



October 3, 2016

National Stock Exchange of India Ltd
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Mumbai-400 051.

BSE Limited
Phiroze Jee Jee Bhoy Towers
Bandra (East), Dalal Street
Mumbai 400 001.

Dear sir/ Madam,

Sub: Submission of Annual Report for the Financial Year 2015-16.

Ref: Regulation 34 of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015.

Security Code-533329; Security ID- INDTERRAIN

We would like to bring your kind attention that our company's Annual General Meeting was held on Friday, September 30, 2016 at 11.30 A.M at the corporate office of the company situated at SDF IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600 045.

In this regard please find enclosed soft copy of the Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, duly approved and adopted by the members in accordance with the provisions of the Companies Act 2013.

This is for your information and records.

Thanking you

Yours faithfully

For Indian Terrain Fashions Limited

J. Manikandan
Company Secretary
Encl:a/a



INDIAN TERRAIN FASHIONS LIMITED

INDIAN TERRAIN

INDIAN TERRAIN FASHIONS LIMITED



7th
ANNUAL REPORT 2015 - 2016



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Board of Directors

Mr. V.Rajagopal, Chairman and Managing Director
Mrs. Rama Rajagopal, Executive Director
Mr. N.K. Ranganath, Independent Director
Mr. P.S. Raman, Independent Director
Mr. Harsh Bahadur, Independent Director
Mr. Manoj Mohanka, Independent Director

Company Secretary Mr. J. Manikandan
Chief Executive Officer Mr. Charath Ram Narsimhan
Chief Operating Officer Mr. Amitabh Suri
Chief Financial Officer Mr. M. Thiyagarajan

Registered Office

No. 208, Velachery, Tambaram Road,
 Narayanapuram, Pallikaranai, Chennai-600 100

Corporate Office

SDF-IV & C2, 3rd Main Road,
 MEPZ-SEZ, Tambaram, Chennai-600 045

Statutory Auditors

M/s Anil Nair & Associates
 Egmore, Chennai-600 008

M/s CNGSN & Associates LLP
 T. Nagar, Chennai 600 017

Internal Auditors

M/s R.Venkatakrishnan & Associates
 R.A. Puram, Chennai-600 028

Banker

State Bank of India Overseas Branch, Chennai - 600 001

Warehouse

70/2 & 3A, Agaram Road, Thiruvanchery Village,
 Chennai 600 073.

Route Map to the AGM Venue
Venue: SDF - IV & C 2, THIRD MAIN ROAD, MEPZ - SEZ, CHENNAI-600045





NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventh Annual General Meeting of Indian Terrain Fashions Limited will be held on Friday, September 30, 2016 at 11.30 A.M at the Corporate Office of the Company Situated at SDF IV & C2 , 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai-600 045 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2016 including audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs.Rama Rajagopal (holding DIN 00003565), who retires by rotation and being eligible and offers herself for re-appointment.
3. To ratify the appointment of Auditors of the Company who were appointed at the 5th Annual General Meeting to hold Office for a period of 3 years (i.e) till the conclusion of next Annual General Meeting of the Company to be held in the Calendar year 2017, and to authorize the Board of Directors to fix their remuneration and to pass the following as on Ordinary Resolution thereof.

“RESOLVED that pursuant to the provisions of section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time M/s.CNGSN & Associates, Chartered Accountants, Chennai (Firm Registration No.004915S), M/s Anil Nair & Associates, Chartered Accountants, Chennai (Firm Registration No. 0000175S), who were appointed as auditors of the Company at the 5th Annual General Meeting, to hold office till the conclusion of the Next Annual General Meeting of the Company to be held in the Calendar Year 2017, be and hereby ratified , and that they shall be paid a remuneration as fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. Re-appointment of Mrs. Rama Rajagopal as Executive Director of the Company.

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

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded for the re-appointment of Mrs. Rama Rajagopal (DIN: 00003565) as Executive Director of the Company for a period of 3 years w.e.f. 1st October, 2016 on the remuneration and other terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as “the Board”) to alter and vary the terms and conditions including remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197 of the Companies Act, 2013;

RESOLVED FURTHER THAT in the case of absence or inadequacy of profits in any financial year during the tenure of office of Mrs. Rama Rajagopal Director, total remuneration payable to her by way of salary, perquisites and other benefits shall be within the limits as specified under Section II of Part II of

Schedule V of the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT Mrs. Rama Rajagopal, Director shall be liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Date : 1st August 2016

Place : Chennai

For and on behalf of the Board

J. Manikandan

Company Secretary

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business as set out in the Notice is annexed hereto and forms part of this Notice.
 2. A Member entitled to attend and vote in the above meeting is entitled to appoint a proxy to attend and vote instead of himself. Proxy need not be a member. Proxies in order to be effective should be lodged with the company at the registered office of the company at least 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies and Partnership firms etc must be supported by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.
- Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
 4. The members/proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
 5. The Register of Members and the Share Transfer books of the Company will remain closed from 24th September 2016 to 30th September 2016. (both days inclusive)
 6. Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, Viz. M/s Link Intime India Private Ltd, C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (w), Mumbai-400078.
 7. Queries, on the Accounts and Operation of the Company, if any, may be sent to the Company at its Registered Office (marked for the attention of the CFO/CS) at least seven days in advance of the Meeting.



8. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in S.No. 13. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 23rd September 2016.
9. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.
10. Details under Regulation 36 (3) SEBI (Listing obligations and disclosure requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The Director have furnished the requisite declaration/Consent for her re- appointment.
11. A Route map showing directions to reach the venue of the 7th Annual General Meeting is given along with this notice as per the requirement of the Secretarial Standards-2 on “General Meetings”

12. IMPORTANT SHAREHOLDER COMMUNICATION:

The Ministry of Corporate Affairs (“Ministry”), Government of India, has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/ documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders. In case you are desirous of having a complete text of Annual Report 2015-16, you may write to us at response.itfl@indianterrain.com or at the registered Office of the Company. The Annual report of the Company can be accessed at www.indianterrain.com in the investor section.

Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2015-16 is being sent in the permitted mode.

Electronic copy of the Notice of the 7th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 7th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

13. E-Voting:

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

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th September, 2016 at 9.00 A.M. and ends on 29th September, 2016 at 5.00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date 23rd September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters.Eg.If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.



Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v)
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23rd September 2016.
- (xxiii) Mr S. Bhaskar, Practising Company Secretary, Partner BP & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiv) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxv) The Results shall be declared by the Chairman or by any person authorized by him in this regard on or before 1st October 2016. The result along with the Scrutinizer's report shall be placed on the Company's website www.indianterrain.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE & NSE Limited. The resolution, if approved will be taken as passed effectively on the date of declaration of the result, explained as above.
- (xxvi) All documents referred to in the accompanying Notice shall be open for inspection at the Corporate Office of the Company during normal business hours (9.30 am to 5.00 pm) on all working days except Saturdays & Sundays, up to and including the date of the Annual General Meeting of the Company.

Date : 1st August 2016
Place : Chennai

For and on behalf of the Board
J.Manikandan
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 4 OF THE NOTICE:

Item No. 4

At the Annual General Meeting of the Company held on 23rd September 2013, the tenure of Mrs. Rama Rajagopal was fixed from 1st October, 2013 to 30th September, 2016.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company re-appointed



Mrs. Rama Rajagopal, Executive Director for a further period of 3 years w.e.f. 1st October, 2016 to 30th September, 2019, subject to the approval of members of the Company.

