors in the commercial agreements executed with them.
2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	TCNS's stakeholders include the company employees, customers, suppliers, and distributors. To address complaints from across stakeholder groups. TCNS has an Investor Grievance cum Stakeholder Relationship Committee ("SRC") which monitors and reviews the shareholders complaints/grievances and provides timely resolution. During the year ended March 31, 2022, NIL complaints were received from the shareholders. The other queries were satisfactorily resolved. Further, Customer complaints, if any are addressed in the normal course of business by the Customer Care Cell and Operations 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 company is in the business of designing, manufacturing and retailing of women's ethnic wear and accessories. Our product creation process is designed keeping the objective of reducing any adverse impact on the environment and the supply chain is configured to promote the social wellbeing of our supply chain partners and workers employed across the supply chain. With these objectives, we have taken the following initiatives pertaining to our products: <ul style="list-style-type: none"> <li>The Company has encouraged Digital Printing Technique and most of the vendors / suppliers of the company use the new technique which is environment friendly as it consumes fewer natural resources and causes less pollution.</li> <li>All the raw material for upper part of our footwear products is made of polyurethane ("PU") which results in reduction of the amount of waste coming from the manufacturing process. Simplification of the list of materials needed in the manufacturing process, of shoes is saving resources, reducing the overall carbon footprints.</li> <li>Our personal Care/ beauty products are free from any form of animal cruelty and are not produced from any animal derived ingredient and no testing is done on any animals.</li> <li>The Company has launched a range of apparel and footwear products called "Folksong" which sources all its products from artisans thereby contributing to livelihood of small producers.</li> </ul>
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/	Being an environmentally responsible corporation, we track the consumption of critical resources and have defined our goals related to these parameters. Some of the initiatives taken During FY22 are: <ul style="list-style-type: none"> <li>Our job workers have been encouraged to use a new technology called UBT with an aim to reduce trimming labor and effort. This enables lesser wastage of thread since UBT technology eliminates rejection to about 40% of the total capacity and as these machined are also energy efficient, power consumption is reduced by 25% across the 6,000 machines used by supply chain partners of the Company.</li> </ul>

Board's Report (Contd..)

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?	<ul style="list-style-type: none"> <li>TCNS has also been encouraging its partners to focus on technology improvement and training to ensure efficient use of resources, especially of common resources such as water and energy.</li> <li>The installation of energy-efficient, smart LED lighting in supplier manufacturing units and stores has also contributed towards reducing our overall energy consumption. The Company has conducted an exercise for extra fixed load and reduced the fixed power load in some stores.</li> </ul>
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?	We promote our suppliers and vendors in upholding sustainable sourcing and business practices and this policy is applicable to our suppliers, vendors, distributors, etc. The annual vendor performance evaluation includes parameters pertaining to practices followed by these partners pertaining to efforts taken at their end to use sustainable raw materials, generation of waste and its treatment, impact on the environment.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?  If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	As a socially ethical and responsible company, TCNS works towards empowerment of rural women at the grassroots levels. Towards this, TCNS is associated in the Solar Charkha Mission launched by the Government of India for providing skill development and training to women in the backward and interior regions of the country. The Company procures goods from Small Scale Industries and producers including from communities surrounding its place of work and encourages generating employment opportunities for socially and economically backward sections of the society. <p>TCNS further supports education and skill development among women and children living in rural areas as a part of its Corporate Social Responsibility programmes through its implementing agency.</p> <p>The Company provides necessary training, easy financing, and product development support services to its vendors many of which are small scale industries/producers.</p> <p>The Company has launched a range of apparel and footwear products called "Folksong" which sources all its products from artisans thereby contributing to livelihood of small producers.</p>
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.	As an environmentally responsible Company, we have adopted a focused approach to conserve water across supply chain, manage waste generated by our operations and adhere to applicable legislations and regulations to protect, conserve, and nurture the environment. Believing that small measures also have the potential to bring about large impacts, TCNS works towards implementable steps to preserve the environment. <p>Efforts to recycle and the percentages:</p> <ul style="list-style-type: none"> <li>Plastic wrapping used as per Government mandated norms (above 51 Micron) is tracked and recycling of the same is partially monitored.</li> <li>TCNS's cardboard boxes are reused, and not disposed off.</li> <li>Vendors and Suppliers are encouraged to use new UTB technology in both footwear and apparel to minimize waste.</li> <li>Unused waste raw material from footwear and apparel products are reused to create giftbags for usage by employees.</li> <li>The Company encourages its suppliers and Vendors to use to create sustainable brick fuel instead of Coal boiler used for conversion of Piped Natural Gas to Compress Natural Gas to reduce carbon footprint.</li> <li>Dyeing water is recycled to comply with the CPCB Zero Liquid Discharge compliance by the selected Suppliers and Vendors.</li> <li>In addition to this recycling, TCNS has engaged an entity authorized by Haryana Pollution Control Board for collection, transportation, dismantling, and disposal of e-waste in compliance with E-Waste Management &amp; Handling Rules, 2016 in an environment friendly manner.</li> <li>TCNS also conducts regular donation of its scrap fabrics to NGO's who recycle them to create something new. This not only helps in reducing the negative impact on the environment, but it also helps the people associated with such NGOs to generate livelihood.</li> </ul>



Board's Report (Contd..)

**Principle 3: Wellbeing of Employees**

1.	Please indicate the Total number of employees:	Our, full time, contractual/temporary and permanent employee count stands at 4,305.
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis:	Most of our employees work as full-time, permanent employees and the count of our contractual employees stands at 395.
3.	Please indicate the Number of permanent women employees:	The number of our permanent women employees is 1,654.
4.	Please indicate the Number of permanent employees with disabilities:	Being an equal opportunity employer, we encourage employees to disclose their disabilities and seek the necessary support from us, to enable them to perform their full potential. The employees who have voluntarily disclosed their disability status stands at 11.
5.	Do you have an employee association that is recognized by management?	No
6.	What percentage of your permanent employees is members of this recognized employee association?	NA
7.	Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year:	<p>Our Anti-Discrimination and Anti-Harassment Policies apply to everyone involved in TCNS's operations including suppliers and distributors. In FY22, there were two (2) cases of sexual harassment reported during the year under review, which was addressed and resolved within the prescribed time. There are no such cases pending at the year closure.</p> <p>As on March 31, 2022, one (1) case of alleged discrimination was reported in last Financial Year and the same is pending resolution at the end of the Financial Year.</p> <p>The TCNS Anti-Sexual Harassment and Anti-Discrimination Policies aim to an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the company have the right to be treated with dignity.</p>
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? a) Permanent Employees: b) Permanent Women Employees: c) Casual/Temporary/Contractual Employees: d) Employees with Disabilities:	<p><b>Percentage of Employees given training:</b></p> <ul style="list-style-type: none"> <li>Permanent Employees: 95.42%</li> <li>Permanent Women Employees: 97.82%</li> <li>Casual/Temporary/Contractual Employees: 74.94%</li> <li>Employees with Disabilities: 63.67%</li> </ul> <p>The Board of Directors Key Managerial Personnels and Senior Managerial Personnels are periodically updated about the matters relating to economy, business, environment, statute, governance etc., as are necessary to enable them to perform effectively.</p> <p>For other employees trainings were conducted on following topics:</p> <ul style="list-style-type: none"> <li>Insider Trading Regulations</li> <li>Prevention of Sexual Harassment (POSH) Trainings</li> <li>Basic first aid and Fire Fighting.</li> <li>COVID-19 Safety Awareness</li> <li>Compliance Trainings</li> <li>Design Thinking Workshops</li> <li>Product Trainings</li> <li>Advance Excel Workshops.</li> </ul> <p>In total during the period under review, <b>697 sessions and 21996 manhours</b> of training was conducted by Inhouse team and external personnel. The above numbers exclude the ongoing Learning Management System ("LMS") Training for employees.</p>

Board's Report (Contd..)

**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 & marginalized stakeholder?	The Company has developed and is using the mechanism to identify the disadvantaged, vulnerable and marginalized stakeholders. The Company has taken initiatives for the workers (particularly the female workers) at the Vendor and Supplier facilities in rural/backward areas.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and Marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	<p>Yes, as a socially responsible corporation, we are committed to working towards welfare of communities through holistic interventions with special focus on livelihoods.</p> <p>The Company has taken special initiatives and extended support to its Vendors in setting up manufacturing facilities in rural/backward areas leading to generation of employment in remote locations for unprivileged/underprivileged people. The Company has emphasized on employing women in such facilities to promote gender equality.</p> <p>The Company has been continuously provided technical and financial assistance to the small vendors and manufacturers and has extended special financial assistance during the pandemic.</p> <p>TCNS through its CSR projects has focused on creating holistic development for children and people living in slums across India to provide enterprise development from an early age.</p> <p>For further details of our work with communities and sustainability, kindly refer the Corporate Social Responsibility Report as part of the Board's Report.</p>

**Principle 5: Human Rights**

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

**Principle 6: Environmental Responsibility**

1.	Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?	Protection of the environment ranks high among TCNS's corporate goals and as a responsible corporate citizen. The Company encourages all partners and stakeholders to adopt technology and other initiatives to ensure good energy management. All employees are mandated to adhere to the specified procedures. Vendors and Suppliers are also encouraged to follow the requirements to ensure compliance as envisaged in our agreements.
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?	The Company's policy covers issues pertaining to reduction of waste, disposal of e-waste and other direct and indirect impact on global environment issues.
3.	Does the Company identify and assess Potential environmental risks? Y/N	Not applicable directly. However, the Company assesses impact on environment while designing its internal processes to ensure a sustainable product lifecycle.



## Board's Report (Contd..)

4. Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Not applicable
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.?	<p>The Company consciously makes all efforts to conserve energy across all its operations. Further, the Company works on continuous technological absorption, enhancement and time to time adoption and implementation of the same.</p> <p>A detailed report on energy conservation and technology absorption in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Board's Report.</p> <p>TCNS has encouraged its suppliers a used UTB technology to reduce waste and LED technology to create energy efficiency.</p> <p>A solid waste management third-party vendor has also been appointed to recycle the e-waste.</p>
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	The Company has generated emissions and waste that are under permissible limits given by CPCB and SPCB. The details are also disclosed in the Annual Return Filing with the Delhi Pollution Control Board at the set limit of 0.480 MT only.
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.	We did not have any monetary or non-monetary sanctions imposed on us for non-compliance with environmental laws and regulations.

**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).	<p>We believe that it is our responsibilities to help build a better business environment and equal opportunities for everyone. Our advocacy efforts are championed through participation in forums through the Retailers Association of India (RAI) and Confederation of Indian Industries (CII) on issues and policy matters pertaining to sustainable business practices focused on its industry.</p> <p>Our leadership team members are associated with several industry bodies and leading business Chambers in India.</p> <p>The Company participates in multi-stakeholder engagements and, when relevant, responds to public consultations.</p>

**Principle 8: Inclusive Growth and Equitable Development**

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, Our Corporate Social Responsibility supports inclusive growth not only of communities in our business target geographies but also encompass overall development of human capabilities. The key principles that govern our CSR priorities include several programs as per its CSR policy on education. The programs include special education and vocational skilling of underserved people especially children, women, the elderly and the differently abled. TCNS undertakes its CSR activities directly as well as in association with its primary implementation agency - Indus Quality Foundation (IQF), a trust registered under the provisions of Indian Trust Act, 1882. CSR funds are used in imparting education by organizing student training programmers, teacher's inter-school programmes and
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## Board's Report (Contd..)

2. The Company's Corporate Social Responsibility (CSR) initiative attempts to integrate social, environmental, and economic concerns in its programs to improve the welfare of society and stakeholders. Are the programmers/projects undertaken through in house team/ own foundation/external NGO/government structures/ any other organization?	<p>inter-school competitions for fostering value-based personality and psychological development. The implementing agency 'IQF' has launched IQF clubs of service with an aim to catalyze the physical, mental, and spiritual growth of students. Also, under the joint efforts, various slum development programmes, national support programmes and workshops are being undertaken to support children belonging to the underprivileged sections of society.</p> <p>For more information of our CSR activities, please refer to the Annual Corporate Social Responsibility (CSR) Report.</p> <p>The Company's CSR initiatives are mainly implemented through partnership with Non-Governmental Organizations (NGOs) and Implementing Agencies.</p> <p>We have engaged Indus Quality Foundation, "IQF", a trust registered with Niti Ayog, Government of India for undertaking the initiatives.</p> <p>With IQF, the company identifies projects to achieve the vision that India should be among the leading nations of the world and child education is a key enabler for this. We work on initiatives towards advancement of education on "Quality Management" in schools. The objectives of these initiatives have been:</p> <ol style="list-style-type: none"> <li>1. To enable individuals, students and kids to realize their true potential through holistic personality development.</li> <li>2. To bring positive behavioural change in society. We have been able to bring about the concept, meaning and practical measurement of Quality and its improvement in any identified area undertaken in schools.</li> </ol> <p>Apart from these quality initiatives in schools, the company and its implementation agency has been working upon various rural development programmes focusing on Education, Health, Nutrition and sanitation.</p>
3. Have you done any impact assessment of your initiative?	The Company has been undertaking and implementing CSR activities directly as well as through an implementing agency. The core focus of CSR Policy is giving back to the society from which it draws its resources. The focus areas are Education, Sustainability, Health & Nutrition, Disaster Management, Women Empowerment, Slum Area Development Rural Development Programmes. The impact assessment is not required to be mandatorily carried out by the Company. However, the Company through the implementing agency do carry out surveys to assess the impact assessment of the projects undertaken the same is reported to the CSR Committee and reviewed by the Board.
4. What is your Company's direct contribution to community development projects- Amount in Rs./ Mn. and the details of the projects undertaken?	An amount of Rs. 10.05 Mn. was spent towards CSR initiatives during the FY22. The details thereof are given in the Annual CSR Report forming part of the Board Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes, the CSR initiative undertaken by the Company focuses on sustained grassroots mobilization through engagement, community participation, empowerment and development.

**Principle 9: Engagement with Customers**

1. What percentage of customer complaints/ consumer cases is pending as on the end of Financial Year?	None
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## Board's Report (Contd..)

2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	<p>The requisite information as mandated by applicable local laws (Specifically as per Legal Metrology Laws) is mentioned on the product label of the Company and the website of the Company.</p> <p>The Company further displays the assurance tag if the product is made from natural, eco- friendly fibers.</p> <p>All Company products comply with the disclosure norms under applicable regulations such as the Consumer Protection Act and Drugs and Cosmetics Act.</p>
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so.	<p>The Company is committed to building trust through responsible practices and through transparent communication – both directly to consumers and indirectly through other key stakeholders and follows self-regulatory codes for all its marketing and advertising activities in line with the industry practices.</p> <p>We have an established policies and mechanism to receive and address complaints from stakeholders related to compliance, corruption, bribery, fraud, unfair trade practices etc.</p> <p>However, no stakeholder has filed any such cases against the company and nor are any such cases pending.</p>
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	<p>Customer satisfaction is central to TCNS's business model which enables supply and demand and thereby determines the success of such sales. Customer focused excellence demands constant sensitivity to changing and emerging customer requirements and close attention to the voice of the customer. Since we interact with customers on a regular through these interactions, we have adopted a holistic approach in form of surveys which comprehensively capture expectations and needs of each customer and inform investment decisions.</p>

## Board's Report (Contd..)

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

This Report on Corporate Governance forms part of the Annual Report for the FY22. The Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency, and fairness in all transactions in the wider sense. The Company gives its best to achieve business goals, while fulfilling the role of a responsible corporate representative, committed to best practices.

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

#### PHILOSOPHY ON CODE OF GOVERNANCE

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

shareholders and meeting expectations of customers and society.

#### BOARD OF DIRECTORS

The Board of your Company comprises highly experienced persons of repute, eminence and has a good & diverse mix of Executive and Non-Executive Directors. The composition of the Board of the Company is in conformity with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The present composition of the Board comprises of eight (8) Directors out of which four (4) are Independent Directors, which constitutes 50% of the total strength of the Board. The Board has two (2) Women Directors. A brief profile of all the Directors is available on the website of the Company at <https://wforwoman.com/content/report/board-and-its-committees>. None of the Directors on the Board are serving as Independent Directors in more than seven (7) listed companies. None of the Directors on the Board is a Member in more than ten (10) committees and Chairperson of more than five (5) committees, across all the companies in which they are Directors.

#### NUMBER OF MEETINGS OF THE BOARD

During the FY22, the Board met five (5) times i.e., on June 21, 2021, August 13, 2021, November 5, 2021, December 30, 2021 and February 11, 2022. The intervening gap between any two (2) meetings was within the period prescribed by the Companies Act, 2013 & SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The information as mentioned under Part A of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 has been placed before the Board for its consideration during the year. Board meetings are also convened to address the specific additional requirements of the Company.

**The composition of Board of Directors, their attendance at the Board Meetings and at last Annual General Meeting of the Company, and also the number of Directorship/ Chairmanships held by them in other Public Limited Companies, during the FY22 are given as follows:**

Name of Director	Designation & Category	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Committee Membership	Committee Chairpersonships	Share-holding in the Company (in no's)	Name of the other listed companies where Directorship (category)
Mr. Onkar Singh Pasricha	Chairman-Executive Director (Promoter)	5	Yes	1	NIL	NIL	67,52,681	NIL
Mr. Anant Kumar Daga	Managing Director	5	Yes	NIL	1	NIL	36,05,124	NIL
Mr. Bhaskar Pramanik	Non-Executive Independent Director	5	No	3	6	3	NIL	a) Royal Orchid Hotels Limited (Non-Executive Independent Director), b) Route Mobile Limited (Non-Executive Independent Director)



## Board's Report (Contd..)

Name of Director	Designation & Category	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Committee Membership	Committee Chairpersonships	Share-holding in the Company (in no's)	Name of the other listed companies where Directorship (category)
Ms. Neeru Abrol	Non-Executive Independent Director	5	Yes	4	7	3	NIL	a) Apollo Pipes Limited (Non-Executive Independent Director), b) APL Apollo Tubes Limited (Non-Executive Independent Director), c) Apollo Tricoat Tubes Limited (Non-Executive, Independent Director)
Ms. Sangeeta Talwar	Non-Executive Independent Director	5	Yes	6	8	2	NIL	a) Castrol India Limited (Non-Executive Independent Director), b) HCL Infosystems Limited (Non-Executive Independent Director), c) Mahindra Holidays and Resorts India Limited (Non-Executive-Independent Director)
Mr. Suresh Jayaraman	Additional and Non-Executive Independent Director	1	Not applicable	3	NIL	NIL	NIL	a) Arvind Fashions Limited
Mr. Arvinder Singh Pasricha	Additional and Non-Executive Non-Independent Director (Promoter)	1	Not Applicable	1	NIL	NIL	94,70,671	NIL
Mr. Naveen Wadhwa	Additional and Non-Executive Director (Nominee Director on behalf of Private Equity Investor- Wagner Limited)	NIL	Not Applicable	NIL	NIL	NIL	NIL	NIL

## Notes:

- Directorships excludes private companies, foreign companies and Sec 8 companies.
- Board Committee membership for this purpose includes Audit Committee and Stakeholders' Relationship Committee of public limited and listed Companies.
- Membership count of Committees includes chairpersonship count.
- The attendance of Directors in AGM appointed post AGM for FY21 is mentioned as not applicable.
- Mr. Naresh Patwari ceased to be member of Board of Directors during the financial year.
- Mr. Suresh Jayaraman was regularized from Additional and Non-Executive Independent Director to Non-Executive Independent Director with effect from May 05, 2022.
- Mr. Arvinder Singh Pasricha and Mr. Naveen Wadhwa were regularized from Additional and Non-Executive to Non-Executive Director with effect from May 05, 2022.

## Inter-se Relationship

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

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

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

## Familiarisation Program for Independent Directors

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

## Board's Report (Contd..)

## Chart on Competence

Name of Director	Qualification and Competencies
Mr. Onkar Singh Pasricha	He holds a Bachelor's Degree in Technology in Electrical Engineering from Indian Institute of Technology, Delhi. He has been on the Board since December 03, 1997 and was last re-appointed (retirement by rotation) on September 17, 2021. He has more than 45 years of experience in the apparel industry.
Mr. Anant Kumar Daga	He holds a Bachelor's Degree in Commerce from the University of Calcutta and a Post-Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined the Company as the Chief Executive Officer with effect from March 16, 2010 and has been on the Board since September 07, 2016. Prior to joining the Company, he has worked with Reebok, India as Director (sales) and with ICICI Bank.
Mr. Bhaskar Pramanik	He holds a Bachelor's Degree in Technology from Indian Institute of Technology, Kanpur. He has served as the Chairman of Sun Microsystems India, Managing Director of Oracle India and as the Chairman of Microsoft India.
Ms. Neeru Abrol	She is an Associate Member of the Institute of Chartered Accountants of India. She has worked with National Fertilizers Limited (NFL) as its Chairperson and Managing Director. Prior to NFL, she has worked with the Steel Authority of India Limited, holding various management positions.
Ms. Sangeeta Talwar	She holds a Post-Graduate Diploma in Management from Indian Institute of Management, Kolkata. She is currently a Partner at Fly vision Consulting LLP. She has worked with Nestle India as an Executive Vice President (Marketing), Mattel Inc., India as its Managing Director, Tata Tea as an Executive Director (Marketing) and NDDB Dairy Services as its Managing Director.
Mr. Suresh Jayaraman	He holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree from IIM Bangalore. He is former MD and CEO of Arvind Fashions Limited. His total work experience of 40 years is largely split between two companies, 17 years in Hindustan Unilever Limited and 16 years in Arvind Fashions Limited.
Mr. Arvinder Singh Pasricha	He holds a Bachelor's Degree from University of Delhi. He is an Entrepreneur, Investor and Philanthropist. He has over four decades of experience in the textile and garment industry. He is one of the Promoters and Co-founders of TCNS Clothing Co. Limited.
Mr. Naveen Wadhwa	He holds a Bachelor's Degree in Systems Engineering from University of Pennsylvania and Master's degree (MBA) from Wharton School of Business. He has more than 21 years of experience in private equity and financial services. He co-founded TA's European and Asian efforts and sponsored and led investments in several geographies across Technology, Financial Services, Healthcare and Consumer Businesses. Mr. Naveen Wadhwa is former Director of TCNS Clothing Co. Limited and served the Company till December 2017.

The Board has identified that the core competencies, required relevant industry experience and prior experience of being an Independent Director are present. The Board is of the opinion that to discharge the functions effectively all the requisite competencies and skills are available with the members of the Board.

All the Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and fulfils the criteria of independence under Section 149(6) of the Companies Act, 2013. The maximum tenure of the Independent Directors is in compliance with the Act. Further, the Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, or its subsidiaries, which may affect the independence or judgment of the Directors. The Company has taken Directors and Officers Insurance ("D and O Insurance") for all their Directors including the Independent

Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management. Further, none of the Independent Directors resigned during the year under review.

## Meeting of Independent Directors

For the year under review, a separate meeting of the Independent Directors was held on March 24, 2022, 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



## Board's Report (Contd..)

Code of Conduct for the FY22. This Code has been displayed on the Company's website at <https://wforwoman.com/content/report/ldr-policies>

### Board Evaluation

The Board has adopted a process for evaluating its performance and effectiveness as well as that of its Committees and carried out an Annual Evaluation of its own performance, Board Committees and the Directors individually pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Board and the Nomination & Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. The evaluation criteria included various aspects such as functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback with the stakeholders and other aspects as provided by the Guidance Note on Board Evaluation issued by SEBI on January 05, 2017. In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Board as a whole and the Chairman were also evaluated on the basis of pre-set criterion.

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

All members of the Board of Directors, Senior Management Personnel and Key Managerial Personnel have affirmed compliance with the TCNS Code of Conduct for the FY22. A certificate to this effect given by the Managing Director of the Company is given at the end of this report.

### Insider Trading Policy of the Company and Model Code of Conduct

To comply with the provisions of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and the same is uploaded on the website of the Company at <https://wforwoman.com/content/report/insider-trading-policy>. The Code of Conduct for Prohibition of Insider Trading of the Company prohibits the Directors of the Company and other designated employees from dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of Code of Conduct for Prohibition of Insider Trading of the Company is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large.

The Company is maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Internal trainings and

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

### Board Committees

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

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

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

### DETAILS OF COMMITTEES AUDIT COMMITTEE

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee comprises of three Directors viz. Ms. Neeru Abrol, Ms. Sangeeta Talwar and Mr. Bhaskar Pramanik. Ms. Neeru Abrol holds position of the Chairperson of Audit Committee.

All members of the Audit Committee are financially literate and have accounting or related financial management expertise. Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Committee.

## Board's Report (Contd..)

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

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

- Reviewing internal control weaknesses;
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the listed entity;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval with particulars reference to:
  - a. Matters required to be included in Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013;
  - b. Changes, if any, in accounting policies, practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the Auditor's independence and performance, and effectiveness of the audit process;

- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Review management discussion and analysis of financial condition and results of operations;
- Review statement of significant related party transactions submitted by management;
- Review management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Review internal audit reports relating to internal control weaknesses;



## Board's Report (Contd..)

- Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Crs. or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Statement of deviations;
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act 2013 / SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the applicable rules, regulations thereto.

During the FY22, the Audit Committee met four (4) times i.e., on June 21, 2021, August 13, 2021, November 12, 2021 and February 10, 2022 and February 11, 2022. (Adjourned meeting of February 10, 2022).

**The attendance of the members of the Committee for the FY22 is as under:**

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

# Mr. Naresh Patwari was ceased to be member of the Committee by virtue of his resignation dated January 25, 2022 effective February 11, 2022.

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

**NOMINATION AND REMUNERATION COMMITTEE**

The constitution and terms of reference of Nomination & Remuneration Committee of the Board of Directors is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013. The Committee consists of five (5) Directors viz., Mr. Bhaskar Pramanik, Ms. Neeru Abrol, Mr. Onkar Singh Pasricha, Ms. Sangeeta Talwar and Mr. Suresh Jayaraman. Mr. Bhaskar Pramanik holds position of the Chairperson of the Committee.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to, the remuneration of the Directors, to Key Managerial Personnel and other Senior Managerial Personnel;
- Evaluation of balance of skills, knowledge and experience on the Board for every appointment of an Independent Director, and on the basis of such evaluation, to prepare a description of the role and capabilities required of an Independent Director. Further to ensure that the person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description and for the purpose of identifying suitable candidates:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Review the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to Key Managerial Personnel and Senior Management; and
- Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 or by any other applicable law or regulatory authority.

## Board's Report (Contd..)

During the FY22, the Committee met four (4) times i.e., on August 13, 2021, November 12, 2021, December 30, 2021 and February 10, 2022.

**The attendance of the members of the Committee for the FY22 is as under:**

Committee Members	Category	Number of Meetings Nomination and Remuneration Committee Attended/Held
Mr. Bhaskar Pramanik	Independent Director	4/4
Ms. Neeru Abrol	Independent Director	4/4
Mr. Onkar Singh Pasricha	Executive Director	4/4
Mr. Naresh Patwari#	Non-Executive-Non-Independent Director	3/3
Ms. Sangeeta Talwar	Independent Director	1/1
Mr. Suresh Jayaraman##	Independent Director	1/1

# Mr. Naresh Patwari was ceased to be member of the Committee by virtue of his resignation dated January 25, 2022 effective February 11, 2022.

## Mr. Suresh Jayaraman was appointed as a member of the Committee on December 30, 2021

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

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

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

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

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

The brief terms of reference of Stakeholder Relationship Committee are:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Oversee and review all matters connected with the transfer of the Company's securities;
- Oversee the performance of the Company's Registrar and Transfer Agents;
- Recommend methods to upgrade the standard of services to investors;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- Carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable; and
- Perform such other functions as may be necessary or appropriate for the performance of its duties.



## Board's Report (Contd..)

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

The Committee met four (4) times during the FY22 i.e., on June 21, 2021, August 13, 2021, November 12, 2021 and February 10, 2022.

**The attendance of the members of the Committee for the FY22 is as under:**

Committee Members	Category	Number of Stakeholder Committee Meetings Attended/Held
Ms. Sangeeta Talwar	Independent Director	4/4
Mr. Anant Kumar Daga	Managing Director	4/4
Ms. Neeru Abrol	Independent Director	4/4

**INVESTOR GRIEVANCES/ COMPLAINTS**

The details of the Investor Grievances Complaints received and resolved during the FY22 are as follows:

Opening Balance	0
Received	0
Resolved	0
Closing Balance	0

There are no complaints pending to be resolved as on March 31, 2022.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

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

During the year under review, the Committee met two (2) times on June 21, 2021 and February 10, 2022. The CSR Policy of the Company is available on the website of the Company at <https://wforwoman.com/content/report/csr-policy>.

**RISK MANAGEMENT COMMITTEE**

Pursuant to section 134(3) (n) of the Companies Act, 2013 the Company has developed and implemented a Risk Management Policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and also subject to its review from time to time. The Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. Further pursuant to provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee.

The Risk Management Committee comprises of six (6) Members viz. Mr. Onkar Singh Pasricha, Mr. Anant Kumar Daga, Mr. Amit Chand, Ms. Neeru Abrol, Ms. Sangeeta Talwar and Mr. Bhaskar Pramanik. Mr. Onkar Singh Pasricha holds position of the Chairperson of the Committee.

The Committee met two (2) times during the year on February 10, 2022 and March 21, 2022.

**The attendance of the members of the Committee for the FY22 is as under:**

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

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

- To formulate a detailed risk management policy which shall include:
- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks;

## Board's Report (Contd..)

- Business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors; and
- The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The Risk Management Policy is available on the website of the Company at <https://wforwoman.com/content/lo-dr-policies/>.

**REMUNERATION PAID TO DIRECTORS IN THE FY22**

**a) Executive Directors:**

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

The Remuneration paid to Executive Director(s) during the FY22 as follows:

Particulars of Remuneration	Name of MD/WTD	
	Mr. Anant Kumar Daga	Mr. Onkar Singh Pasricha
Salary including variable pay and perquisites	23.32	2.80
Contribution to Provident Fund	1.13	0.20
<b>Total</b>	<b>24.45</b>	<b>3.0</b>

(Rs. in Mn.)

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

The Commission, if any payable to Independent Directors has been approved by the Nomination and Remuneration Committee of the Company in a meeting held on May 28, 2019, for the period of 5 (five) years commencing from the FY20 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) of the relevant Financial Year and has been approved by the Shareholders within the prescribed limits as stipulated under Companies Act, 2013 in the 22<sup>nd</sup> Annual General Meeting of the Company held on August 26, 2019.

No commission was paid to any Director for the FY22.

Except Mr. Arvinder Singh Pasricha (Promoter and Non-Executive Director) holding 94,70,671 (15.37%) equity shares of the Company, none of the other Non-Executive Directors holds any shares of the Company.

None of Non-Executive Directors are entitled to any Employee Stock Options.

The details of compensation, service contracts, notice period, severance fee, etc. are mentioned in the terms and conditions of appointment displayed on the website of the Company at <https://wforwoman.com/content/report/terms-and-conditions-of-appointment-of-independent-directors>. Except Mr. Onkar Singh Pasricha (Executive Director) and Mr. Arvinder Singh Pasricha (Non-Executive Director), none of your Directors are related to each other.



## Board's Report (Contd..)

## b) Non-Executive Directors:

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

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

**The details of remuneration (Commission and sitting fees) paid to Non-Executive Directors for the FY22 is provided below:**

(Rs. in Mn.)							
Particulars	Mr. Bhaskar Pramanik	Mr. Naresh Patwari	Ms. Neeru Abrol	Ms. Sangeeta Talwar	Mr. Naveen Wadhwa	Mr. Suresh Jayaraman	Mr. Arvinder Singh Pasricha
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	1.20	Nil	1.5	1.27	Nil	0.17	Nil

- Mr. Naresh Patwari ceased to be Director of the Company vide resignation dated January 25, 2022 effective February 11, 2022.
- Mr. Naveen Wadhwa was appointed on the Board of the Company with effect from February 11, 2022.
- Mr. Arvinder Singh Pasricha and Mr. Suresh Jayaraman were appointed on the Board of the Company with effect from December 30, 2021.