The Company has received from him:

- i. consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Act.

The Board of Directors recommends the Ordinary resolution for approval of the Members.

Mrs. Rama Rajagopal is the spouse of Mr. V.Rajagopal, Managing Director of the company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mrs. Rama Rajagopal and Mr. Venkatesh Rajagopal and their relatives is concerned or interested, financially or otherwise, in the said resolution.

The terms of the appointment and remuneration details are given below:

This may be treated as abstract of the terms of appointment and remuneration pursuant to section 190 of the Companies Act 2013.

i) Tenure

For a period of 3 years with effect from 1st October, 2016 to 30th September, 2019

ii) Salary

Basic salary Rs.3,50,000/- per month.

iii) Medical Benefits

Suitable Mediclaim Policy for hospitalization for herself and family. Reimbursement of all actual medical expenses for herself and family to the extent not reimbursed under Mediclaim Policy.

iv) Telephone

Telephone, Tele fax and other communication facilities at residence at Company's cost.

v) Automobile

She shall be entitled to a fully maintained Company car with driver for company's business.

vi) Reimbursement of expenses

She shall be entitled to the reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by her for and on behalf of the Company, in furtherance of its business and objects.

vii) Sitting Fees

She will not be entitled to any sitting fees for attending the meetings of the Board or of any committee thereof.

Details of Director seeking appointment and re-appointment at the Annual General Meeting

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (ICSI)

Name of the Director	Mrs. Rama Rajagopal
DIN	00003565
Age	60 Years
Nationality	Indian
Date of Appointment on the Board	29 September 2009
Expertise in Specific Functional Areas	General Management & Administration
Qualifications	Post Graduate degree in economics from University of Bangalore
Inter-se Relationship between Directors and Key Managerial Personnel	Spouse of Mr. Venkatesh Rajagopal.
List of directorships held in other Companies	Celebrity Fashions Limited
Number of shares held in the Company	6202930 (16.90%)
Chairperson/Member in the Committees of the Boards of companies in which he/she is a Director	Celebrity Fashions Limited • Corporate Social Responsibility committee-Member

DIRECTORS REPORT

Dear Members,

The directors have immense pleasure in presenting the 7th Annual Report together with the audited accounts of the Company for the year ending 31st March 2016.

Financial Highlights

Rs. in Crores

	FY 2015-16	FY 2014-15
Revenue From operations	325.01	290.41
Gross Profit / (Loss) before interest and depreciation	46.23	34.30
Interest	6.94	8.63
Profit / (Loss) before depreciation and tax	39.29	25.67
Depreciation	2.31	2.92
Profit / (Loss) before tax	36.98	22.75
Provision for Taxation	3.96	4.77
Profit / (Loss) after tax	33.02	17.98
Balance brought forward from previous year	38.07	20.77
Less: Value of LTO assets Written off	-	0.67
Balance carried to Balance Sheet	71.09	38.07



Company's Performance

Revenue from Operations for FY 2015-16 at Rs.325.01 crs was higher by 11.91% over last year (Rs.290.41 crs in FY 2014-15). Operational Earnings before Interest, Tax and Depreciation (Operational EBITDA) was Rs.41.09 crs registering a growth of 22.6% over Operational EBITDA of Rs.33.52 crs in FY 2014-15. Profit after Tax (PAT) for the year was Rs.33.02 crs recording a growth of 83.6% over the PAT of Rs.17.98 crs of FY 2014-15.

Changes to Share Capital

The Board of Directors at its meeting held on 23rd October, 2015 approved a proposal to sub-divide the face value of equity shares of the Company from Rs.10 per Share to Rs.2 per Share. The Company received shareholders' approval through postal ballot for sub-division of shares on 7th December, 2015.

The record date fixed for sub-division was 22nd December, 2015 and the sub-division became effective from 22nd December, 2015. Shareholders with equity shares of Rs.10 each of the Company in electronic form received direct credit of the sub-divided shares of Rs.2 each of the Company to their depository account. The Company issued a new composite share certificate of Rs.2 each in place of the old share certificate, for shareholders holding shares in physical form.

During the year, the Company pursuant to Employee Stock Option Plan 2011 has allotted 7,80,000 equity shares of Rs.2 each on conversion of options exercised by the employees. Pursuant to the same, the Company's Share Capital increased by Rs.15.60 lakhs and the Securities Premium Account increased by Rs.138.84 lakhs. The Share Capital of the Company as on 31st March 2016 is as below:

Authorised Share Capital – 6,00,00,000 Equity Shares of Rs.2 each – Rs.12.00 crs

Issued, Subscribed and Paid-up Equity Share Capital – 3,67,11,300 Equity Shares of Rs.2 each – Rs.7.34 crs

Dividend

With a view to conserve the resources, the Board of Directors have not recommended any Dividend for the current financial year.

Transfer to Reserves

The Company transferred Rs.33.02 crs to Reserves and Surplus account for the year ended 31st March 2016.

Finance and Accounts

The Company had a portion of Accumulated losses and unabsorbed depreciation transferred pursuant to Demerger and was not liable to Current Tax upto 31st March 2015. The Company did not recognise the MAT Credit Entitlement as an asset as a matter of prudence and was charging the Minimum Alternate Tax to Profit and Loss Account upto 31st March 2015.

During the year under review, the Company had recognised the MAT Credit Entitlement of Rs.9.02 crs and had utilised an amount of Rs.5.08 crs and adjusted the same against the provision for current tax.

The Company had purchased an immovable property for its Warehousing Operations in March 2016 and had availed a new term loan of Rs.11.25 crs from State Bank of India towards the same.

The company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act 2013 and as such no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

Cash Flow Statement

In conformity with the provisions of Regulation 34 2(c) of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended 31st March 2016 forms part of the Annual Report.

Particulars of Contracts or Arrangements with Related Parties

All the transactions with the Related Parties are in the Ordinary Course of Business and on Arm's length basis. The details on Related Party Transactions have been disclosed in the notes to accounts. The Company has framed a policy on Related Party Transactions and the same has been displayed in the Company's website www.indianterrain.com

The details of related party transactions pursuant to clause (h) of sub-section (3) of section 134 of the Act is enclosed in form no. AOC-2 as Annexure-II

Corporate Governance Report

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

The report on Corporate Governance as stipulated under Regulation 34 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms a part of the Annual Report.

The requisite certificate from the Auditor, M/s CNGSN & Associates LLP confirming the compliance of conditions of Corporate Governance as stipulated under Schedule V(E) of SEBI (LODR) Regulations, 2015 which forms part of this report.

Management's Discussion and Analysis Report

A detailed review on the operations and performance of the Company along with the outlook is presented separately under the Management Discussion and Analysis Report as stipulated under Regulation 34 (2) (e) of SEBI(LODR) Regulations, 2015 which forms part of this Annual Report.

Compliance with Code of Conduct

The Company has put in place a Code of Conduct for its Board Members and Senior Management Personnel. Declarations of Compliance with Code of Conduct have been received from all the Board Members and Senior Management Personnel. A Certificate to this effect from Mr. V. Rajagopal, Chairman and Managing Director forms part of this Report.

Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee and the Board has adopted a CSR Policy as recommended by the Committee. The CSR policy is available in the Company's website www.indianterrain.com. The particulars relating to CSR committee and policy have been detailed in Corporate Governance Report.

The details about the policy developed and implemented by the company on corporate social responsibility and initiatives taken during the year are given as Annexure VI.

Establishment of Vigil Mechanism

The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been adopted by the Board Members.



The Whistle Blower Policy covering all employees and directors is hosted in the Company's Website www.indianterrain.com

Employee Stock Option Plan (ESOP)

The Company has introduced Employee Stock Option Plan 2011 in accordance with SEBI ESOP guidelines. The Particulars of the plans are given in a separate statement attached to this report (Annexure-III) and forms part of the Annual Report.

Directors

In accordance with the provisions of Section 152 of the Companies Act 2013, Mrs. Rama Rajagopal retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

Declaration by Independent Director

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-IV"

Number of Board Meetings

The particulars relating to the meeting of Board of Directors has been detailed in Corporate Governance Report which forms part of the Annual Report.

Audit Committee

During the year all the recommendations of the Audit Committee were accepted by the Board. The particulars relating to the Audit Committee has been detailed in the Corporate Governance Report which forms part of the Annual Report.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, the Key Managerial Personnel of the Company are Mr. V.Rajagopal, Chairman & Managing Director, Mr. M. Thiyagarajan, Chief Financial Officer and Mr. J Manikandan, Company Secretary. There has been no change in the key managerial personnel during the year.

Remuneration Policy

The particulars relating to Directors Remuneration Policy has been detailed in Corporate Governance Report which forms part of the Annual Report.

Particulars of Loans, Guarantees or Investments

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

Material changes & Commitment, if any affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statement relate and the date of the Report: NIL

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Report as per Section 134 read with Rule 8 sub rule 5 of Companies Accounts Rules 2014

Change in nature of business, if any: Nil

Details of Director or KMP appointed or resigned: Nil

Name of Companies which become or cease to be its subsidiaries, JV or associate during the year: Nil

Details relating to deposits covered under Chapter V of Companies Act 2013: Nil

Details of deposits which are not in compliance with the requirements of Chapter V of Companies Act 2013: Not Applicable

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

The Company was not in receipt of any orders from the regulator / courts / tribunals impacting the going concern status of future operations of the Company.

The Company was in receipt of the notice / order from statutory authorities during the year for claim not acknowledged as debts by the company. The details of the same have been provided in Note 27 of the financial statements.

Internal control and systems and their adequacy

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

Adequate systems and processes, commensurate with the size of the Company and of its business are put in place to ensure compliance with the provisions of all applicable laws and such systems and processes are operating effectively.

Audit Committee and Board of Directors of the Company were appraised on the performance of the IFC

Business risk Management

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & Regulation 21 of SEBI (LODR) Regulations, 2015, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the Corporate Governance Report which forms part of the Annual Report.

During the year under review, the company has not identified any element of risk which may threaten the existence of the company.

Familiarisation Programme for Independent Director

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company, www.indianterrain.com.



Auditors

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

They were appointed in the 5th Annual General Meeting of the company and subject to ratification of the shareholders at every Annual General Meeting. A motion for ratification will be placed before the members of the company in the 7th Annual General Meeting for approval.

The Annual Accounts of the Company including its Balance Sheet, Statement of Profit and Loss and Cash Flow Statement including the Notes and Schedules to the Accounts have been audited by M/s Anil Nair & Associates, Chennai and M/s CNGSN & Associates LLP, Chennai.

Auditors' Report and Secretarial Auditor's Report

The auditors' report and secretarial auditor's report do not contain any qualifications, reservations or adverse remarks.

Secretarial Auditor

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BP & Associates, Practising Company Secretaries as secretarial Auditors, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is presented separately and forms part of this report.

Listing Fee

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fee to the Stock Exchanges upto date.

Personnel

Employee relations have been very cordial during the year ended 31st March 2016. The Board wishes to place on record its appreciation to all the employees in the company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year. The Management team of the Company comprises of young passionate driven professionals committed to the organizational goals.

Policy on Prevention of Sexual Harassment of Woman at Workplace:

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

An Internal Compliants Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at workplace.

During the year ended March 31, 2016, the ICC has received no complaints pertaining to sexual harassment / discrimination at work place.

Directors Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The directors have prepared the annual accounts 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.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

Adoption of New Set of Articles of Association

On 7th December, 2015, your Company's Shareholders approved by way of Postal Ballot, adoption of new set of Articles of Association in the place of existing Articles of Association in line with the provisions of the Companies Act, 2013.

Conservation of Energy / Technology Absorption / Foreign Exchange

i. Conservation of Energy:

The operations of the Company are not energy-intensive. However, wherever possible, the Company strives to curtail the consumption of energy on a continuing basis.

ii. Technology absorption:

Not applicable.

iii. Foreign Exchange Earning and Outgo:

Total Foreign exchange earned (FOB Value)	NIL
Total Foreign exchange outgo	Rs.8.05 crs

Appreciation

The Directors place on record their deep appreciation and contribution made every member of the Indian Terrain family.

The Board places on record its appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with the Company as trade partners.

The Directors are sincerely thankful to the esteemed Shareholders, Customers, Banks, Government Departments and Regulatory Authorities for their continued support.

For and on Behalf of the Board

V. Rajagopal

Chairman & Managing Director

Chennai, 30th May 2016



ANNEXURE - I TO DIRECTORS REPORT

A. Particulars pursuant to section 197 (12) and the relevant rules:

a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and such other details as prescribed is as given below:

Name	Designation	Ratio
V. Rajagopal	Chairman & Managing Director	20.23 : 1
Rama Rajagopal	Executive Director	20.23 : 1

b) The Percentage increase in remuneration of each director, CFO, CEO, CS or Manager, if any in the Financial Year.

Name	Designation	%
V Rajagopal	Chairman & Managing Director	Nil
Rama Rajagopal	Executive Director	Nil
M Thiyagarajan	Chief Financial Officer	14.00%
J Manikandan	Company Secretary	15.92%

- c) the percentage increase in the median remuneration of employees in the Financial Year: 21%
- d) The number of permanent employees on the rolls of the company: 463 as on 31st March 2016.
- e) The explanation on the relationship between average increase in remuneration & Company performance:
The Company's PAT has grown from 17.98 Crores to 33.02 Crores, an increase of 83.65% against which the average increase in remuneration is 21% and the increase is aligned with the compensation policy of the Company.
- f) Comparison of the remuneration of KMP against the performance of the company

Name	Designation	CTC	%Increase in CTC	PAT in Crs	% in Increase in PAT
V Rajagopal	CEO/MD	42.00 lacs	Nil	33.02	83.65%
M Thiyagarajan	CFO	15.07 lacs	14.00%		
J Manikandan	CS	14.49 lacs	15.92 %		

g) Variations in the market capitalization of the Company, Price earning ratio as at the closing date of the current financial year and previous year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Date	Issued Capital	Closing Market Price per Share	EPS	PE Ratio	Market Capitalisation in Crs
31.03.2015	35931300	119.35	6.01	19.86	428.84
31.03.2016	36711300	133.40	9.16	14.56	489.73
Incl/(Decrease)	780000	14.05	3.15	(5.3)	60.80

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

Average increase in remuneration is 3.75% for Managerial Personnel (KMP) & 19.59% for employees other than Managerial Personnel.