**Other details with respect to remuneration:**

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

## GENERAL BODY MEETINGS

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

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Special Resolutions Passed
24 <sup>th</sup> Annual General Meeting	Friday, September 17, 2021 at 02:30 P.M. (IST)	Held through Video Conferencing Mode (deemed venue was W-House, 119, Neelgagan towers, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030)	<ol style="list-style-type: none"> <li>Approval for Remuneration of Mr. Onkar Singh Pasricha (DIN: 00032290), Chairman and Executive Director.</li> <li>Re-Appointment of Mr. Anant Kumar Daga (DIN: 07604184) as the Managing Director of Company and fixation of his remuneration.</li> </ol>
23 <sup>rd</sup> Annual General Meeting	Thursday, September 24, 2020 at 2:00 P.M.(IST)	Held through Video Conferencing mode (deemed venue was W-House, 119, Neelgagan towers, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030)	<ol style="list-style-type: none"> <li>Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the Company.</li> <li>Approval for Remuneration of Mr. Onkar Singh Pasricha (DIN:00032290), Chairman and Executive Director of the Company.</li> <li>To approve the alteration of the Object clause of the Memorandum of Association of the Company.</li> </ol>

## Board's Report (Contd..)

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Special Resolutions Passed
22 <sup>nd</sup> Annual General Meeting	Monday, August 26, 2019 at 9:00 A.M.	Delhi Karnataka Sangha, Rao Tularam Marg, Sector 12, Rama Krishna Puram, New Delhi, Delhi 110022.	<ol style="list-style-type: none"> <li>Approval for Remuneration of Mr. Anant Kumar Daga (DIN: 07604184), Managing Director of the Company.</li> <li>Ratification of Pre-IPO TCNS ESOP Scheme 2014-17.</li> <li>Ratification of Pre-IPO TCNS ESOP Scheme 2018-23.</li> <li>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.</li> <li>Amendment in TCNS ESOP Scheme 2018-23.</li> </ol>

**Extraordinary General Meeting:** Apart from the 24<sup>th</sup> Annual General Meeting, no other General Meeting was held during the FY22.

**Postal Ballot**

The Company has not passed any resolution through postal ballot during the FY22. However, the Board of Directors in their meeting held on February 11, 2022 had approved the Postal Ballot notice to seek approval of members of the Company for the following matters:

- Appointment of Mr. Suresh Jayaraman (DIN: 03033110) as an Independent Director of the Company. (Special Resolution)

Details of voting pattern for the Special Resolution:

S. No.	Resolution	No. of Votes Polled	No. of Votes in favour	% of votes in favour on votes polled	No. of votes Against	% of Votes against on votes polled
1.	Appointment of Mr. Suresh Jayaraman (DIN: 03033110) as an Independent Director of the Company.	5,44,49,866	5,37,38,854	98.6942	7,11,012	1.3058

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

The Company had appointed M/s. Sanjay Grover & Associates, Practicing Company Secretaries, through its Partner Mr. Devesh Vasishth (FCS No. 8488 and CP No.13700), to act as the Scrutinizer, for conducting the aforesaid Postal Ballot process, in a fair and transparent manner.

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

- Appointment of Mr. Arvinder Singh Pasricha (DIN: 00032420) as Non-Executive Director of the Company liable to retire by rotation. (Ordinary Resolution)
- Appointment of Mr. Naveen Wadhwa (DIN: 02503164) as Non-Executive Director of the Company liable to retire by rotation. (Ordinary Resolution)

The aforementioned Postal Ballot notice was sent to the members post closure of FY22 on April 05, 2022 and the aforementioned matters were deemed to be approved by the members on May 05, 2022 i.e., after closure of FY22.

**Related Party Disclosures**

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

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

The Company has a Policy on Material Related Party Transactions and the same is available on the website of the Company at <https://wforwoman.com/content/report/related-party-transactions-policy>.

**Risk Management Policy**

The Company has a Risk Management policy and an internal control framework, which is used to manage risks. The



**Board's Report (Contd..)**

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

**Code of Conduct**

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

**Prevention of Insider Trading**

The Company has formulated and adopted TCNS Insider Trading Policy (including Code of Fair Disclosures) in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy lays down the guidelines, procedures to be followed, and disclosures to be made while dealing with the shares of the Company along with consequences for violation. The policy is formulated to regulate, monitor and ensure reporting of deals by designated persons and maintain the highest level of ethical standards while dealing in the Company's securities. The Company's Code of Fair Disclosure is also placed on the website of the Company at <https://wforwoman.com/content/report/insider-trading-policy>. The Company is maintaining a Structured Digital Database as required under regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Also, time to time internal training and awareness programmes were conducted during the year to make the employees familiar with Insider Trading Policy of the Company formulated as per SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company monitors its Designated Person through TCNS INSIDERS MONITORING PORTAL ("TIMP") a web-based comprehensive solution especially designed for catering all the requirements arising under SEBI (Prohibition of Insider Trading) Regulations, 2015 viz. applying pre-clearance and approval thereof, recording of trades, disclosure under Reg 7(2), recording of UPSI etc. The Designated Personnel are being monitored regularly with respect to their dealing in securities of the Company.

**Vigil mechanism and Whistle blower Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The said policy is updated by the Company during the Financial Year. The updated policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at <https://wforwoman.com/content/report/lodr-policies>. There is no case of violation reported to the Company during the Financial Year.

**Means of Communication**

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

**GENERAL SHAREHOLDERS INFORMATION**

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

Date: September 20, 2022.

Time: 10:30 A.M.

**Venue:** AGM through Video Conferencing/Other Audio-Visual Mode. The Registered Office of the Company will be the deemed venue of the Annual General Meeting.

- Financial Year:** April 01, 2021 to March 31, 2022

**c. Financial Calendar for 2022-23 (Tentative)**

Financial reporting for the first Quarter ending June 30, 2022	2 <sup>nd</sup> week of August, 2022
Financial reporting for the second Quarter ending September 30, 2022	2 <sup>nd</sup> week of November, 2022
Financial reporting for the third Quarter ending December 31, 2022	2 <sup>nd</sup> week of February, 2023
Financial reporting for the year ending March 31, 2023	4 <sup>th</sup> week of May, 2023
Annual General Meeting for the year ended March 31, 2023	September 2023

- Dividend payment date:** No Dividend is recommended to be paid for the FY22.

**Board's Report (Contd..)****e. Listing of Shares**

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

**Bombay Stock Exchange Limited**

BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001  
Scrip code: 541700

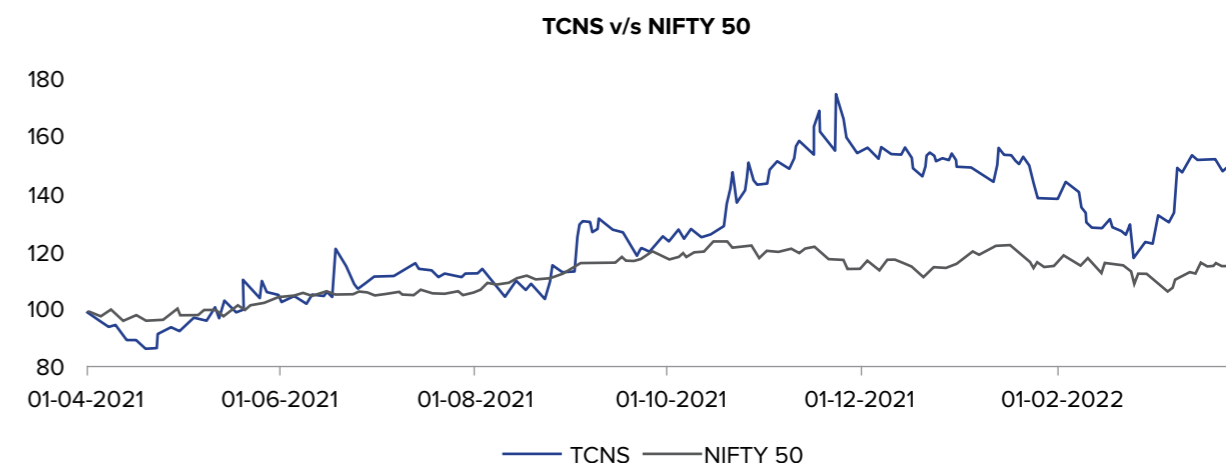
**National Stock Exchange of India Limited**

"Exchange Plaza", Bandra-Kurla Complex Bandra(E), Mumbai-400051  
Scrip Code: TCNS BRANDS  
ISIN No. INE778U01029

It is hereby confirmed that the Annual Listing fees for the period April 01, 2022 to March 31, 2023 has been paid to both the Stock Exchanges.

**f. Stock Market Data:**

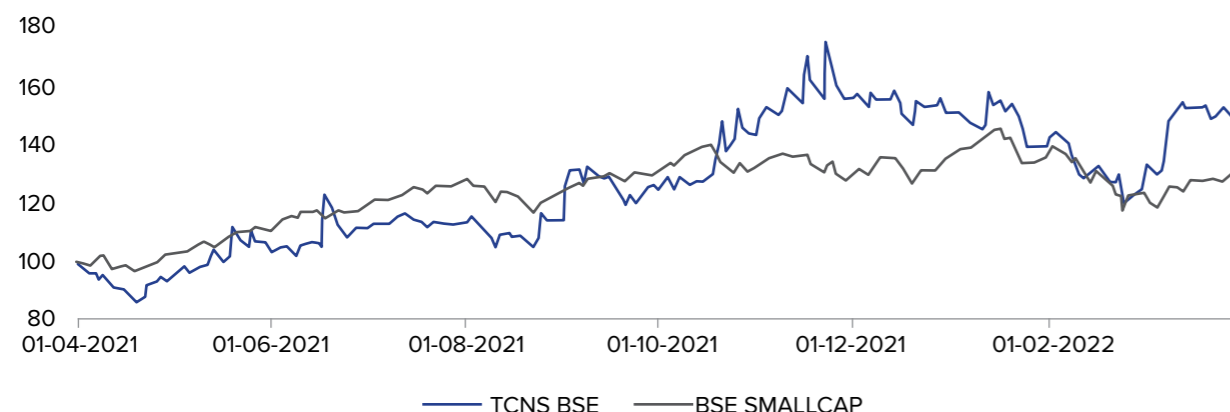
Stock Exchange	BSE Limited		National Stock Exchange of India Limited		
	Month	Highest (in Rs.)	Lowest (in Rs.)	Highest (in Rs.)	Lowest (in Rs.)
	Apr-21	536.55	438.20	540.00	437.35
	May-21	605.00	480.85	606.55	480.00
	Jun-21	651.60	517.90	652.40	517.05
	Jul-21	620.00	568.55	620.45	568.00
	Aug-21	649.50	528.30	650.00	527.65
	Sep-21	704.90	580.00	706.05	585.95
	Oct-21	820.40	637.85	823.10	633.60
	Nov-21	932.55	738.50	932.00	743.15
	Dec-21	851.00	748.00	853.00	748.05
	Jan-22	833.00	714.80	834.00	712.00
	Feb-22	759.65	595.30	760.00	605.00
	Mar-22	838.30	633.25	837.45	632.00

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



## Board's Report (Contd..)

TCNS v/s BSE Smallcap 250



All the equity shares of the Company are in the dematerialised form except Five (5) shares as on March 31, 2022.

The shares of the Company are traded on the Stock Exchanges in dematerialised form only.

**h. Information regarding Dividend Payment**

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

**i. Registrar and Transfer Agent**

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

Kfin Technologies Limited  
Selenium Tower B,  
Plot No. 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500032  
Tel: +91-40-67162222  
Toll Free No.+ 1800-309-4001, Fax: +91-40-6161500  
E-Mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

**i. Distribution of shareholding of shares of the Company as on March 31, 2022**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	16,286	99.14	878,032	1,756,064	1.42
5001- 10000	41	0.24	140,703	281,406	0.22
10001- 20000	31	0.18	236,966	473,932	0.38
20001- 30000	6	0.036	74,160	148,320	0.12
30001- 40000	8	0.048	141,670	283,340	0.22
40001- 50000	4	0.024	93,285	186,570	0.15
50001- 100000	8	0.048	281,949	563,898	0.45
100001 & above	43	0.26	59,765,909	119,531,818	97.00
<b>Total</b>	<b>16,427</b>	<b>100.00</b>	<b>61,612,674</b>	<b>123,225,348</b>	<b>100.00</b>

**j. Statutory Auditors**

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

**k. Share Transfer System**

SEBI vide its press release dated March 27, 2019, amended regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from April 01, 2019. The Company obtains a yearly certificate from a Company Secretary in Practice in respect of the share transfers as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with the Stock Exchanges. Further as per the requirement of SEBI circular dated January 25, 2022 for issuance of Securities in dematerialized form in case of Investor Service Requests the Company issues the securities in dematerialized form only while processing the service requests viz. Issuance of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

## Board's Report (Contd..)

**m. Dematerialisation of shares**

As on March 31, 2022, the issued equity capital of the Company comprises of 6,16,12,674 equity shares, out of which five (5) shares comprising 0.00% of the issued equity capital is in physical form. Out of five (5) shares held in physical form, the Company has not received any re-materialisation request during the year under review. The rest of equity shares are held in dematerialised form. SEBI vide its press release dated March 27, 2019, amended regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from April 01, 2019. Further as per the requirement of SEBI circular dated January 25, 2022, for issuance of securities in dematerialized form in case of Investor's Service Requests the Company issues the securities in dematerialized form only while processing the service requests viz. Issuance of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

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

Also, a communication dated December 30, 2021 and January 28, 2022 was sent to the shareholders for providing information as per the requirement of SEBI circular dated November 03, 2021.

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

There are no shares in the demat suspense account/unclaimed suspense account at the beginning and at the end of the FY2021-22.

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

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

**p. Recommendations of the Committees**

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

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

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

**r. Commodity price risk or foreign exchange risk and hedging activities**

The details for the same have been provided in the Notes to Financial Statements of the Company for the FY22.

**s. Plant/Warehouse locations**

Serial Number	Address
1.	Khasra No. 522 Min., Extended abadi of Jonapur Village, Tehsil Mehrauli, New Delhi-110030.
2.	234, Udyog Vihar, Phase 1, Gurugram -122016.
3.	Khasra No. 45//16 Min, 46//11 Min, 12, 19, 20 Min, Village Chhawan, Tehsil Pataudi District Gurugram, Haryana- 122503.

**t. Address for Correspondence**

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

Telephone No: 011-42193193/011-42193176

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

Telephone No: 011-42193193/011-42193176

**u. Name, address and contact numbers of the Compliance Officer and Company Secretary**

Mr. Piyush Asija, Company Secretary and Compliance Officer. 119, New Manglapuri, W-House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030.

Contact No: 011-42193193/011-42193176

Email: [investors@tcnsclothing.com](mailto:investors@tcnsclothing.com)

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

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

**v. Credit Rating**

The Company has obtained a credit rating from Crisil on July 13, 2022 which is as follows:

Total Bank Loan	Rs. 75 Crs.
Facilities Rated	
Long Term Rating	CRISIL A+/Negative ( rating retained is similar to previous year)
Short Term Rating	CRISIL A1+ ( rating retained is similar to previous year)



## Board's Report (Contd..)

## w. Other Disclosures

- a) During FY22, 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-compliances by the Company and no penalties, strictures and compounding were imposed on the Company by the Stock Exchanges or any other statutory authority on any matter related to capital markets during the last three years.
- c) Whistle Blower Policy and Vigil Mechanism:

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

- 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.

## b. Non-mandatory Requirements

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

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

- e) Policy on related party transactions

To comply with the provisions of Section 188 of the Act, and rules made thereunder read with regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company took necessary prior approval of the Audit Committee and the Board before entering into related party transactions. All contracts/arrangements/transactions entered into by the Company with related parties, as defined under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the FY22 were in the ordinary course of business and on arm's length basis. Your Company has framed a Policy on

Related Party Transactions in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the amended provisions of the Act. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The policy is available on the website of the Company at <https://wforwoman.com/content/report/related-party-transactions-policy>. The Board of Directors in their meeting held on November 5, 2021 and February 11, 2022 has amended Policy on dealing with Related Party Transactions in terms of SEBI LODR (Third Amendment), Regulations 2021 dated August 03, 2021 and SEBI LODR (Sixth Amendment), Regulations 2021 dated November 09, 2021 respectively effective dated January 01, 2022 and April 01, 2022 respectively.

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

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

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

- f) Policy for Determination of Material Subsidiary and Governance of Subsidiaries is available on the website of the Company at <https://wforwoman.com/content/report/material-subsidiaries-policy>. There is no subsidiary company.
- g) During the FY22, the Company had no exposure to foreign exchange risk.
- h) The Company has not raised funds through preferential allotment or qualified institutions. During the year, allotments have been made to employees under the TCNS Employee Stock Option Scheme.
- i) Total fees for all services paid by the listed entity, to the Statutory Auditors during the year: The Company has paid to Deloitte Haskins and Sells LLP, the Statutory Auditors, the following amounts:
- a. Statutory Audit Fee: **Rs. 7.0 Mn.**
- b. Other Fees including reimbursement of expenses: **Rs. 4.53 Mn.**

## Board's Report (Contd..)

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

To comply with provisions of section 134 of the Act and rules made there under, your Company has duly constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As on March 31, 2022 the Internal Complaints Committee constitutes of the following members:

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

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

Note: There is one case of alleged discrimination pertaining to previous year which is pending resolution as on March 31, 2022 before the National Commission of Women.

- k) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: Not Applicable.

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

## l) Secretarial Audit

During the year, the Board of Directors of the Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries (Firm

## For and on behalf of Board of Directors

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

Place: New Delhi  
Date: August 12, 2022

Registration No.: P2001DE052900) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the rules framed there under and to provide Secretarial Compliance report pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY22. The report is forming part of the Annual Report as **Annexure 'H'**.

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

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been issued pursuant to Schedule V, Part C, Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by M/s Sanjay Grover & Associates, Company Secretaries (Firm Registration No.: P2001DE052900) is forming part of this report as **Annexure 'I'**.

## CERTIFICATE ON CORPORATE GOVERNANCE

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

## MANAGING DIRECTOR (MD) &amp; CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Managing Director and CFO certification as stipulated in the regulation 17(8) of Listing Regulations was placed before the Board along with Financial Statement(s) for the FY22. The Board reviewed and took note of the same. The said certificate is forming part of this Report as **Annexure 'III'**.

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

All the members of the Board, KMP (Key Managerial Personnel) and Senior Management have affirmed compliance to the Code of Conduct for the FY22.

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



## Board's Report (Contd..)

## Annexure-I

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Members of**  
**TCNS CLOTHING CO. LIMITED**  
(CIN: L99999DL1997PLC090978)  
119, New Manglapuri, W House Mandi Road,  
Sultanpur, Mehrauli, New Delhi - 110030

- That the equity shares of TCNS Clothing Co. Limited (hereinafter referred as "the Company") are listed on BSE Limited and National Stock Exchange of India Limited.
- We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and Director Identification Number (DIN) status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

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

- Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

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

Place: New Delhi  
Date: May 14, 2022

Sd/-  
**Devesh Kumar Vasisht**  
Partner  
CP No.: 13700 / Mem. No. F8488  
UDIN: F008488D000322395

## Board's Report (Contd..)

## Annexure-II

## Corporate Governance Certificate

To  
The Members  
TCNS Clothing Co. Limited

We have examined the compliance of conditions of Corporate Governance by TCNS Clothing Co. Limited ("the Company"), for the financial year ended March 31, 2022, as stipulated under regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

Sd/-  
**Devesh Kumar Vasisht**  
Partner  
Place : New Delhi  
Date: May 14, 2022

CP No.: 13700 / Mem. No. F8488  
UDIN: F008488D000322406



## Board's Report (Contd..)

## Annexure-III

## MD and CFO Certification

To  
The Board of Directors of TCNS Clothing Co. Limited

- A. We have reviewed the financial statements and cash flow statement for the Financial Year ended on March 31, 2022 and to best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading; and
  - These statements together present a true and fair view of company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief no transactions entered into by company, during the Financial Year ended March 31, 2022, are fraudulent, illegal or violative of Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee, steps have taken to rectify these deficiencies.
- D. We have indicated to Auditors and Audit Committee:
- There has not been any significant change in internal control over financial reporting during the year;
  - there has not been any significant change in accounting policies during the year requiring disclosure in the notes to financial statements; and
  - We are not aware of any instances during the quarter of significant fraud with involvement therein of the management or any employee having a significant role on Company's internal control system over financial reporting.

Sd/-  
**AMIT CHAND**  
Chief Financial Officer

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

Date: August 12, 2022  
Place: New Delhi

## Board's Report (Contd..)

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

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,  
The Members  
**TCNS CLOTHING CO. LIMITED**  
(CIN: L99999DL1997PLC090978)  
119, New Manglapuri, W House Mandi Road,  
Sultanpur, Mehrauli, New Delhi- 110030

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

## We report that-

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- The Auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to COVID-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Not applicable during the audit period];
  - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;



## Board's Report (Contd..)

- (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (not applicable during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the audit period);
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the audit period); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR Regulations).
- (vi) The Company is engaged in the business of designing, manufacturing, branding and retailing of women apparel and accessories in India. As informed by the Management, there is no sector specific law applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, which has been generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above and the Company was generally regular in compliance of the provisions of LODR Regulations.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

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

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

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

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

**Vijay K. Singhal**  
Partner  
P No.: 10385, M. No.: A21089  
UDIN: A021089D000410161

Place: New Delhi  
Date: May 27, 2022

## Board's Report (Contd..)

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

## FORM NO. AOC-2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto:**

S. No.	Particulars	Information
(a)	Name(s) of the related party and nature of relationship	Mr. Saranpreet Pasricha Relative (Son) of Chairman and Executive Director.
(b)	Nature of contracts/arrangements/transactions	Head (International Business)
(c)	Duration of the contracts/arrangements/transactions	As per the terms of his appointment.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per shareholder approval, eligible for a maximum remuneration of Rs. 1.0 Mn. per month shall be paid.
(e)	Justification for entering into such contracts or arrangements or transactions	Mr. Saranpreet Pasricha has requisite experience, skills and qualifications for the role. Remuneration is in line with industry.
(f)	Date(s) of approval by the Audit Committee/Board, if any:	February 05, 2021 (approved by the shareholders on August 26, 2019)
(g)	Amount	NIL
	i. paid as advances, if any:	Rs. 3.84 Mn.
	ii. transaction during the year	
(h)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

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

(a) Name(s) of the related party and nature of relationship:	
(b) Nature of contracts/arrangements/transactions:	
(c) Duration of the contracts/arrangements/ transactions:	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Justification for entering into such contracts or arrangements or transactions	<b>Not Applicable</b>
(f) Date(s) of approval by the Board, if any:	
(g) Amount paid as advances, if any:	
(h) Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188.	

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

(a) Name(s) of the related party and nature of relationship:	
(b) Nature of contracts/arrangements/transactions:	
(c) Duration of the contracts/ arrangements/ transactions:	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	<b>Not Applicable</b>

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

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

Place: New Delhi  
Date: August 12, 2022

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



# Financial Statements





# Independent Auditor's Report

To the members of TCNS Clothing Co. Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of TCNS CLOTHING CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Key Audit Matter

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

Key Audit Matter	Auditor's Response
<p><b>Determination of provision for obsolescence and Net Realisable Value (NRV) for old inventories (refer note 2.17 and 10 to the Financial Statements)</b></p> <p>Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses as considered necessary.</p> <p>As at March 31, 2022, the Company held inventories of INR 3,608.85 million net of provision of INR 618.54 million.</p> <p>The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory around the period end.</p> <p>As a result, the management applies judgement in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.</p> <p>We identified such estimation process for old inventories as key audit matter due to material account balance.</p>	<p><b>Principal audit procedures:</b></p> <p>We have:</p> <ul style="list-style-type: none"> <li>• Obtained understanding and evaluated the design and implementation of controls that the Company has established for determining the net realisable value of old inventories;</li> <li>• On sample basis, verified that the inventory is valued at lower of the cost or net realisable value. Assessed the appropriateness of the method of determining the cost of the inventory and the net realisable value;</li> <li>• Obtained the working for the provision on slow moving/obsolete inventory and re-performed the calculation for the provision computed by the management;</li> <li>• Evaluated the historical accuracy of the management's estimations; and</li> <li>• Tested appropriateness of the disclosures in the financial statements in respect of such provision created by the Company.</li> </ul>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## 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.

#### 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 32A to the financial statements).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 32.3 to the financial statements).
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Note 32.4 to the financial statements).
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Satpal Singh Arora**  
Partner  
(Membership No. 098564)  
UDIN No. 22098564AJTBDJ9168

New Delhi  
May 27, 2022



## Annexure 'A' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **TCNS CLOTHING CO. LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

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

**Satpal Singh Arora**  
Partner

New Delhi  
May 27, 2022

(Membership No. 098564)  
UDIN No. 22098564AJTBDJ9168

## 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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
  - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment 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 at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
  - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 Crs., in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the revised returns or statements submitted for each quarter comprising statements and other stipulated financial information, filed by the Company till the date of this report are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2021, September 30, 2021 and December 31, 2021 and no material discrepancies have been observed. The Company is yet to submit the return/ statement to be submitted at the end of the quarter ended March 31, 2022 with the bank.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Also refer to the note 32.5 to the financial statements regarding management assessment on certain matters relating to provident fund. 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, 2022 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, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount (in million)*
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010 - 2011 2011 - 2012	2.70
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2012 - 2013 2014 - 2015	4.50
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	2013 - 2014	5.72
Sales Tax/ Value Added Tax laws	Entry Tax	Assessing Officer	2015 - 2016 2017 - 2018	1.74
Sales Tax/ Value Added Tax laws	Sales Tax	Objection Hearing Authority, Value Added Tax	2006 - 2007 2009 - 2010 2014 - 2015 2015 - 2016 2016 - 2017 2017 - 2018	7.12
Sales Tax/ Value Added Tax laws	Sales Tax	The Assistant Commissioner, Trade and Tax Department	2007 - 2008 2008 - 2009	1.26
Sales Tax/ Value Added Tax laws	Sales Tax	Appellate Tribunal of Value Added Tax, Trade and Tax Department	2010 - 2011 2013 - 2014	0.16

\*Net of Rs. 2.64 million 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, 2022 on account of disputes.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, Company has not raised any funds during the year hence, reporting under clause (ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have more than one CIC as part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

UDIN No. 22098564AJTBDJ9168

New Delhi

May 27, 2022



# Balance Sheet

as at March 31, 2022

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	4(a)	435.70	307.42
(b) Capital work-in-progress	4(b)	16.17	5.12
(c) Right-of-use assets	4(c)	3,566.12	2,686.39
(d) Intangible assets	5	31.02	20.95
(e) Financial assets			
Other financial assets	6	511.59	444.49
(f) Deferred tax assets (net)	7	560.63	549.81
(g) Non-current tax assets (net)	8	109.21	102.98
(h) Other non-current assets	9	66.13	30.04
<b>Total non-current assets</b>		<b>5,296.57</b>	<b>4,147.20</b>
<b>2. Current assets</b>			
(a) Inventories	10	3,608.85	2,780.53
(b) Financial assets			
(i) Investments	11	1,455.94	1,723.67
(ii) Trade receivables	12	1,738.13	1,648.40
(iii) Cash and cash equivalents	13	104.08	146.48
(iv) Bank balances other than (iii) above	14	2.91	2.82
(v) Other financial assets	6	4.53	3.62
(c) Other current assets	9	396.08	288.71
<b>Total current assets</b>		<b>7,310.52</b>	<b>6,594.23</b>
<b>Total assets</b>		<b>12,607.09</b>	<b>10,741.43</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	15	123.23	123.05
(b) Other equity	16	6,075.42	5,996.79
<b>Total equity</b>		<b>6,198.65</b>	<b>6,119.84</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	4(c)	3,394.11	2,631.66
(ii) Other financial liabilities	18	109.06	50.14
(b) Provisions	19	140.48	124.18
(c) Other non-current liabilities	20	14.09	7.98
<b>Total non-current liabilities</b>		<b>3,657.74</b>	<b>2,813.96</b>
<b>3. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	-	53.58
(ii) Lease liabilities	4(c)	739.31	619.23
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	21	670.19	208.75
(b) total outstanding dues of other than micro enterprises and small enterprises	21	1,045.34	703.00
(iv) Other financial liabilities	18	116.44	71.88
(b) Provisions	19	4.80	3.80
(c) Current tax liabilities (net)	22	42.74	42.74
(d) Other current liabilities	20	131.88	104.65
<b>Total current liabilities</b>		<b>2,750.70</b>	<b>1,807.63</b>
<b>Total liabilities</b>		<b>6,408.44</b>	<b>4,621.59</b>
<b>Total equity and liabilities</b>		<b>12,607.09</b>	<b>10,741.43</b>
See accompanying notes forming part of these financial statements	1-47		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

**For and on behalf of the Board of Directors of****TCNS Clothing Co. Limited****Onkar Singh Pasricha**

Chairman

DIN : 00032290

**Amit Chand**

Chief Financial Officer

**Anant Kumar Daga**

Managing Director

DIN : 07604184

**Piyush Asija**

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : May 27, 2022

Place : New Delhi

Date : May 27, 2022

# Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Revenue from operations	23	8,960.52	6,355.36
2. Other income	24	346.91	489.89
<b>3. Total income (1+2)</b>		<b>9,307.43</b>	<b>6,845.25</b>
<b>4. Expenses</b>			
(a) Cost of materials consumed	25	3,717.88	2,204.57
(b) Purchases of stock-in-trade		147.57	80.18
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(769.87)	438.95
(d) Employee benefits expense	27	1,502.37	1,213.90
(e) Finance costs	28	371.70	364.53
(f) Depreciation and amortisation expense	29	943.84	919.14
(g) Other expenses	30	3,466.13	2,393.36
<b>Total expenses</b>		<b>9,379.62</b>	<b>7,614.63</b>
<b>5. Loss before tax (3-4)</b>		<b>(72.19)</b>	<b>(769.38)</b>
<b>6. Tax expense:</b>			
- Current tax	31	-	-
- Deferred tax expense/(credit)	7	(14.90)	(205.55)
<b>Total tax expense</b>		<b>(14.90)</b>	<b>(205.55)</b>
<b>7. Loss for the year (5-6)</b>		<b>(57.29)</b>	<b>(563.83)</b>
<b>8. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(a) Re-measurement of the defined benefit liability		16.21	21.62
(b) Tax related to above item	31	(4.08)	(5.44)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>12.13</b>	<b>16.18</b>
<b>9. Total comprehensive loss for the year (7+8)</b>		<b>(45.16)</b>	<b>(547.65)</b>
<b>Earnings per equity share (Face value of ₹ 2 each):</b>			
Basic (in ₹)	34	(0.90)	(8.85)
Diluted (in ₹)	34	(0.90)	(8.85)
See accompanying notes forming part of these financial statements	1-47		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 098564)

**For and on behalf of the Board of Directors of****TCNS Clothing Co. Limited****Onkar Singh Pasricha**

Chairman

DIN : 00032290

**Amit Chand**

Chief Financial Officer

**Anant Kumar Daga**

Managing Director

DIN : 07604184

**Piyush Asija**

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : May 27, 2022

Place : New Delhi

Date : May 27, 2022



# Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(72.19)	(769.38)
<b>Adjustments for</b>		
Depreciation and amortisation expense	943.84	919.14
Re-measurement of defined benefit liability	16.21	21.62
Interest and dividend income on financial assets	(3.71)	(14.96)
Gain on sale of financial assets	(24.69)	(16.05)
Finance costs	371.70	364.53
Loss on plant and equipment sold / scrapped / written off	4.64	27.48
Allowance for expected credit loss	26.29	73.88
Lease liability written back	(59.59)	(49.01)
Gain on fair valuation of financial assets	(37.50)	(28.55)
Share based payments to employees	96.19	60.59
<b>Operating profit before working capital changes</b>	<b>1,261.19</b>	<b>589.29</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(828.41)	521.37
Trade receivables	(116.02)	33.93
Other financial assets	(67.11)	35.10
Other assets	(131.21)	29.53
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other financial liabilities	70.06	(10.58)
Other liabilities	33.33	(94.12)
Provisions	17.30	2.53
Trade payables	803.78	(311.19)
<b>Cash flow from operations</b>	<b>1,042.91</b>	<b>795.86</b>
Less: Income tax paid (including tax deducted at source)	(6.21)	337.49
<b>NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>1,036.70</b>	<b>1,133.35</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment (including capital work-in-progress and capital advances)	(297.72)	(101.40)
Capital expenditure on intangible assets	(24.66)	(8.35)
Proceeds from sale of property, plant and equipment	5.35	3.83
Purchase of current investments	(1,274.78)	(1,716.05)
Proceeds from sale of current investments	1,580.00	1,201.69
Interest and dividend received	27.41	64.48
<b>NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>15.60</b>	<b>(555.80)</b>

# Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayments) / proceeds of current borrowings (net)	(53.58)	53.58
Shares issued on exercise of employee stock options	27.79	6.90
Payment on account of lease liabilities (including interest on lease liability)	(1,057.54)	(995.77)
Interest paid	(11.37)	(25.22)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES (C)</b>	<b>(1,094.70)</b>	<b>(960.51)</b>
Net decrease in cash and cash equivalents (A+B+C)	(42.40)	(382.96)
Cash and cash equivalents at the beginning of the year	146.48	529.44
<b>Cash and cash equivalents as at the year-end*</b>	<b>104.08</b>	<b>146.48</b>
* Cash and cash equivalents at the end of the year comprises		
- Cash on hand	3.70	3.49
- Balances with banks		
In current accounts	80.48	5.01
In demand deposit accounts	19.90	137.98
	<b>104.08</b>	<b>146.48</b>

See accompanying notes forming part of these financial statements

1-47

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 27, 2022

**For and on behalf of the Board of Directors of****TCNS Clothing Co. Limited****Onkar Singh Pasricha**

Chairman

DIN : 00032290

**Amit Chand**

Chief Financial Officer

Place : New Delhi

Date : May 27, 2022

**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, 2022

(All amounts in ₹ million except otherwise specified)

## a. Equity share capital (refer note 15)

Particulars	Amount
<b>Balance as at April 1, 2020</b>	<b>122.95</b>
Changes in equity share capital during the year	0.10
<b>Balance as at March 31, 2021</b>	<b>123.05</b>
Changes in equity share capital during the year	0.18
<b>Balance as at March 31, 2022</b>	<b>123.23</b>

## b. Other equity (refer note 16)

Particulars	Reserves and surplus				Total
	General Reserve	Securities premium	Share option outstanding account	Retained Earnings	
<b>Balance as at April 1, 2020</b>	<b>29.60</b>	<b>3,297.39</b>	<b>557.66</b>	<b>2,592.40</b>	<b>6,477.05</b>
Recognition of share based payments	-	-	60.59	-	60.59
Additions during the year	-	6.80	-	-	6.80
Transfer in respect to share option exercised during the year	-	8.18	(8.18)	-	-
Loss for the year	-	-	-	(563.83)	(563.83)
Re-measurement of defined benefit plan (net of tax)	-	-	-	16.18	16.18
<b>Balance as at March 31, 2021</b>	<b>29.60</b>	<b>3,312.37</b>	<b>610.07</b>	<b>2,044.75</b>	<b>5,996.79</b>
Recognition of share based payments	-	-	96.19	-	96.19
Additions during the year	-	27.60	-	-	27.60
Transfer in respect to share option exercised during the year	-	10.19	(10.19)	-	-
Loss for the year	-	-	-	(57.29)	(57.29)
Re-measurement of defined benefit plan (net of tax)	-	-	-	12.13	12.13
<b>Balance as at March 31, 2022</b>	<b>29.60</b>	<b>3,350.16</b>	<b>696.07</b>	<b>1,999.59</b>	<b>6,075.42</b>

See accompanying notes forming part of these financial statements

1-47

In terms of our report attached

### For Deloitte Haskins & Sells LLP

Chartered Accountants

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

### Satpal Singh Arora

Partner

(Membership No. 098564)

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

TCNS Clothing Co. Limited

### Onkar Singh Pasricha

Chairman

DIN : 00032290

### Amit Chand

Chief Financial Officer

### Anant Kumar Daga

Managing Director

DIN : 07604184

### Piyush Asija

Company Secretary

ICSI M. No. 21328

Place : New Delhi

Date : May 27, 2022

Place : New Delhi

Date : May 27, 2022

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

## 1. GENERAL INFORMATION

TCNS Clothing Co. Limited ("the Company") is a public limited Company incorporated in India having its registered office at, 119, New Manglapuri, W House, Mandi Road, Sultanpur, Mehrauli, New Delhi-110030. The Company got listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE") with effect from July 30, 2018.

The Company is primarily engaged in the business of women apparels and accessories under the brand name "W", "Aurelia", "Wishful" and "Elleven".

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

### 2.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs are unobservable inputs for the asset or liability.

### 2.3. Functional and presentation currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

### 2.4. Operating Cycle

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

### 2.5. Offsetting financial instruments

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



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

## 2.6. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

### 2.6.1 Sale of goods

The Company derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing various factors such as whether the Company has exposure to the risk of unsold inventory, if it has price latitude and exposure to credit risk associated with the sale of goods.

The Company has concluded that certain arrangements with its business partner, where the Company has an unconditional obligation relating to unsold inventory, are on principal to agent basis and for other cases the Company has concluded that its arrangements with business partners are on principal to principal.

The transfer of control of promised goods as above, generally coincides with the delivery of goods to customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.
- For business partner acting as agent, revenue is recognised once goods are sold by business partner to end-customers.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

Under the Company's standard contract terms, customers have a right of return goods as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return; consequently, the Company recognises a right-to-returned-goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

### 2.6.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.6.3 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

## 2.7. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company had adopted the amendments to Ind AS 116 during the previous year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures (Refer note 24)

## 2.8. Foreign currency transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss and reported within foreign exchange gains / (losses).

## 2.9. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.10. Employee benefits

Company's employee benefit obligations include short-term obligations, compensated absences and post-employment obligations which includes gratuity plan and contributions to provident fund.

### 2.10.1. Short-term obligations

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

### 2.10.2. Other long term employee benefits obligation

Compensated absences 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.

### 2.10.3. 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.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

## 2.11. Share-based payment to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39 and 40.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

## 2.12. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

### 2.12.1. Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the respective period.

### 2.12.2. Deferred tax

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

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

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

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

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

### 2.12.3. Current and deferred tax for the year

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

## 2.13. Property, plant and equipment and capital work-in-progress

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition or construction. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

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

## Capital work-in-progress

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 2.13.1. Depreciation method, estimated useful lives and residual value

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

Depreciation has been provided in accordance with useful lives assessed lower than the life prescribed in Schedule II to the Companies Act, 2013, taking into account the nature of the asset, the estimated usage of the asset, the management's estimates of the useful lives of the various categories of assets are as follows:

Plant and equipment	4 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	3 years
Computers	3 years

Leasehold improvements are amortised on a straight line basis over lease term or 5 years whichever is less.

The assets residual values and useful lives are reviewed and adjusted, if applicable, at the end of each reporting period.

### 2.13.2. Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss within other gains / (losses).

## 2.14. Intangible assets

### 2.14.1. Intangible assets acquired separately

Intangible assets comprising of computer software acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. They are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on software are expensed in the statement of profit and loss as and when incurred.

### 2.14.2. Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

### 2.14.3. Amortisation method and periods

Intangible assets i.e. software are amortised on a straight line basis over its estimated useful life i.e. 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

## 2.15. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in 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.

## 2.16. Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## 2.17. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

## 2.18. Financial instruments

### Initial Recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### Subsequent measurement

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



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

## 2.19. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.19.1. Classification of financial assets

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Investments in debt mutual funds are measured at fair value through profit or loss as per the business model and contractual cash flow test.

### 2.19.2. Impairment of financial assets

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.

### 2.19.3. Derecognition of financial assets

The Company derecognises financial assets in accordance with the principles of Ind AS 109 which usually coincides receipt of payment or write off of the financial asset.

## 2.20. Financial liabilities and equity instruments

### 2.20.1. Classification of debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.20.2. Compound Financial Instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in other equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

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.

### 2.20.3. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

### 2.20.4. Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and Commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### 2.20.5. Foreign exchange gains and losses

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

### 2.20.6. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

## 2.21. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.22. Cash and cash equivalents and Cash Flow Statement

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

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 2.23. Segment information

The Company is primarily engaged in the business of women apparel and accessories in India. As the Company's business activity primarily falls within a single business and geographical segment there are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

## 3. Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

- (a) Ind AS 16 | Property, plant and equipment – For items produced during testing/ trail phase, clarification added that revenue generated out of the same shall not be recognised in statement of profit and loss and considered as part of cost of PPE.
- (b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- (c) Ind AS 109 | Financial instruments - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## 3A Use of estimates and critical accounting judgements

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed below.

### 3A.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

### 3A.2 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations

### 3A.3 Inventories

The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are further marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory around the period end. the management applies judgement in determining the appropriate provisions for slow moving and/ or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

### 3A.4 Employee benefits

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 36.

## 3A.5 Share-based payments to employees

The fair value of share-based payments to employees determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of stock options at the grant date are determined by an independent valuer using assumptions and method determined by the Company.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

## 3A.6 Taxes

### Current tax

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

In arriving at taxable profit and tax bases of assets and liabilities, the Company recognised taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

### Deferred tax

Deferred tax is provided on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

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

## 3A.7 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) :

The Company has considered the internal and external sources of information and economic forecast, upto the date of approval of these financial statements, in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements including capital and financial resources, profitability, liquidity position and supply chain. The Company has used the principles of prudence in applying the judgements, estimates and assumptions and based on current estimates, the Company expects to recover the carrying value of its current and non current assets (Also refer note 42).



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 4(a). Property, Plant and equipment

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carrying amounts of :</b>		
Plant and equipment	4.02	4.56
Furniture and fixtures	103.04	92.17
Vehicles	17.85	3.59
Office equipment	39.66	22.09
Computers	17.46	9.87
Leasehold improvements	253.67	175.14
	<b>435.70</b>	<b>307.42</b>

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvements	Total
<b>Deemed cost</b>							
<b>Balance as at April 1, 2020</b>	<b>5.26</b>	<b>225.76</b>	<b>28.31</b>	<b>113.70</b>	<b>39.56</b>	<b>448.65</b>	<b>861.24</b>
Additions	3.86	38.25	-	7.63	5.56	34.55	89.85
Disposals / adjustments	(0.17)	(73.80)	(4.95)	(14.05)	(5.84)	(66.54)	(165.35)
<b>Balance as at March 31, 2021</b>	<b>8.95</b>	<b>190.21</b>	<b>23.36</b>	<b>107.28</b>	<b>39.28</b>	<b>416.66</b>	<b>785.74</b>
Additions	0.90	47.73	16.10	32.96	13.38	168.92	279.98
Disposals / adjustments	-	(20.17)	(5.29)	(10.42)	(0.21)	(62.11)	(98.20)
<b>Balance as at March 31, 2022</b>	<b>9.85</b>	<b>217.77</b>	<b>34.17</b>	<b>129.82</b>	<b>52.45</b>	<b>523.47</b>	<b>967.53</b>
<b>Accumulated depreciation</b>							
<b>Balance as at April 1, 2020</b>	<b>3.28</b>	<b>121.33</b>	<b>21.27</b>	<b>80.37</b>	<b>22.07</b>	<b>215.64</b>	<b>463.96</b>
Depreciation expense	1.28	45.85	3.20	18.08	12.89	77.11	158.41
Disposals / adjustments	(0.17)	(69.14)	(4.70)	(13.26)	(5.55)	(51.23)	(144.05)
<b>Balance as at March 31, 2021</b>	<b>4.39</b>	<b>98.04</b>	<b>19.77</b>	<b>85.19</b>	<b>29.41</b>	<b>241.52</b>	<b>478.32</b>
Depreciation expense	1.44	32.77	1.57	14.70	5.76	79.40	135.64
Disposals / adjustments	-	(16.08)	(5.02)	(9.73)	(0.18)	(51.12)	(82.13)
<b>Balance as at March 31, 2022</b>	<b>5.83</b>	<b>114.73</b>	<b>16.32</b>	<b>90.16</b>	<b>34.99</b>	<b>269.80</b>	<b>531.83</b>
<b>Net carrying value</b>							
<b>As at March 31, 2022</b>	<b>4.02</b>	<b>103.04</b>	<b>17.85</b>	<b>39.66</b>	<b>17.46</b>	<b>253.67</b>	<b>435.70</b>
<b>As at March 31, 2021</b>	<b>4.56</b>	<b>92.17</b>	<b>3.59</b>	<b>22.09</b>	<b>9.87</b>	<b>175.14</b>	<b>307.42</b>

### Note:

Property, Plant and equipment have been pledged as security against borrowings (Refer note 17)

## 4(b). Capital work in progress

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvements	Total
<b>Balance as at April 1, 2020</b>	-	<b>3.10</b>	-	<b>1.82</b>	<b>0.17</b>	<b>16.09</b>	<b>21.17</b>
Additions	-	0.65	-	0.35	0.03	4.09	5.12
Transfer to Property, plant and equipment	-	(3.10)	-	(1.82)	(0.17)	(16.09)	(21.17)
<b>Balance as at March 31, 2021</b>	-	<b>0.65</b>	-	<b>0.35</b>	<b>0.03</b>	<b>4.09</b>	<b>5.12</b>
Additions	-	7.86	-	6.16	0.60	18.16	32.78
Transfer to Property, plant and equipment	-	(3.35)	-	(3.38)	(0.28)	(14.73)	(21.73)
<b>Balance as at March 31, 2022</b>	-	<b>5.16</b>	-	<b>3.13</b>	<b>0.35</b>	<b>7.52</b>	<b>16.17</b>

### Note:

Property, Plant and equipment have been pledged as security against borrowings (Refer note 17)

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 4(b). Capital work in progress (Contd..)

Capital work-in-progress ageing schedule for the year ended March 31, 2022 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.17	-	-	-	16.17
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>16.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.17</b>

Capital work-in-progress ageing schedule for the year ended March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.12	-	-	-	5.12
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.12</b>

## 4(c). Right-of-use asset and lease liabilities

Particulars	Building
<b>Carrying value</b>	
<b>Balance as at April 1, 2020</b>	<b>3,784.21</b>
Additions	518.30
Disposals	(277.08)
<b>Balance as at March 31, 2021</b>	<b>4,025.43</b>
Additions	1,843.64
Disposals	(170.31)
<b>Balance as at March 31, 2022</b>	<b>5,698.76</b>
<b>Accumulated amortisation</b>	
<b>Balance as at April 1, 2020</b>	<b>700.57</b>
Amortisation expense	737.02
Disposals	(98.54)
<b>Balance as at March 31, 2021</b>	<b>1,339.04</b>
Amortisation expense	793.60
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>2,132.64</b>
<b>Net carrying value</b>	
<b>As at March 31, 2022</b>	<b>3,566.12</b>
<b>As at March 31, 2021</b>	<b>2,686.39</b>

### Note :

- ROU assets are amortised from the commencement date on a straight-line basis over the lease term. The lease term is 3-9 years. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.
- The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021 :

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liability	739.31	619.23
Non Current lease liability	3,394.11	2,631.66
<b>Total</b>	<b>4,133.42</b>	<b>3,250.89</b>



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 4(c). Right-of-use asset and lease liabilities (Contd..)

iii) The following is the movement in lease liabilities during the year :

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	3,250.89	3,619.55
Addition for new leases	1,800.38	497.90
Deletions for terminated leases	(220.64)	(210.10)
Interest expense on lease liabilities (Refer note 28)	360.33	339.31
Payment of lease liabilities	(1,057.54)	(995.77)
<b>Balance as at the year end</b>	<b>4,133.42</b>	<b>3,250.89</b>

iv) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	1,412.54	1,169.60
One to five years	3,682.64	3,162.05
More than five years	1,525.57	718.33
<b>Total</b>	<b>6,620.75</b>	<b>5,049.97</b>

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

v) Rental expenses recorded towards short term and variable lease payments amounts to ₹ 214.19 (Refer note 24 and 30) [March 31, 2021 : ₹ 255.16 (Refer note 30)]

## 5. Intangible assets

Particulars	Building
<b>Carrying value</b>	
<b>Balance as at April 1, 2020</b>	<b>69.49</b>
Additions	8.35
Disposals / adjustments	(0.33)
<b>Balance as at March 31, 2021</b>	<b>77.52</b>
Additions	24.66
Disposals / adjustments	-
<b>Balance as at March 31, 2022</b>	<b>102.18</b>
<b>Accumulated amortisation</b>	
<b>Balance as at April 1, 2020</b>	<b>33.16</b>
Amortisation expense	23.71
Disposals / adjustments	(0.31)
<b>Balance as at March 31, 2021</b>	<b>56.56</b>
Amortisation expense	14.60
Disposals / adjustments	-
<b>Balance as at March 31, 2022</b>	<b>71.16</b>
<b>Net carrying value</b>	
<b>As at March 31, 2022</b>	<b>31.02</b>
<b>As at March 31, 2021</b>	<b>20.95</b>

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 6. Other financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
Security deposits	511.59	444.49
<b>Total</b>	<b>511.59</b>	<b>444.49</b>
<b>Current</b>		
Accrued interest on bank deposits	4.53	3.62
<b>Total</b>	<b>4.53</b>	<b>3.62</b>

### Note:

Other financial assets have been pledged as security against borrowings (Refer note 17).