- i) The key parameters for any variable component of remuneration availed by the directors: No Directors have been paid any variable remuneration
- j) The ratio of the remuneration of the highest paid directors to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Director	Employee	Ratio
V Rajagopal	Charath Ram Narsimhan	1:17.59
V Rajagopal	Amitabh Suri	1:1.06
Rama Rajagopal	Charath Ram Narsimhan	1:17.59
Rama Rajagopal	Amitabh Suri	1:1.06

k) If remuneration is as per the remuneration policy of the company: Yes

B. Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors Report for the year ended March 31, 2016.

Name	Designation	Nature of Employment	Remuneration* (in lakhs)	Qualification & Experience	Date of Employment	Age	Previous Employment	Percentage of shares held by the Employee	Relative of a Director / Manager or not
Charath Ram Narsimhan	CEO	Full Time	739.00	BTech (IIT), PGDBM (IIM), 19 years	07/11/2005	43	Madura Garments	3.57%	No

* On earned CTC basis including perquisites



**ANNEXURE - II TO DIRECTORS REPORT
FORM NO. AOC -2**

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

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

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

Sl. No	Particulars	Details
1	Name (s) of the related party & nature of relationship	NIL
2	Nature of contracts/ arrangements/transaction	
3	Duration of the contracts/ arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Sl. No	Particulars	Details	Details
1	Name (s) of the related party	Celebrity Fashions Limited.	Celebrity Fashions Limited.
2	Nature of Relationship	Mr.Venkatesh Rajagopal & Mrs. Rama Rajagopal, Directors of Indian Terrain Fashions Limited are also Directors in Celebrity Fashions Limited	Mr.Venkatesh Rajagopal & Mrs. Rama Rajagopal, Directors of Indian Terrain Fashions Limited are also Directors in Celebrity Fashions Limited
3	Nature of contracts/ arrangements/ transaction	Jobwork Charges, Material Purchases and Lease Rentals of Property	Purchase of Immovable Property
4	Duration of the contracts/ arrangements/ transaction	Not Applicable	Not Applicable

5	Salient terms of the contracts or arrangements or transaction including the value, if any	Upto Maximum of Rs.40 Crores in any financial year	Upto Maximum of Rs.16 Crores for a transaction
6	Date of approval by the Board	13th November 2014	23rd October 2015
7	Amount paid/ Received as advances, if any (Rs.in Crores)	NIL	NIL

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

ANNEXURE - III TO DIRECTORS REPORT

Employee Stock Option

During the Financial Year 2011-12 the company has formulated an Employee Stock Option Scheme in accordance with the provision of (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines,1999)

Particulars	ESOP-2011
Options Granted	11,16,000 options
The Pricing Formula	Growth options - 8,86,000 options at Rs.99/- each; Thank You options-2,30,000 options at Rs.10/- each
Total number of shares arising as result of exercise of options	11,16,000 Equity Shares
Options Cancelled / Lapsed up to 31.03.2015	5,21,500 options
Options Exercised up to 31.03.2015	1,92,500 options
Balance options Available in the beginning of the year before Sub Division	4,02,000 options
Conversion of options subsequent to sub division of shares of Rs. 10/- per share to Rs.2/- per share	20,10,000 options
Options Vested during 2015-16	6,70,000 options
Options exercised after sub division	7,80,000 options
Total number of options in force as on 31.03.2016	12,30,000 options



Variation of terms of Options	<p>Growth Options: Subject to continued employment with the Company and fulfilment of performance parameters determined by Compensation Committee.</p> <p>Thank You Options: Subject to continued employment with the Company</p>
Money realised by exercise of options	Rs. 1,54,44,000/- (7,80,000 options at Rs.19.80/-)
Exercise Price	Rs. 19.80
Employee wise details of options granted to	
a. Senior Managerial Personnel	11,16,000 options (detailed below before sub division)
b. Employees receiving 5% or more of the total number of options granted during the year	11,16,000 options (detailed below before sub division)
c. Identified employees who were granted option during anyone year equal to or exceeding 1% of the issued capital of the Company at the time of grant	Mr.Charath Ram Narsimhan Mr.Amitabh Suri Mr.S.Surya Narayanan

Shares Granted to Senior Management

Employee Name	Total Options	Growth Options	Thank you Options	% of Issued Capital
Charath Ram Narsimhan	5,00,000	3,90,000	11,0,000	9%
Amitabh Suri	3,35,000	2,80,000	55,000	6%
S.Surya Narayanan	2,25,000	1,70,000	55,000	4%
John Dulip kumar	56,000	46,000	10,000	1%
Total	11,16,000	8,86,000	2,30,000	20%

*The above options were granted before Sub division.

*56,000 options granted to Mr.John Dulip Kumar stands cancelled subsequent to his resignation in the financial year 2011-12.

*1,97,500 options granted to Mr. S.Surya Narayanan stands cancelled subsequent to his resignation in the financial year 2012-13.

*1,56,000 Growth options granted to Mr. Charath Narsimhan stands lapsed due to performance parameter.

*1,12,000 Growth options granted to Mr.Amitabh Suri stands lapsed due to performance parameter.

Employees receiving in excess of 5% under ESOP

Employee Name	Total Options	Growth Options	Thank you Options	% of Issued Capital
Charath Ram Narsimhan	5,00,000	3,90,000	1,10,000	45%
Amitabh Suri	3,35,000	2,80,000	55,000	30%
S.Surya Narayanan	2,25,000	1,70,000	55,000	20%
John Dulip kumar	56,000	46,000	10,000	5%
Total	11,16,000	8,86,000	2,30,000	20%

*The above options were granted before Sub division.



FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended 31st March 2016 Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION DETAILS

- i. CIN : L18101TN2009PLC073017
- ii. Registration Date : 29.09.2009
- iii. Name of the Company : INDIAN TERRAIN FASHIONS LIMITED
- iv. Category / Sub-Category of the Company : Company Limited by shares
- v. Address of the Registered office and contact details : 208, Velachery Tambaram Road,
Narayanapuram, Pallikaranai, Chennai-600 100.
Ph No.044-4227 9100
email id : manikandan.j@indianterrain.com
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Pvt Ltd
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup(w), Mumbai-400 078
Phone No.022-25963838: Fax No.022 25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

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

(Beginning of the year converted in line with sub division of shares)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	11087550	Nil	11087550	30.86	11086100	Nil	11086100	30.20	(0.66)
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.s	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(1)	11087550	Nil	11087550	30.86	11086100	Nil	11086100	30.20	(0.66)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	11087550	Nil	11087550	30.86	11086100	Nil	11086100	30.20	(0.66)
B.Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	7538450	Nil	7538450	20.98	7734685	Nil	7734685	21.07	0.09
b) Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Foreign Institutional Investors	1940310	Nil	1940310	5.40	824945	Nil	824945	2.25	(3.15)
g) Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	9478760	Nil	9478760	26.38	8559630	Nil	8559630	23.32	(3.06)
(2) Non-institutions									
a) Bodies Corporate	3719655	Nil	3719655	10.35	4081844	Nil	4081844	11.12	0.77
b) Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	4776775	1195	4777970	13.30	4925959	1445	4927404	13.42	0.12
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3364870	Nil	3364870	9.36	3344355	Nil	3344355	9.11	(0.25)
c) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Any Other (specify) Clearing Members	203605	Nil	203605	0.57	127464	Nil	127464	0.35	(0.22)
e) Foreign Portfolio Investor (Corporate)	1039675	Nil	1039675	2.89	2446640	Nil	2446640	6.66	3.77



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Non Resident Indians	414065	Nil	414065	1.15	292723	Nil	292723	0.80	(0.36)
g) Foreign Companies	1845140	Nil	1845140	5.14	1845140	Nil	1845140	5.03	(0.11)
h) Any others Specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(2)	15363795	1195	15364990	42.76	17064125	1445	17065570	46.49	3.72
Total Public Shareholding (B)= (B)(1)+(B)(2)	24842555	1195	24843750	69.14	25623755	1445	25625200	69.80	0.66
C. Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GRAND TOTAL (A)+(B)+(C)	35930105	1195	35931300	100.00	36709855	1445	36711300	100	Nil

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % Change in Share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total share	
1	Venkatesh Rajagopal	4747115	13.21	10.64	4747115	12.93	10.41	Nil
2	Rama Rajagopal	6202930	17.26	10.64	6202930	16.90	10.41	Nil
3	Vidyuth Rajagopal	134995	0.38	0.00	134995	0.37	0.00	Nil
4	Rajagopalan.K.A	920	0.00	0.00	920	0.00	0.00	Nil
5	Anjali Rajagopal	140	0.00	0.00	140	0.00	0.00	Nil
	Total	11086100	30.86	21.28	11086100	30.20	20.82	(0.66)

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

Sl.No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	No Changes in Promoters Shareholding during the year			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc):	No Changes in Promoters Shareholding during the year			
	At the end of the Year	No Changes in Promoters Shareholding during the year			



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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	SBI Small And Midcap Fund	3382470	9.41	3529000	9.61
2	DSP Blackrock Small And Midcap Fund	2862975	7.97	2848860	7.76
3	New Vernon Private Equity Limited	1845140	5.14	1845140	5.03
4	Malabar India Fund Limited	1039675	2.89	1763275	4.80
5	Bennett Coleman And Company Limited	1316820	3.66	1316820	3.59
6	HSBC India Opportunities Fund	1193005	3.32	1193005	3.25
7	Amundi Funds A/C Amundi Funds Equity India Select	791000	2.20	421000	1.15
8	Eos Multi Strategy Fund Ltd	764445	2.13	764445	2.08
9	Charath Ram Narsimhan	545000	1.52	1310000	3.57
10	Param Capital Research Private Limited	500000	1.39	525000	1.43

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Venkatesh Rajagopal-Chairman & Managing Director	4747115	13.21	4747115	12.93
	At the beginning of the year				
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	4747115	13.21	4747115	12.93
2	Rama Rajagopal-Whole Time Director				
	At the beginning of the year	6202930	17.26	6202930	16.90
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	6202930	17.26	6202930	16.90
3	M.Thiagarajan-Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	-	-	-	-
4	J.Manikandan-Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	-	-	-	-



V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i.Principal amount	3934.54	0.00	0.00	3934.54
ii.Interest due but not paid	0.00	0.00	0.00	0.00
iii.Interest accrued but not due	0.00	0.00	0.00	0.00
Total(i+ii+iii)	3934.54	0.00	0.00	3934.54
Change in Indebtedness during the financial year				
Addition	539.26	0.00	0.00	539.26
Reduction	0.00	0.00	0.00	0.00
Net Change	539.26	0.00	0.00	539.26
Indebtedness at the end of the financial year				
i.Principal amount	4473.80	0.00	0.00	4473.80
ii.Interest due but not paid	0.00	0.00	0.00	0.00
iii.Interest accrued but not due	0.00	0.00	0.00	0.00
Total(i+ii+iii)	4473.80	0.00	0.00	4473.80

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Venkatesh Rajagopal-Chairman & Managing Director	Rama Rajagopal-Whole Time Director	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	42.00	42.00	84.00
	(b) Value of Perquisites u/s 17(2) Income-tax Act,1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	-as % of profit -others,Specify	Nil	Nil	Nil
5	Others,please specify	Nil	Nil	Nil
	Total (A)	42.00	42.00	84.00

B. Remuneration to other directors: (Amount in Lakhs)

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		N.K.Ranganath	P.S.Raman	Harsh Bahadur	Manoj Mohanka	
1	Independent Directors Fee for attending Board/Committee Meetings	3.13	0.52	2.05	2.05	7.75
	Commission	Nil	Nil	Nil	Nil	Nil
	Others,Please specify	Nil	Nil	Nil	Nil	Nil
	Total(1)	3.13	0.52	2.05	2.05	7.75
2	Other Non-Executive Directors Fee for attending Board/Committee Meetings	Nil	Nil	Nil	Nil	Nil



S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		N.K.Ranganath	P.S.Raman	Harsh Bahadur	Manoj Mohanka	
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, Please specify	Nil	Nil	Nil	Nil	Nil
	Total(2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	3.13	0.52	2.05	2.05	7.75
	Total Managerial Remuneration	3.13	0.52	2.05	2.05	7.75

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No	Particulars of Remuneration	In lakhs	In lakhs	In lakhs
		CFO	CS	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.07	14.49	29.56
	(b) Value of Perquisites u/s 17(2) Income –tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission -as % of profit -others, Specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	15.07	14.49	29.56

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Place : Chennai
Date : 30th May 2016

For and on Behalf of the Board
V. Rajagopal
Chairman & Managing Director



**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To,
The Members,
INDIAN TERRAIN FASHIONS LIMITED,

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

Based on our verification of Indian Terrain Fashions Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Indian Terrain Fashions Limited for the financial year ended 31st March, 2016 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (g) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (vi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (vii) Other laws applicable to the Company as per the representations made by the Management.

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

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

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

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

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.

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



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

For BP & Associates
Company Secretaries

Date : 30th May 2016
Place : Chennai

S.Bhaskar
Partner
ACS No: 10798
CP No: 8315

'ANNEXURE A'

To

The Members,
Indian Terrain Fashions Limited,
208, Velachery Tambaram Road,
Narayanapuram, Pallikaranai,
Chennai - 600100

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

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

For BP & Associates
Company Secretaries

Date : 30th May 2016
Place : Chennai

S.Bhaskar
Partner
ACS No: 10798
CP No: 8315

Annexure- VI

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Corporate Social Responsibility Policy –

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

During the year, our company undertaken a project "Empowering woman entrepreneurs through innovative social enterprise" through an implementing agency M/S Action of Human Movement (AHM)

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

The Web link of the CSR Policy is <https://www.indianterrain.com/pdf/CSR-POLICY-OF-ITFL.pdf>

2. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 the Board of Directors have in the Board Meeting held on May 20, 2014 Constituted CSR Committee consisting of Mr. N. K. Ranganath – Chairman, Mr. V. Rajagopal- Member and Mrs. Rama Rajagopal – Member.