## 7. Deferred tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (a)	609.94	579.23
Deferred tax liabilities (b)	49.31	29.42
<b>Deferred tax assets (net) (a-b)</b>	<b>560.63</b>	<b>549.81</b>

### Deferred tax assets / (liabilities) in relation to:

Particulars	As at April 1, 2021	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2022
<b>a. Deferred tax assets in relation to:</b>				
Provision for employee benefits	32.21	8.44	(4.08)	36.56
Property, plant and equipment and intangible assets	143.51	0.58	-	144.09
Fair value of security deposits given	5.38	2.95	-	8.33
Difference between ROU assets and lease liabilities	185.05	9.26	-	194.31
Loss as per income tax computations available for offsetting against future taxable income (Refer note 41)	168.66	14.48	-	183.14
Others	44.43	(0.92)	-	43.51
<b>Total</b>	<b>579.23</b>	<b>34.79</b>	<b>(4.08)</b>	<b>609.94</b>
<b>b. Deferred tax liabilities in relation to:</b>				
Others	29.42	19.89	-	49.31
<b>Total</b>	<b>29.42</b>	<b>19.89</b>	<b>-</b>	<b>49.31</b>
<b>Net Deferred tax assets</b>	<b>549.81</b>	<b>14.90</b>	<b>(4.08)</b>	<b>560.63</b>



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 7. Deferred tax assets (Contd..)

Particulars	As at April 1, 2020	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2021
<b>a. Deferred tax assets in relation to:</b>				
Provision for employee benefits	31.57	6.08	(5.44)	32.21
Property, plant and equipment and intangible assets	123.98	19.52	-	143.51
Fair value of security deposits given	2.81	2.57	-	5.38
Difference between ROU assets and lease liabilities	177.11	7.94	-	185.05
Loss as per income tax computations available for offsetting against future taxable income (Refer note 41)	-	168.66	-	168.66
Others	23.33	21.10	-	44.43
<b>Total</b>	<b>358.80</b>	<b>225.87</b>	<b>(5.44)</b>	<b>579.23</b>
<b>b. Deferred tax liabilities in relation to:</b>				
Others	9.10	20.32	-	29.42
<b>Total</b>	<b>9.10</b>	<b>20.32</b>	<b>-</b>	<b>29.42</b>
<b>Net Deferred tax assets</b>	<b>349.70</b>	<b>205.55</b>	<b>(5.44)</b>	<b>549.81</b>

## 8. Income tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current income tax assets (net of provision for tax of ₹ 664.37 ; March 31, 2021: ₹ 1,070.76)	109.21	102.98
<b>Total</b>	<b>109.21</b>	<b>102.98</b>

## 9. Other assets

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current</b>		
(a) Capital advances	16.35	4.10
(b) Prepayments	49.78	25.94
<b>Total</b>	<b>66.13</b>	<b>30.04</b>
<b>Current</b>		
(a) Advances to suppliers	23.19	2.40
(b) Balance with government authorities (Goods and services tax input receivable)	311.51	233.31
(c) Prepayments	29.56	28.17
(d) Advances to employees	2.82	4.44
(e) Right to return good assets (Refer note (ii))	27.66	18.52
(f) Other advances	1.34	1.87
<b>Total</b>	<b>396.08</b>	<b>288.71</b>

### Note:

- Other assets have been pledged as security against borrowings (Refer note 17).
- The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return under the Company's returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 10. Inventories (lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	249.20	190.74
Work-in-progress	707.84	213.81
Finished goods (including in-transit)	2,590.80	2,314.54
Stock-in-trade	61.01	61.44
<b>Total</b>	<b>3,608.85</b>	<b>2,780.53</b>

### Notes:

- The cost of inventories recognised as an expense during the year ended March 31, 2022 is ₹ 3,095.58 ( March 31, 2021: ₹ 2,723.70).
- The (reversal)/ cost of inventories recognised includes ₹ (300.16) (March 31, 2021: ₹ 187.96) in respect of (write-up)/ write-downs of inventory to net realisable value.
- Inventories amounting to ₹ 1,304.66 (As at March 31, 2021: ₹ 787.41) are lying with third parties as at the year-end.
- Finished goods includes goods-in-transit amounting to ₹ 47.29 (as at March 31, 2021: ₹ 70.32).
- The mode of valuation of inventory has been stated in note 2.16.
- Inventories have been pledged as security against borrowings (Refer note 17).

## 11. Investments

### Current

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted Investments (measured at fair value through profit or loss)		
Investments in Mutual Funds	1,455.94	1,723.67
<b>Total</b>	<b>1,455.94</b>	<b>1,723.67</b>
Aggregate amount of unquoted investments	1,455.94	1,723.67

### Note:

Investment have been pledged as security/ lien towards borrowings from banks (Refer note 17).

## 12. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
Unsecured, considered good	1,738.13	1,648.40
Unsecured, considered doubtful	165.35	139.06
	<b>1,903.48</b>	<b>1,787.46</b>
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	165.35	139.06
<b>Total</b>	<b>1,738.13</b>	<b>1,648.40</b>



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 12. Trade receivables (Contd..)

### Notes:

- i) The average credit period on sale of products is 30 to 90 days. No interest is charged on trade receivables on delayed payments.
- ii) 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.
- iii) Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at the beginning of the year	139.06	68.18
Less: amount written off during the year	-	(3.00)
Add: expected credit loss allowance on trade receivables	26.29	73.88
<b>Balance as at the end of the year</b>	<b>165.35</b>	<b>139.06</b>

- iv) Age of receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 180 days	1,837.89	1,762.41
More than 180 days	65.59	25.05
	<b>1,903.48</b>	<b>1,787.46</b>

- v) Ageing wise % of expected credit loss allowance

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 180 days	0% to 7%	0% to 5%
More than 180 days (net of allowance for doubtful trade receivable)	100%	100%

- vi) There are 2 customers (March 31, 2021: 2 customer) who, represent more than 5% of the total balance of trade receivables
- vii) Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.
- viii) Trade receivables have been pledged as security against borrowings (Refer note 17).

### Ageing of trade receivables at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,721.01	17.12	-	-	-	1,738.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	116.88	3.56	31.99	12.91	-	165.35
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	1,837.89	20.68	31.99	12.91	-	1,903.48
Less: Allowance for doubtful trade receivables (expected credit loss allowance)						(165.35)
<b>Total</b>						<b>1,738.13</b>

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## Ageing of trade receivables at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,648.40	-	-	-	-	1,648.40
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	83.39	35.43	9.86	10.38	-	139.06
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	1,731.78	35.43	9.86	10.38	-	1,787.45
Less: Allowance for doubtful trade receivables (expected credit loss allowance)						(139.06)
<b>Total</b>						<b>1,648.40</b>

## 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, 2022	As at March 31, 2021
Cash on hand	3.70	3.49
Balance with Banks		
- In current accounts	80.48	5.01
- In demand deposit accounts	19.90	137.98
<b>Total</b>	<b>104.08</b>	<b>146.48</b>

### Note:

Cash and cash equivalents have been pledged as security against borrowings (Refer note 17).

## 14. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In earmarked deposit accounts against borrowings and guarantees	2.91	2.82
<b>Total</b>	<b>2.91</b>	<b>2.82</b>

### Note:

Other bank balances have been pledged as security against borrowings (Refer note 17).



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 15. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorised share capital:</b>				
<b>Equity share capital</b>				
Equity Shares of ₹ 2 each (March 31, 2021: ₹ 2 each) with voting rights	18,00,00,000	360.00	18,00,00,000	360.00
<b>Preference share capital</b>				
Preference shares of ₹ 1 each (March 31, 2021: ₹ 1 each)	2,00,00,000	20.00	2,00,00,000	20.00
	<b>20,00,00,000</b>	<b>380.00</b>	<b>20,00,00,000</b>	<b>380.00</b>
<b>Issued share capital:</b>				
Equity Shares of ₹ 2 each (March 31, 2021: ₹ 2 each) with voting rights	6,16,12,674	123.23	6,15,22,499	123.05
	<b>6,16,12,674</b>	<b>123.23</b>	<b>6,15,22,499</b>	<b>123.05</b>
<b>Subscribed and Paid-up share capital</b>				
Equity Shares of ₹ 2 each (March 31, 2021: ₹ 2 each) with voting rights	6,16,12,674	123.23	6,15,22,499	123.05
<b>Total</b>	<b>6,16,12,674</b>	<b>123.23</b>	<b>6,15,22,499</b>	<b>123.05</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number	Amount	Number	Amount
<b>Equity shares with voting rights</b>				
<b>At the beginning of the year</b>	6,15,22,499	123.05	6,14,74,874	122.95
Shares issued during the year	90,175	0.18	47,625	0.10
<b>At the end of the year</b>	<b>6,16,12,674</b>	<b>123.23</b>	<b>6,15,22,499</b>	<b>123.05</b>

### b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Wagner Limited	18,020,119	29.25%	18,020,119	29.29%
Arvinder Singh Pasricha	9,470,671	15.37%	9,470,671	15.39%
Onkar Singh Pasricha	6,752,681	10.96%	6,752,681	10.98%
Nalanda Equity Fund Limited	4,320,661	7.01%	4,320,661	7.02%
Anant Daga	3,605,124	5.85%	3,605,124	5.86%
Elevation Capital VI FII Holdings Limited, erstwhile known as Saif India VI FII Holdings Limited	3,316,180	5.38%	3,096,571	5.03%
Parmeet Pasricha	3,203,405	5.20%	3,203,405	5.21%

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 15. Equity share capital (Contd..)

### c. Details of shares held by promoters at the end of the year\*

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
<b>Promoter</b>				
Arvinder Singh Pasricha	9,470,671	15.37%	9,470,671	15.39%
Onkar Singh Pasricha	6,752,681	10.96%	6,752,681	10.98%
<b>Promoter Group</b>				
Parmeet Pasricha	3,203,405	5.20%	3,203,405	5.21%
Saranpreet Singh Pasricha	450,000	0.73%	450,000	0.73%

\* Promoters means promoters as defined in Companies Act, 2013.

### d. Shares reserved for issuance towards outstanding employee stock options granted/available for grant (Refer note 39):

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Shares of ₹ 2 each (March 31, 2021: ₹ 2 each) (No. in Millions)	7.10	7.10

### e. 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, 2022 (March 31, 2021: ₹ 2 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

## 16. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	29.60	29.60
Securities Premium	3,350.16	3,312.37
Share options outstanding account	696.07	610.07
Retained earnings	1,999.59	2,044.75
<b>Total</b>	<b>6,075.42</b>	<b>5,996.79</b>

### i) General reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	29.60	29.60
Addition during the year	-	-
<b>Balance as at end of the year</b>	<b>29.60</b>	<b>29.60</b>



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 16. Other equity (Contd..)

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

### ii) Securities Premium

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	3,312.37	3,297.39
Issue of shares	27.60	6.80
Transfer from share option outstanding account	10.19	8.18
<b>Balance as at end of the year</b>	<b>3,350.16</b>	<b>3,312.37</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### iii) Share Option outstanding account

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	610.07	557.66
Recognition of share based payments	96.19	60.59
Transfer to securities premium reserve	(10.19)	(8.18)
<b>Balance as at end of the year</b>	<b>696.07</b>	<b>610.07</b>

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. The share options outstanding account is used to recognise the value of equity settled share based payments provided as part of ESOP scheme (Refer note 39).

### iv) Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	2,044.75	2,592.40
Loss for the year	(57.29)	(563.83)
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	12.13	16.18
<b>Balance as at end of the year</b>	<b>1,999.59</b>	<b>2,044.75</b>

Retained earnings reflect surplus / deficit after taxes in the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

## 17. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured - at amortised cost</b>		
<b>Current borrowings</b>		
Cash credit from bank (Refer note below)	-	53.58
<b>Total</b>	<b>-</b>	<b>53.58</b>

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 17. Borrowings (Contd..)

### Note:

- (i) Cash Credit is secured by hypothecation of entire current assets, non-current assets, movable and immovable assets (Refer note 35).

## 18. Other financial liabilities (carried at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Security deposits received	109.06	50.14
<b>Total</b>	<b>109.06</b>	<b>50.14</b>
<b>Current</b>		
(a) Creditors for capital goods	45.75	12.33
(b) Security deposits received	67.23	58.72
(c) Interest accrued on trade payables (Refer note 21)	3.46	0.83
<b>Total</b>	<b>116.44</b>	<b>71.88</b>

## 19. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
<b>Provision for employee benefits:</b>		
(a) Provision for compensated absences	15.25	12.74
(b) Provision for gratuity (Refer note 36)	125.23	111.44
<b>Total</b>	<b>140.48</b>	<b>124.18</b>
<b>Current</b>		
<b>Provision for employee benefits:</b>		
(a) Provision for compensated absences	1.28	0.99
(b) Provision for gratuity (Refer note 36)	3.52	2.81
<b>Total</b>	<b>4.80</b>	<b>3.80</b>

## 20. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current</b>		
Deferred income	14.09	7.98
	<b>14.09</b>	<b>7.98</b>
<b>Current</b>		
(a) Deferred income	10.16	5.48
(b) Advances from customers	4.82	14.90
(b) Statutory dues	58.75	39.68
(c) Refund liability for expected sales return (Refer note below)	58.15	44.59
<b>Total</b>	<b>131.88</b>	<b>104.65</b>



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 20. Other liabilities (Contd..)

### Note :

Other current liabilities include refund liability relating to customers' right to return products as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

## 21. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current</b>		
<b>Trade Payables (including acceptances)*</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	670.19	208.75
(b) Total outstanding dues other than micro enterprises and small enterprises	1,045.34	703.00
<b>Total</b>	<b>1,715.53</b>	<b>911.75</b>

\*Acceptances include arrangements where operational supplier of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days aggregating to ₹ 300.30 (March 31, 2021 : ₹ 77.32).

### 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, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The principal amount remaining unpaid to supplier as at the end of the year	670.19	208.75
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	3.46	0.83
(iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act	-	3.54
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	3.46	0.83
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	3.46	0.83

Dues to Micro and Small Enterprises (MSME) have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### Ageing of trade payables as at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	670.19	-	-	-	670.19
(ii) Others	1,045.34	-	-	-	1,045.34
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,715.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,715.53</b>

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 21. Trade payables (Contd..)