The board of directors in their Meeting held on May 30, 2016, Re-Constituted the CSR committee consisting of Mrs. Rama Rajagopal - Chairman, Mr. V. Rajagopal and Mr. N. K. Ranganath - Member and Mr. Charath Ram Narsimhan – Representative of Management.

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

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

4. Prescribed CSR Expenditure (2% of the amount as in Item No.3) : 0.27 Crores

5. Details of CSR Spent during the Financial year:

- a. Total amount to be spent for the financial year – Rs. 27,00,000/-
- b. Amount unspent, if any – Nil



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

CSR project or activity identified	Sector in which the project is covered	Projects or programs Local area or other state or district where projects or program was undertaken	Amount Outlay (Budget)	Amount spent on the programs or projects	Cumulative expenditure upto the reporting period	Amount Spent: Direct or Implementing agency
Contribution towards Empowering women entrepreneurs through innovative social enterprise	Empowerment of Women	Kancheepuram District	27 lakhs	27 lakhs	27 lakhs	Implementing Agency - Action of Human Movement

6. Reason for failure to spend two percent of the average net profit of the last three financial years or any part thereof – Not Applicable

7. The Corporate Social Responsibility Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Mr. V. Rajagopal

(Chairman and Managing Director)
DIN: 00003625

Mr. N. K. Ranganath

(Chairman CSR Committee)
DIN: 00004044

MANAGEMENT DISCUSSION AND ANALYSIS 31ST MARCH 2016

This Management Discussion and Analysis Report is prepared in adherence to the spirit enunciated in the Code of Corporate Governance, approved by the Securities and Exchange Board of India and in compliance with the provisions of the Listing Agreement and SEBI (LODR) Regulations, 2015.

Economic Overview

India has emerged as the fast growing major economy in the world. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms and RBI's inflation focus supported by benign price situation. The lower commodity prices and the relatively tight monetary stance have resulted in faster than expected fall in inflation, making room for nominal interest rate cuts.

India's growth is expected to continue and is to be driven by private consumption, which has benefitted from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

The Economic Survey 2015-16 has forecasted that the Indian economy will be growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in the next two years.

Industry Overview

The Indian retail industry accounts for over ten percent of the country's Gross Domestic Product and around eight percent of the employment. The industry is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015 driven by income growth, urbanization and attitudinal shifts.

The domestic branded apparel market is expected to grow at a CAGR of 10-12%. The benign inflation and a spurt in GDP are bound to induce consumers to spend more, boosting discretionary consumption over the medium term. Further the favorable demographics of a younger population, influenced by Western Culture, along with improved affordability and willingness to spend on one's look and image, higher GDP per capita spending on apparel, a shrinking unorganized sector pie and burgeoning middle class will also augment the industry's growth.

The other prominent trend is that branded apparel segment is changing consumer preferences. Also, price sensitivity has been replaced by quality, brand recall and aesthetics.

Added to the above, e-Commerce has brought about a revolution in the shopping model of India.

The increasing time-poverty, changing lifestyles, convenience and flexibility of shopping from anywhere, dramatic penetration of IT devices and communication solutions and emergence of exciting new 'virtual reality' technologies are contributing to the expansion of apparel e-retailing.

While in India, the online retail has become popular only over the last few years, online retail has been a part of global retail industry for almost a decade now. Despite this, global online retail constitutes only about 8% to 10% of the total retail.

Physical store continue to persevere as the preferred channel for now, even in the wake of disruptors, the e-tailers. However as consumers move continuously between online and physical channels, the difference between online and in-store shopping is getting diminished and reaching out to consumers through all shopping channels is becoming the need of the time.

Financial Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, and Generally Accepted Accounting Principles (GAAP) in India.

The management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgment relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs and profits for the year.



Financial Highlights

Rs. In Crores

	2015-16	2014-15
Income From operations	325.01	290.41
PBITD	46.23	34.30
Interest	6.94	8.63
PBDT	39.29	25.67
Depreciation	2.31	2.92
Profit/ (Loss) Before Tax	36.98	22.75
Provision for Taxation	3.96	4.77
Net Profit / (Loss) after Tax	33.02	17.98

The year 2015-2016 was a year of consolidation with due recognition to the fact that mere growth is no more seen as the success measure. Profitability remained the key focus and the Company built strategies around the same.

The expansion plans encircled the above strategy with the brand adding a net of 7 stores (Gross of 22 stores) and also remodeling its distribution strategies in North enabling deeper penetration into the markets. The category extension into Boys wear received an encouraging response and the category will witness full year of operations in FY 2016-17.

The outlook for the next year remains positive and to maintain the competitive advantage, the brand is reinventing itself in keeping with the changing times and evolving customers. The Company believes that it is well positioned to deliver superior performance driven by the strong brand equity, healthy financial position and a highly focused team.

Internal Control Systems and their Adequacy

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

Risk Management

The Company is exposed to the following risks:

Interest Rate Risk - The Company's debt profile includes Working Capital loans and Term loans. The interest rates have softened during the course of the year. The debt rating of the Company as assigned by CRISIL is BBB-/Stable and the Company's pricing has been linked to the same by its lenders.

Raw material Pricing Risk – The Company is exposed to pricing risk of its raw materials and finished goods. The Company mitigates these risks through proactive vendor development and also through strong marketing network.

Regulatory Risks – The Company is exposed to risks attached to various statutory regulations. The Company mitigates this risk through constant review of legal compliances / updates.

Human Resources

The top priorities of the Company include measures for employees' safety, their welfare and development. The Company had 463

employees as on 31st March 2016. The Company is in the process of adopting a targeted approach to training, appraisal and retention of leaders and its employees.

Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance

Indian Terrain Fashions Limited focuses Corporate Governance as a key driver of sustainable corporate growth and a powerful medium to achieve the company's goal of maximizing value for all its stakeholders. Sound corporate governance strengthens investors' trust and enables the company to fulfill its commitment towards the customers, employees and the society in general. Indian Terrain Fashions Limited believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring.

The company philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision and internal controls, risk management, internal and external communications, high standard of safety, health, accounting fidelity, product and service quality. The company has a strong legacy of fair and ethical governance practices.

Board of Directors

The Board of Directors of the Company possess highest personal and professional ethics, integrity and values, and provides leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures.

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of six members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Managing Director and CEO under the supervision of the Board.

Composition of the Board

The Board is constituted in the manner, which will result in an appropriate mix of Executive / Non executive independent directors to ensure proper governance and Management.

During the financial year 2015-16, the Board consisted of six Directors. Mr.V.Rajagopal is the Chairman and Managing Director and Mrs. Rama Rajagopal is the Executive Director & Woman Director and Mr.P.S.Raman, Mr.N.K.Ranganath, Mr. Harsh Bahadur and Mr. Manoj Mohanka were the Independent Directors. The number of independent directors on the Board is more than half of its strength.



Thus the Company meets the requirements of composition of the Board according to the Regulation 17 of SEBI (LODR) Regulations, 2015.

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except the Chairman and Managing Director and Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The familiarization programmes imparted to independent directors is disclosed in the Company's website: www.indianterrain.com

Attendance of Each Director at the Board Meetings and the Last AGM

During the financial year 2015-16, the Board met Seven (07) times on 21st May 2015, 11th August 2015, 23rd October 2015, 7th November 2015, 7th December 2015, 7th January 2016 and 10th February 2016.