### Ageing of trade payables as at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	208.75	-	-	-	208.75
(ii) Others	703.00	-	-	-	703.00
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>911.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>911.75</b>

## 22. Income tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax liability (net of advance tax and tax deducted at source of ₹ 322.75; March 31, 2021: ₹ 322.75)	42.74	42.74
<b>Total</b>	<b>42.74</b>	<b>42.74</b>

## 23. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Sale of products (refer note below)	8,959.84	6,354.82
(b) Other operating revenue		
- Duty drawback and export scheme license	0.68	0.54
<b>Total</b>	<b>8,960.52</b>	<b>6,355.36</b>

### Note :

#### Reconciliation of revenue recognised with contract price :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from sale of products (gross) at contract price	9,284.27	6,856.43
Adjustments for:-		
Discount, incentives and refund liabilities as per contract / schemes	(324.43)	(501.61)
<b>Net revenue for sale of products</b>	<b>8,959.84</b>	<b>6,354.82</b>

## 24. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest income earned on financial assets that are measured at amortised cost		
- Demand deposits with banks	3.71	14.96
- Security deposits	41.64	52.20



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 24. Other income (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(b) Others		
- Net gain arising on financial assets designated as at fair value through profit or loss	37.50	28.55
- Net gain on sale of financial assets	24.69	16.05
- Net gain on write back of lease liability	59.59	49.01
- Variable lease rent income (Refer note below)	164.37	325.08
- Miscellaneous income	15.41	4.04
<b>Total</b>	<b>346.91</b>	<b>489.89</b>

### Note :

The Company has benefited from waiver of lease payments on buildings. The waiver of lease payments of ₹ 378.56 (March 31, 2021 ₹ 563.37) has been adjustment against rent expense of ₹ 214.19 (March 31, 2021 ₹ 238.28) (to the extent available) and the net balance amounting to ₹ 164.37 (March 31, 2021 ₹ 325.08) has been disclosed as variable lease rent income (Refer note 2.7)

## 25. Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials at the beginning of the year	190.74	273.16
Add: Purchases*	3,776.34	2,122.15
	<b>3,967.08</b>	<b>2,395.31</b>
Less: Raw materials at the end of the year	249.20	190.74
<b>Total</b>	<b>3,717.88</b>	<b>2,204.57</b>
*Including job-work charges	1,389.60	1,121.82
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	147.57	80.18
<b>Total</b>	<b>147.57</b>	<b>80.18</b>

## 26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Closing stock		
- Work-in-progress	707.84	213.81
- Finished goods	2,590.80	2,314.54
- Stock-in-trade	61.01	61.44
	<b>3,359.65</b>	<b>2,589.79</b>
(b) Opening stock		
- Work-in-progress	213.81	651.12
- Finished goods	2,314.54	2,342.29
- Stock-in-trade	61.44	35.33
	<b>2,589.79</b>	<b>3,028.74</b>
<b>Total</b>	<b>(769.87)</b>	<b>438.95</b>

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 27. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	1,258.85	1,029.07
(b) Share based payments to employees (refer note 39)	96.19	60.59
(c) Contribution to provident fund	81.55	64.94
(d) Gratuity expense (refer note 36)	36.50	32.23
(e) Staff welfare expenses	29.28	27.07
<b>Total</b>	<b>1,502.37</b>	<b>1,213.90</b>

## 28. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest expenses for financial liabilities (classified at amortised cost)		
- Borrowings	7.06	21.19
- Trade payables	2.63	2.73
- Security deposits	0.92	0.97
(b) Other borrowing costs	0.06	0.33
(c) Interest on lease liabilities (Refer note 4(c)(iii))	360.33	339.31
<b>Total</b>	<b>371.70</b>	<b>364.53</b>

## 29. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Depreciation of property, plant and equipment (Refer note 4(a))	135.64	158.41
(b) Depreciation of right-of-use asset (Refer note 4(c))	793.60	737.02
(c) Amortisation of intangible assets (Refer note 5)	14.60	23.71
<b>Total</b>	<b>943.84</b>	<b>919.14</b>

## 30. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Power and fuel	64.68	49.86
(b) Rent	41.88	16.87
(c) Repair and maintenance	290.83	261.39
(d) Insurance expenses	8.35	7.41
(e) Rates and taxes	2.63	1.29
(f) Communication expenses	8.56	7.19
(g) Travelling and conveyance	16.38	7.24
(h) Printing and stationery	6.08	3.17
(i) Freight charges	139.70	77.00
(j) Advertisement and sales promotion	412.06	134.78
(k) Donations and contributions	0.30	-
(l) Legal and professional	70.09	56.30



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 30. Other expenses (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(m) Payments to auditors (Refer note 'i' below)	11.54	9.26
(n) Expenditure on corporate social responsibility (Refer note 43)	10.05	43.41
(o) Loss on plant and equipment sold / scrapped / written off (Refer note 'ii' below)	4.64	27.48
(p) Selling and distribution expenses	2,326.27	1,595.61
(q) Allowance for expected credit loss	26.29	73.88
(r) Miscellaneous expenses	25.80	21.22
<b>Total</b>	<b>3,466.13</b>	<b>2,393.36</b>

### Notes:

#### (i) Payment to auditors comprise (net of tax input credit, where applicable):

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
To statutory auditors :		
(a) For audit (including Limited review)	7.00	6.00
(b) For taxation matters	3.26	2.98
(c) For other services (including certification)	1.00	0.10
(d) Reimbursement of expenses	0.28	0.18
<b>Total</b>	<b>11.54</b>	<b>9.26</b>

#### (ii) Loss on plant and equipment sold / scrapped / written off :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Loss on sale of property, plant and equipment	10.72	17.48
(b) Property, plant and equipment written off	(6.08)	10.00
<b>Total</b>	<b>4.64</b>	<b>27.48</b>

## 31. Tax expense

### (i) Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Current tax	-	-
(b) Deferred tax (Refer note 41)	(14.90)	(205.55)
<b>Total</b>	<b>(14.90)</b>	<b>(205.55)</b>

### (ii) Income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss before tax	(72.19)	(769.38)
(a) Income tax expense calculated at 25.168% (For the year ended March 31, 2021: 25.168%)	<b>(18.17)</b>	<b>(193.64)</b>

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 31. Tax expense (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(b) Effect of expenses that are not deductible in determining taxable profit		
- Corporate social responsibility expenses (Including donations)	2.53	10.93
- Others	0.74	0.69
	<b>3.27</b>	<b>11.62</b>
(c) Effect of expenses that are deductible in determining taxable profit		
- Deduction u/s 80JJAA in respect of employment of new employees	-	(23.53)
	-	<b>(23.53)</b>
Income tax recognised in statement of profit and loss (a+b+c)	<b>(14.90)</b>	<b>(205.55)</b>

### (iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to profit or loss		
- Re-measurement of the defined benefit plans	(4.08)	(5.44)
<b>Total</b>	<b>(4.08)</b>	<b>(5.44)</b>

## 32. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Contingent Liabilities (for pending litigations)		
Claims against the Company not acknowledged as debts (Refer note (i) below)		
- Demand raised by sales tax authorities*	10.30	7.75
- Demand raised by income tax authorities	12.93	9.59
*net of provisions	4.79	4.76
B. Commitments		
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) (Refer note (ii) below)	19.11	6.34

### Notes:

- No provision is considered necessary since the Company expects favourable decisions.
- Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- Based on the legal opinion obtained by the management, there are various interpretation issues in the Supreme Court Judgement in relation to non exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, can not be ascertained.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 33. Segment Reporting

The Company is primarily engaged in the business of women apparels and accessories in India. Accordingly, the Company views its business activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard (Ind AS) 108 - "Operating Segments".

### Geographic wise details of Revenue from operations:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	8,945.48	6,317.47
Outside India	14.35	37.35

### Geographic wise details of non-current assets\*:

Particulars	As at March 31, 2022	As at March 31, 2021
Within India	4,115.13	3,049.92
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, 2022 and March 31, 2021.

## 34. Earnings per share ('EPS')

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Basic earnings per share</b>		
Loss for the year (A)	(57.29)	(563.83)
Weighted average number of equity shares of ₹ 2 each (No. in millions)	61.52	61.47
Add: Effect of share based payment - Stock options Vested (No. in millions)	2.22	2.22
Add: Effect of Convertible Redeemable Debentures (No. in millions)	-	-
<b>Weighted average number of equity shares of ₹ 2 each - for Basic EPS (No. in millions) (B)</b>	<b>63.75</b>	<b>63.70</b>
<b>Basic earnings per share (C=A/B)</b>	<b>(0.90)</b>	<b>(8.85)</b>
Loss for the year (A)	(57.29)	(563.83)
Weighted average number of equity shares of ₹ 2 each for Basic EPS (No. in millions)	63.75	63.70
Add: Weighted average number of potential equity shares (No. in millions)	1.28*	1.28*
Weighted average number of equity shares of ₹ 2 each - for Diluted EPS (No. in millions) (B)	65.03	64.98
<b>Diluted earnings per share (C=A/B)*</b>	<b>(0.90)</b>	<b>(8.85)</b>

\*Stock options issued pursuant to employee stock option plan are considered to be potential equity shares. The effect of these potential equity shares is anti dilutive and therefore, excluded from weighted average numbers of equity shares considered for the purposes of computation of diluted earnings per share. Accordingly, dilutive earnings per share is same as basic earnings per share.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 35. Reconciliation of liabilities arising from financing activities

Particulars	As at April 1, 2021	Net cash flows	Non-cash changes	As at March 31, 2022
Current borrowings	53.58	(53.58)	-	-
<b>Total liabilities from financing activities</b>	<b>53.58</b>	<b>(53.58)</b>	-	-

Particulars	As at April 1, 2020	Net cash flows	Non-cash changes	As at March 31, 2021
Current borrowings	-	53.58	-	53.58
<b>Total liabilities from financing activities</b>	-	<b>53.58</b>	-	<b>53.58</b>

## 36. Employee benefit plans

### i) Defined Contribution Plan

The Company's contribution to Provident Fund for the year ended March 31, 2022 ₹ 81.55 (for the year ended March 31, 2021: ₹ 64.94) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

### ii) Defined Benefit Plan:

#### Gratuity

a) The Company offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

#### Interest risk

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

#### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

#### Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

#### Salary Escalation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 36. Employee benefit plans (Contd..)

### 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, 2022	As at March 31, 2021
a) Discount rate(s)	7.25% p.a.	6.85% p.a.
b) Expected rate(s) of salary increase	8.00%	8.00%
c) Mortality table used	IALM(2012-14)	IALM(2012-14)
d) Attrition rate		
Below 30 years	8.00%	8.00%
Ages 31-44 years	2.00%	2.00%
Ages 44 and above	1.00%	1.00%

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligations.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

### d) The following tables sets out the status of the defined benefit scheme in respect of gratuity and amount recognised in the financial statements:

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
<b>I. Amounts recognised in profit or loss in respect of gratuity are as follows:</b>		
a) Current service cost	28.68	24.75
b) Past service cost and (gains)/losses from settlements	-	-
c) Net interest expense	7.82	7.48
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>36.50</b>	<b>32.23</b>
Remeasurement on the net defined benefit liability		
a) Actuarial (gains)/loss arising form changes in financial assumptions	(8.75)	-
b) Actuarial (gains)/loss arising form changes in demographic assumptions	-	(2.90)
c) Actuarial (gains)/loss arising form experience adjustments	(7.45)	(18.72)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(16.20)</b>	<b>(21.62)</b>
<b>Total</b>	<b>20.30</b>	<b>10.61</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 36. Employee benefit plans (Contd..)

### II. Net Asset/(Liability) recognised in the Balance Sheet

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
a) Present value of defined benefit obligation	128.83	114.25
b) Fair value of plan assets	-	-
c) Surplus	<b>128.83</b>	<b>114.25</b>
d) Current portion of the above	3.52	2.81
e) Non current portion of the above	125.31	111.44

### III. Change in the obligation during the year

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	114.25	109.33
Expenses recognised in Profit and Loss Account		
- Current service cost	28.68	24.75
- Past service cost	-	-
- Interest expense (income)	7.82	7.48
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(8.75)	-
ii. Demographic Assumptions	-	(2.90)
iii. Experience Adjustments	(7.45)	(18.72)
Benefit payments	(5.72)	(5.69)
<b>Present value of defined benefit obligations at the end of the year</b>	<b>128.83</b>	<b>114.25</b>

### e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

Particulars	Changes in assumption	Valuation of Defined benefit obligation	
		Increase in Obligation	Decrease in obligation
<b>i) Discount rate</b>			
As at March 31, 2022	1%	109.99	152.24
As at March 31, 2021	1%	96.79	136.09
<b>ii) Salary growth rate</b>			
As at March 31, 2022	1%	151.82	109.95
As at March 31, 2021	1%	135.61	96.82
<b>iii) Rate of employee turnover</b>			
As at March 31, 2022	50%	125.79	132.32
As at March 31, 2021	50%	110.52	118.63
<b>iv) Mortality Rate</b>			
As at March 31, 2022	10%	128.79	128.86
As at March 31, 2021	10%	114.20	114.30



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 36. Employee benefit plans (Contd..)

### Notes:

- The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.
- The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

## 37. Related party transactions and balances

### a. Names of related parties and related party relationships

#### I. Key management personnel and their relatives

Mr. Onkar Singh Pasricha, Director

Mr. Anant Kumar Daga, Managing Director

Mr. Amit Chand, Chief Financial Officer

Mr. Piyush Asija, Company Secretary

Mr. Saranpreet Singh Pasricha (Son of Mr. Onkar Singh Pasricha)

#### Non-Executive Director

Mr. Arvinder Singh Pasricha (w.e.f. December 30, 2021)

Mr. Naveen Wadhwa (w.e.f. February 11, 2022)

Mr. Naresh Patwari (Till February 11, 2022)

#### Independent Directors

Mr. Bhaskar Pramanik

Ms. Neeru Abrol

Ms. Sangeeta Talwar

Mr. Suresh Jayaraman (w.e.f. December 30, 2021)

#### II. Companies under the significant influence of key management personnel

TCNS Limited

#### III. Company having significant influence over the Company

Wagner Limited

### b. Related party transactions

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Transactions during the year</b>		
<b>Job work charges</b>		
- TCNS Limited	-	61.89
<b>Interest expenses</b>		
- TCNS Limited	-	1.22

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 37. Related party transactions and balances (Contd..)

### c. Related party outstanding balances

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Key management personnel*	11.01	10.01

### d. Compensation of key management personnel

The related party transactions with above key management personnel comprising directors, chief financial officer and relative of key management personnel are as follows :-

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term benefits	46.27	16.31
Post-employment benefits (net)**	0.90	(0.26)
Share-based payments (net)***	47.83	18.10
Sitting fees paid to Non-Executive and Independent Directors	4.15	4.25
<b>Total</b>	<b>99.15</b>	<b>38.40</b>

\* includes expense towards gratuity and compensated absences taken on actuarial basis.

\*\* net of reversal of gratuity expense pertaining to erstwhile Chief Financial Officer for previous year ended March 31, 2021

\*\*\* This amount does not include the perquisite value of stock options exercised during the year.

## 38. Financial instruments

### 38.1 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of total equity (Refer Note 15 and 16) and net debt (Refer note 17 and 13).

The Company's risk management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital.

#### Gearing Ratio

Particulars	As at March 31, 2022	As at March 31, 2021
Debt [refer note (i)]	-	53.58
Less: cash and bank balances	106.98	149.29
<b>Net Debt (I)</b>	<b>(106.98)</b>	<b>(95.72)</b>
<b>Total equity (II)</b>	<b>6,198.64</b>	<b>6,119.84</b>
<b>Net debt to equity ratio (I/II) [refer note (ii)]</b>	<b>0%</b>	<b>0%</b>

#### Note:

- Debt is defined as long-term and short-term borrowing including current maturities of long-term borrowings.
- Net debt to equity ratio is restricted to zero percentage wherever cash and bank balances are more than debt.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 38. Financial instruments (Contd..)

### 38.2 Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL) (mandatorily measured)</b>		
- Investments in Mutual Funds	1,455.94	1,723.67
<b>Measured at amortised cost</b>		
(a) Trade receivables	1,738.13	1,648.40
(b) Cash and cash equivalents	104.08	146.48
(c) Other bank balances	2.91	2.82
(d) Other financial assets	516.12	448.11
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Borrowings	-	53.58
(b) Lease liability	4,133.42	3,250.89
(c) Trade payables	1,715.54	911.75
(d) Other financial liabilities (excluding current maturities of long-term borrowings)	225.49	122.02

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

### 38.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's risk management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

#### 38.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material market risk affecting the financial position of the Company.

##### 38.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Company.

##### 38.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligations or cash flows of a business. There are no material interest risk affecting the financial position of the Company.