Details of attendance of each director at the Board Meetings and in the last Annual General Meeting and number of directorships / committee memberships held by them as on 31st March 2016 are as follows:

Name of the Director	Category	Attendance at the Board Meetings	Attendance at the Last AGM	Number of other Directorships held**	Other Committee Membership ***	
					Member	Chairman
Mr. V. Rajagopal Chairman and Managing Director	Executive / Promoter	7/7	Yes	1	2	-
Mrs.Rama Rajagopal* Executive Director	Executive / Promoter & Woman	6/7	No	1	-	-
Mr.P.S.Raman Director	Independent Non Executive	1/7	No	2	4	-
Mr.N.K.Ranganath Director	Independent Non Executive	7/7	Yes	2	-	4
Mr. Harsh Bahadur Director	Independent Non Executive	4/7	No	1	1	-
Mr. Manoj Mohanka Director	Independent Non Executive	4/7	No	7	4	-

Notes:

* Mrs. Rama Rajgopal, Executive Director (spouse of Mr. V.Rajagopal, Chairman & Managing Director)

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

*** Only membership of audit committee and Stakeholders Relationship committee has been taken into consideration.

Access to information and updation to Directors

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

COMMITTEES OF THE BOARD

The Board in order to be effective had constituted an Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee.

AUDIT COMMITTEE

The Audit Committee plays an important role in financial reporting of performance and review of internal control procedure. Apart from all the matters provided in Listing Agreement read with Part- C of Schedule II of SEBI (LODR) Regulations 2015 and section 177 of the Companies Act 2013, the Audit Committee reviews reports of the internal auditor, statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

Composition:

The Company consists of qualified and independent Audit Committee. The committee consists of five members Mr.N.K.Ranganath, Non-executive independent director as its Chairman, Mr.V.Rajagopal, Mr. Harsh Bahadur, Mr. Manoj Mohanka and Mr. P.S. Raman as its members. All the members of the Committee have excellent financial and accounting knowledge.

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies and internal audit reports. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendation(s), before taking the same to the Board. The Committee also reviews the management discussion and analysis of financial conditions and results of operations, related party transactions.

The Committee met 5 times on 21st May 2015, 11th August 2015, 23rd October 2015, 7th November 2015 and 10th February 2016 during the financial year ended 31st March 2016, where in all the committee members were present except Mr. Manoj Mohanka and Mr. Harsh Bahadur were not present for the meeting dated 23rd October 2015 and Mr. P.S. Raman was not present for the meetings held on 7th November 2015 and 10th February 2016.

The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September 2015 to answer the shareholders' queries.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Listing Agreement read with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The Committee consists of four non-executive independent directors, Mr.N.K.Ranganath as its Chairman, Mr.P.S.Raman, Mr.Harsh Bahadur and Mr. Manoj Mohanka as its members.

During the year the Committee met 2 times on 11th August 2015, and 14th November 2015 where in all the committee members were present except Mr. P.S. Raman was not present for the meeting dated 11th August 2015 and Mr. Harsh Bahadur and Mr. Manoj Mohanka were not present for the meeting dated 14th November 2015.

The Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board the policy relating to the remuneration for the directors, Key Managerial Personnel and other employees and evaluation of Independent Directors and the Board. It identifies 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 their appointment and removal and carry out evaluation of every director's performance. The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September 2015 to answer the shareholders' queries.

Remuneration Policy

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

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

Details of Remuneration to Directors

The Non executive directors do not draw any remuneration from the Company other than the sitting fees for attending each meeting of the Board and committees thereof. The Company pays sitting fees of Rs.25,000/- to all the non-executive directors for attending each meeting of the Board, Audit Committee and Independent Directors meetings and Rs.2500/- for all other Committee meetings thereof which is within the limits prescribed under the Companies Act, 2013.

During the financial year 2015-16, the sitting fee paid to Non - Executive Directors were as under:

Name of the Director	Sitting Fees (includes the fees paid for Committee Meetings) Rs.
Mr. N.K .Ranganath	3,12,500
Mr. P.S.Raman	52,500
Mr. Harsh Bahadur	2,05,000
Mr. Manoj Mohanka	2,05,000

There are no other particular pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company. The Company pays remuneration by way of Salary, perquisites and allowances to the Managing Director and Executive Directors. Details of the remuneration and perquisites paid to the whole time directors are as under:

Name of the Director	Salary (Rs. in Lakhs)	Retirement Benefits	Total (Rs. in Lakhs)
Mr. V Rajagopal	42.00	Nil	42.00
Mrs.Rama Rajagopal	42.00	Nil	42.00

In addition to the above, the whole time directors shall be entitled to suitable mediclaim policy for hospitalization and reimbursement of

all actual medical expenses for themselves and their family to the extent not reimbursed under Mediclaim policy. They shall be entitled to telephone, fax and other communication facilities at their residence at company's cost. They are entitled to a fully maintained company car for company's business and the company shall pay the cost of vehicle, inclusive of driver. They shall also be entitled to reimbursement of all actual expenses or charges, including travel, entertainment and other out of pocket expenses incurred by them for and on behalf of the Company, in furtherance of its business and objects.

ESOP

During the year under review, Mr. Charath Ram Narsimhan, CEO had exercised 7,80,000 Employee Stock options granted to him under Growth Options. On 10th February 2016, the Company had allotted the aforesaid 7,80,000 shares at an exercise price of Rs.19.80 per share.

Stakeholders Relationship Committee

The Committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates, etc. The Committee also looks into the redressal of investors' grievances pertaining to transfer of shares and dematerialization, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Committee consists of three members and Mr.N.K.Ranganath, Non executive independent director as its Chairman and Mr. P.S.Raman, Mr.V.Rajagopal its members.

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

During the year ended 31st March 2016, the Committee met once on 10th February 2016 and there were no complaints pending to be resolved. The Chairman of the Committee was present at the Company's Annual General Meeting held on 25th September 2015 to answer the shareholders' queries.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr.J.Manikandan, company secretary is the compliance officer of the company. For any clarification / complaint the shareholders may contact Mr.J.Manikandan, company secretary at the Corporate office of the company.

Risk Management Committee

The Risk Management Committee was constituted in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Business Risk Evaluation and Management (BRM) is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The Committee consists of Mr.V.Rajagopal as its Chairman and Mrs.Rama Rajagopal as Member

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

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring,



mitigation and reporting of risks. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan. There was no meeting held by the committee during the year.

Corporate Social Responsibility Committee

As required under section 135 of the Companies Act 2013, the company has formed CSR committee consisting of Mr.N.K.Ranganath-Chairman, Mr.V.Rajagopal-Member and Mrs.Rama Rajagopal-Member.

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

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

During the year ended 31st March 2016, the CSR Committee met once on 10th February, 2016.

Meeting Of Independent Directors

During the year under review, the Independent Directors met on 10th February 2016, inter alia to discuss:

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

Where in all the Independent Directors were present except Mr. P S Raman.

Subsidiary Companies

The Company has no subsidiary Companies.

General Body Meetings

The details of the last three Annual General Meetings (AGMs) held were as under:

Financial year	Day and Date	Time	Venue
2014-15	Friday, 25th September, 2015	11.30 A.M	Corporate Office, SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.
2013-14	Monday, 29th September, 2014	11.00 A.M	Corporate Office, SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.
2012-13	Monday, 23rd September, 2013	11.00 A.M	Corporate Office, SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.