##### 38.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible raw material price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Company.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 38. Financial instruments (Contd..)

### 38.3.1.4 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

(₹ in million)

Particulars	Liabilities (INR)		Assets (INR)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	-	-	5.43	4.52

#### 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.

Particulars	As at March 31, 2022		As at March 31, 2021	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Profit or (loss)	(0.54)	0.54	(0.45)	0.45

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.

### 38.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high considering the number of customers having more than 5% of outstanding trade receivables as mentioned in Note 12. Credit risk has always been monitored and managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

#### Financial instrument and cash deposit

Credit risk is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in unit linked insurance plan. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 38. Financial instruments (Contd..)

### 38.3.3 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets and liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate(%)	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total	Carrying Amount
<b>As at March 31, 2022</b>							
<b>Non-Interest bearing</b>							
Trade payables	-	970.49	745.05	-	-	1,715.54	1,715.54
Other financial liabilities	-	-	24.96	-	-	24.96	24.96
<b>Fixed Interest rate instruments</b>							
Security deposits received	9.68%	-	67.23	133.31	-	200.54	200.54
<b>Total</b>		<b>970.49</b>	<b>837.24</b>	<b>133.31</b>	<b>-</b>	<b>1,941.03</b>	<b>1,941.03</b>
<b>As at March 31, 2021</b>							
<b>Non-Interest bearing</b>							
Trade payables	-	625.92	285.83	-	-	911.75	911.75
Other financial liabilities	-	-	21.34	-	-	21.34	21.34
<b>Fixed Interest rate instruments</b>							
Security deposits received	9.68%	-	58.72	63.60	-	122.32	122.32
<b>Total</b>		<b>625.92</b>	<b>365.89</b>	<b>63.60</b>	<b>-</b>	<b>1,055.41</b>	<b>1,055.41</b>

Further table below set out the detail of additional undrawn facility that the Company has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2022	As at March 31, 2021
Undrawn cash credit limit	599.54	502.00

### 38.3.4 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on recurring basis:

Financial assets / Financial liabilities	Fair values		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	As at March 31, 2021		
Investments in Mutual Funds	1,455.94	1,723.67	Level 2	Net Asset Value (NAV) declared by Asset Management Company

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 38. Financial instruments (Contd..)

### 38.3.5 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements except as per note 38.3.4 approximate their fair values.

## 39. Share-based payment of the Company

### 39.1 Employee share option plan

#### 39.1.1 TCNS ESOP Scheme 2014 - 2017 (Refer note 40)

##### 39.1.1.1 TCNS Employee Stock Option Plan 2014 ("the 2014 Plan"):

The Company had instituted the 2014 Plan, which was approved by the Board of Directors on July 1, 2014 which was further amended vide special resolution passed in extra ordinary general meeting held on March 16, 2015. The 2014 Plan provides for grant of stock options aggregating not more than 6,900,000 number of issued equity shares of the Company to eligible employees of the Company. The 2014 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date. As per the 2014 plan, the exercise price in respect of the options shall be such prices as decided by the Nomination and Remuneration Committee. However, the Exercise price shall not be lower than nominal par value of the shares appearing in the Company's books of account. Refer note 40 for change in assumptions on modification from cash settled to equity settled.

Employee stock options details are as follows:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	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	-	-	0.03	76.00
Option granted during the year:	-	-	-	-
Options exercised during the year:	-	-	0.03	76.00
Options lapsed during the year:	-	-	-	-
Options outstanding at the end of the year:	-	-	-	-
- Vested	-	-	-	-
- Balance to be vested	-	-	-	-
Weighted average exercise price per option	-	-	-	76
Weighted average remaining contractual life for options outstanding	-	-	-	5.33 years
Range of Exercise Price	-	-	-	76.00
Grant date share price	-	-	-	261.28
Weighted average fair value of options	-	-	-	195.68
Exercise price	-	-	-	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%
Option life (Expected)	-	-	-	1.88-2.59
Dividend yield	-	-	-	-
Risk-free interest rate	-	-	-	6.85%-6.87%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 39. Share-based payment of the Company (Contd..)

### 39.1.1.2 TCNS Senior Management Stock Option Plan 2015:

The Company had instituted the TCNS Senior Management Stock Option Plan 2015, which was approved by the Board of Directors on November 19, 2015. The TCNS Senior Management Stock Option Plan 2015 provides for grant of stock options aggregating not more than 3,975,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Senior Management Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date. As per the TCNS Senior Management Stock Option Plan 2015, the exercise price in respect of the options shall be such price as decided by the Nomination and Remuneration Committee. However, the exercise price shall not be lower than nominal par value of the shares as appearing in the Company's books of account. Refer note 40 for change in assumptions on modification from cash settled to equity settled.

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	1.30	100	1.30	100
Option granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	1.30	100	1.30	100
- Vested	1.30	100	1.30	100
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		5.32 years		6.32 years
Grant date share price (Weighted average)		261.28		261.28
Weighted average fair value of options granted during the year		176.42		176.42
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		49.26%		49.26%
Option life (Expected)		2.63 years		2.63 years
Dividend yield		-		-
Risk-free interest rate		6.87%		6.87%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

### 39.1.1.3 TCNS Senior Executive Stock Option Plan 2015:

The Company had instituted the TCNS Senior Executive Stock Option Plan 2015, which was approved by the Board of Directors on November 19, 2015. The TCNS Senior Executive Stock Option Plan 2015 provides for grant of stock options aggregating not more than 200,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Senior Executive Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date. As per the TCNS Senior Executive Stock Option Plan 2015, the exercise price in respect of the options shall be such price as decided by the Nomination and Remuneration Committee. However, the exercise price shall not be lower than nominal par value of the shares as appearing in the Company's books of account. Refer note 40 for change in assumptions on modification from cash settled to equity settled.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 39. Share-based payment of the Company (Contd..)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.18	100	0.18	100
Option granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.18	100	0.18	100
- Vested	0.18	100	0.18	100
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		5.47 years		6.47 years
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		176.42		176.42
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		49.39%		49.39%
Option life (Expected)		1.77		1.77
Dividend yield		-		-
Risk-free interest rate		6.85%		6.85%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

### 39.1.1.4 TCNS Employee Stock Option Plan 2015:

The Company had instituted the TCNS Employee Stock Option Plan 2015, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2015 provides for grant of stock options aggregating not more than 600,000 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2015, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise price shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	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	0.38	300	0.40	300
Option granted during the year	-	-	-	-
Options exercised during the year	0.08	300	0.02	300
Options lapsed during the year	-	-	0.00	300
Options outstanding at the end of the year:	0.30	300	0.38	300
- Vested	0.30	300	0.25	300
- Balance to be vested	-	300	0.13	300



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 39. Share-based payment of the Company (Contd..)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Weighted average remaining contractual life for options outstanding		7.75 years		8.75 years
Grant date share price		261.28		261.28
Weighted average fair value of options granted during the year		117.56		117.56
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		45.83%		45.83%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		6.68%		6.68%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

### 39.11.5 TCNS Employee Stock Option Plan 2017:

The Company had instituted the TCNS Employee Stock Option Plan 2017, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2017 provides for grant of stock options aggregating not more than 107,500 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2017 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2017, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	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	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	0.11	300.00
Options outstanding at the end of the year:	-	-	-	-
- Vested	-	-	-	-
- Balance to be vested	-	-	-	-
Weighted average remaining contractual life for options outstanding		-		7.94 years
Grant date share price		-		261.28

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 39. Share-based payment of the Company (Contd..)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Weighted average fair value of options granted during the year		-		117.74
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		-		45.83%
Option life (Expected)		-		5.00
Dividend yield		-		-
Risk-free interest rate		-		6.68%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

### 39.11.6 TCNS Employee Stock Option Plan 2018:

The Company had instituted the TCNS Employee Stock Option Plan 2018, which was approved by the Board of Directors on May 28, 2018. The TCNS Employee Stock Option Plan 2018 provides for grant of stock options aggregating not more than 62,500 of number of issued equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Plan 2018 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2018, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the Company's books of account.

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options (in millions)	Weighted average exercise price (₹ per share)	Number of options (in millions)	Weighted average exercise price (₹ per share)
Option outstanding at the beginning of the year	0.06	372.00	0.06	372.00
Option granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year:	0.06	372.00	0.06	372.00
- Vested	0.05	372.00	0.03	372.00
- Balance to be vested	0.01	372.00	0.03	372.00
Weighted average remaining contractual life for options outstanding		1.16 years		2.16 years
Grant date share price		288.68		288.68
Weighted average fair value of options granted during the year		122.89		122.89
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		45.17%		45.17%
Option life (Expected)		5.00		5.00
Dividend yield		-		-
Risk-free interest rate		7.76%		7.76%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 39. Share-based payment of the Company (Contd..)

### 39.1.1.7 TCNS Employee Stock Option Plan 2018-2023:

The Company had instituted the TCNS ESOP Scheme 2018 - 2023, which was approved by the Board of Directors on February 02, 2018. The TCNS ESOP Scheme 2018 - 2023 provides for grant of stock options aggregating not more than 6,467,817 number of equity shares of the Company to eligible employees of the Company. The TCNS Employee Stock Option Scheme 2018-2023 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the scheme, the employees receive shares of the Company upon completion of specific vesting conditions based on specific events. Vesting period ranges from one to five years and options can be exercised within 10 years from grant date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard.

The following share-based payment arrangements were in existence during the current and prior years:

Option series	Number (Net)	Grant date	Remaining life (in years)	Exercise Price	Fair value at Grant date
Granted on February 2, 2018	47,60,207	February 2, 2018	5.84 years	373.26	76.26
Granted on November 8, 2019	83,800	November 8, 2019	2.61 years	716.00	308.77
Granted on August 18, 2020	1,60,000	August 18, 2020	8.38 Years	500.00	76.67-156.82
Granted on November 10, 2020	1,35,000	November 10, 2020	8.61 Years	500.00	93.96-170.40
Granted on March 2, 2021	30,000	March 2, 2021	8.92 years	500.00	173.45-256.70
Granted on October 1, 2021	85,000	October 1, 2021	9.50 years	605.50	335.17-376.99

### Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	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	5.18	373.26-716	5.16	373.26-716
Option granted during the year	0.09	605.50	0.33	500.00
Options exercised during the year	0.01	373.26	-	-
Options lapsed during the year	-	-	0.30	-
Options outstanding at the end of the year:	5.26	373.26-716	5.18	373.26-716
- Vested	0.99	373.26-716	0.99	373.26-716
- Balance to be vested	4.27	373.26-716	4.19	373.26-716
The fair value of stock options was determined using the Black Scholes option pricing model with following assumptions:				
Expected volatility*		43.94% - 44.48%		43.94% - 44.48%
Option life (Expected)		2.74 - 7 years		2.74 - 7.01 years
Dividend yield		-		-
Risk-free interest rate		4.48% - 6.02%		4.48% - 6.02%

\* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

**39.1.2** The company has changed the face value of its equity shares from ₹ 1 per equity share to ₹ 2 per equity shares on January 5, 2018. For the purpose of above disclosure, the number of equity shares and options have been considered based on face value of ₹ 2 per equity share.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 40. Modification to Employee share option plan

As per original terms of Company's ESOP Plans (TCNS Employee Stock Option Plan 2014, TCNS Senior Management Stock Option Plan 2015, TCNS Senior Executive Stock Option Plan 2015 and TCNS Employee Stock Option plan 2015), it required (i) compulsorily buy out the ESOPs that have vested in the ESOP Holders/ any shares allotted to the ESOP Holders upon the exercise of the vested ESOPs and (ii) provide cash payment to the ESOP holders. Subsequently, based on release deed entered on August 12, 2016, the terms of the ESOP plans were modified and based on modified terms the share options have been converted from cash payment option/compulsorily buy out to equity settled options. The incremental fair value impact due to modification is ₹ 318.76 (out of which ₹ 199.63 is recognised immediately for the vested options and ₹ 119.13 is recognised over the balance vesting period for the options to be vested in future).

### TCNS Employee Stock Option Plan 2014:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.26%-49.39%	49.39%
Option life	1.88-2.59 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.85%-6.87%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

### TCNS Senior Management Stock Option Plan 2015:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.26%	49.39%
Option life	2.63 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.87%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

### TCNS Senior Executive Stock Option Plan 2015:

Particulars	Before modification	After modification
Modification date option price	225.34	261.28
Expected volatility	49.39%	49.39%
Option life	1.77 years	2 years
Dividend yield	-	-
Risk-free interest rate	6.85%	6.85%
Option pricing model used	Black-Scholes model	Black-Scholes model

## 41. Tax expense

**41.1** The Company has recognised deferred tax assets (net) amounting to ₹ 14.90 (March 31, 2021 : ₹ 205.55) (including in respect of losses amounting to ₹ 14.48, March 31, 2021 : ₹ 168.66) in the financial statements for the year ended March 31, 2022 consistent with applicable accounting standards as it is considered probable that future taxable profits will be available.



# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

**42.** The Company has assessed the impact of COVID-19 pandemic on its business operations and has considered relevant internal and external information available upto the date of approval of these financial statements, in determination of the recoverability and carrying values of its assets, including trade receivables and more particularly inventories and believes that the pandemic is not likely to materially impact the recoverability of the carrying value of these assets. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly actual results may differ from these estimates as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and will recognize the impact, if any, prospectively in future periods.

## 43. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Unspent amount of previous year	-	18.58
(ii) Amount required to be spent by the company for the current year	10.05	24.83
(iii) Gross amount required to be spent by the company during the year (i+ii)	10.05	43.41
(iv) Amount of expenditure incurred	10.05	43.41
(v) Total of previous years shortfall	-	-
(vi) Reason for shortfall	Not Applicable	Not Applicable
(vii) Nature of CSR activities	Eradication of malnutrition, promoting education, art and culture, healthcare, environment sustainability, COVID-19 relief and rural development projects.	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

## 44. Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reason of variance
Current ratio	Current assets	Current liabilities	2.66	3.65	-27.15%	The decrease is majorly due to increase in trade payables by 23%
Debt-equity ratio	Total debt	Shareholder's equity	-	0.01	-100.00%	Repayment of borrowings in the current year
Debt service coverage ratio	Earnings available for debt service*	Debt Service**	13.90	16.18	-14.09%	
Return on equity ratio	Net profit after taxes	Average shareholder's equity	-0.93%	-9.21%	89.90%	Reduction in losses as business moves towards normalcy from the impact of COVID-19
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	1.16	0.72	60.54%	The Increase is majorly due to increase in revenue from operations in current year.

# Notes Forming part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ million except otherwise specified)

## 44. Ratios (Contd..)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reason of variance
Trade receivables turnover ratio	Sales	Average Trade Receivables	5.29	3.73	41.75%	The Increase is majorly due to increase in revenue from operations in current year.
Trade payables turnover ratio	Purchases	Average Trade Payables	2.99	2.06	44.77%	Increase in purchases in the current year by 78% and increase in trade payables by 23%
Net capital turnover ratio	Sales	Working Capital	1.96	1.33	48.00%	The Increase is majorly due to increase in revenue from operations in current year and reduction in working capital
Net profit ratio	Net profit after tax	Sales	(0.01)	(0.09)	92.79%	Reduction in losses as business moves towards normalcy from the impact of COVID-19
Return on capital employed	Earnings before interest and Taxes	Capital employed****	0.05	(0.07)	173.68%	Reduction in losses as business moves towards normalcy from the impact of COVID-19

\* Earning for Debt Service = Net Profit after taxes\*\*\* + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

\*\* Debt service = Interest & Lease Payments + Principal Repayments

\*\*\* "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

\*\*\*\* Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

## 45. Other statutory information

- No Funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- No Funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- The Company has no transactions with companies struck off under Companies Act, 2013 or Companies Act, 1956.
- The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.













119-127, W House, Mandi Road, New Manglapuri,  
Sultanpur, New Delhi - 110030, India

Phone: 011-4219+3193 | Fax:011-42193194

E-mail:

[investors@tcnsclothing.com](mailto:investors@tcnsclothing.com)

Website:

[www.wforwoman.com](http://www.wforwoman.com)

[www.shopforaurelia.com](http://www.shopforaurelia.com)

Registered Office:

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

CIN: L99999DL1997PLC090978