The following special resolutions were passed by the members during the last 3 annual general meetings:

AGM held on 25.09.2015

No special Resolution was passed at the AGM Held on 25.09.2015

AGM held on 29.09.2014

- Revision in terms of Remuneration to Mr. V.Rajagopal, Chairman & Managing Director
- Revision in terms of Remuneration to Mrs. Rama Rajagopal, Executive Director
- Borrowing powers of the Company

AGM held on 23.09.2013

- Revision in terms of Remuneration to Mr. V.Rajagopal, Chairman & Managing Director
- Revision in terms of Remuneration to Mrs. Rama Rajagopal, Executive Director
- Re-appointment of Mrs. Rama Rajagopal as Executive Director of the Company

EGM / Postal Ballot / E-voting during 2015-16

No Extraordinary General Meeting was held during the financial year. The details of Special Resolution(s) passed through Postal Ballot, Voting Pattern and Procedure for Postal Ballot are as under:

The Company successfully completed the process of obtaining approval of its Members on the following resolutions through postal ballot during the year 2015-16.

I. Postal Ballot Notice dated 11th March 2015

- Approve the transactions with Related Party.
- The Board of Directors of the Company had appointed Mr. Bhaskar Swaminathan, Practising Company Secretary, as the Scrutinizer for conducting the postal ballot/ e-voting process.
 - The Company had completed the dispatch of the Postal Ballot Notice dated 11th March 2015 together with the Explanatory Statement on 19th March 2015, along with forms and postage prepaid self addressed business reply envelope to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 06th March 2015.
 - The e-voting period commenced on Friday, 20th March 2015 (9 a.m.) and ended on Saturday, 18th April 2015. (6 p.m.)
 - Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
 - The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
 - All postal ballot forms received upto 5.00 PM on 18th March 2015, had been considered for his scrutiny and envelopes containing postal ballot forms received after this had not been considered for his scrutiny.
 - The results of postal ballot were declared on 21st April 2015.

II. Postal Ballot Notice dated 23rd October 2015

- Sub-division of Equity shares from the Face Value of Rs.10/- per share to Rs.2/- per share.
- Alteration of the Capital Clause in the Memorandum of Association.



3. Alteration of the Capital Clause of the Articles of Association.
 4. Alteration of Articles of Association.
 5. Purchase of Immovable Property from Related Party.
- The Board of Directors of the Company had appointed Mr. Bhaskar Swaminathan, Practising Company Secretary, as the Scrutinizer for conducting the postal ballot/ e-voting process.
 - The Company had completed the dispatch of the Postal Ballot Notice dated 23rd October 2015 together with the Explanatory Statement on 1st November 2015, along with forms and postage prepaid self addressed business reply envelope to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 16th October 2015.
 - The e-voting period commenced on Monday, 2nd November 2015 (9 a.m.) and ended on Tuesday, 1st December 2015. (5 p.m.)
 - Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
 - The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
 - All postal ballot forms received upto 5.00 PM on 01st December 2015, had been considered for his scrutiny and envelopes containing postal ballot forms received after this had not been considered for his scrutiny.
 - The results of postal ballot were declared on 7th December 2015.

Code of conduct

The Company has adopted a Code of Conduct for all board members and senior management of the Company. The Code has been communicated to the directors and the members of the Senior Management of the Company. The code has been displayed on the Company's website namely www.indianterrain.com. All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31st March 2016. The annual report contains a declaration to this effect signed by the Chairman and Managing Director of the Company.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors/officers and designated employees of the company. The code regulates dealing in shares by the persons having access to the unpublished price sensitive information.

CEO / CFO CERTIFICATION

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

Related party transactions

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

The Company already took approval from the shareholders for a contract value of 40 Crores towards related party transactions on Purchase of Raw Materials, Issue of Job Work Orders and lease

rentals. Further to above, during the year, the Company took approval from the Shareholders for the purchase of Property from M/s Celebrity Fashions Limited for its warehousing operations.

The above transaction with M/s. Celebrity Fashions Limited was on prevailing market conditions and at arm's length basis. However, in absence of any specific definition of term 'ordinary course of business', as a matter of prudence, the company took approval of the shareholders for the above mentioned transaction.

The Register of Contracts containing transactions, in which Directors are interested, is placed before the board regularly.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. (www.indianterrain.com)

The Company has complied with the requirements of SEBI and stock exchanges on the matters relating to capital markets as applicable from time to time. There has been no instance of non-compliance by the company or penalty, strictures imposed on company by the stock exchanges or SEBI or any statutory authority, on any matter relating to capital markets, during last three years.

The company has complied with all the mandatory requirements of the code of corporate governance prescribed by the stock exchanges. In compliance with non-mandatory requirements, the company has constituted a Nomination and Remuneration Committee.

Whistle Blower Policy/Vigil Mechanism

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

Means of Communication

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 days from the close of the financial year as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies/analysts and are published within forty-eight hours in leading English and Tamil daily newspapers. The audited financial statements form part of the Annual Report which is sent to the Members in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website: www.indianterrain.com and can be downloaded.



GENERAL SHAREHOLDERS INFORMATION

Financial Year

1st April to 31st March

Annual General Meeting and Date of Book Closure

This Corporate Governance Report was taken on record by the Board in their meeting held on 30th May 2016. The date and venue of the Annual General Meeting was not finalized in the Board Meeting. Hence the details as to the Schedule of Annual General Meeting and the dates of Book Closure have not been provided.

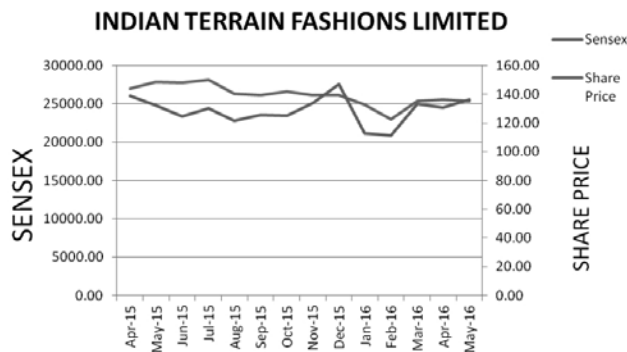
Listing on Stock Exchanges

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Stock Code: "533329"	National Stock Exchange of India Limited Exchange Plaza, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Stock Code: "INDTERRAIN"
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Market Price data (Share price in Rs.)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-15	804.75	615.00	92864	805.65	611.15	263267
May-15	718.00	585.50	39556	721.30	595.00	142204
Jun-15	672.00	599.00	47102	675.00	575.00	132078
Jul-15	707.00	622.25	69935	709.00	611.95	237579
Aug-15	721.00	560.00	71651	725.00	550.00	210938
Sep-15	638.00	586.00	14439	642.00	580.00	62854
Oct-15	709.00	610.00	26708	712.00	612.05	65846
Nov-15	700.00	598.00	46613	700.00	590.00	99351
Dec-15	744.00	139.25	311648	743.80	140.00	596474
Jan-16	150.00	110.50	282463	151.50	110.40	1506536
Feb-16	123.90	102.10	167936	118.75	102.00	985442
Mar-16	143.80	109.80	460333	144.90	110.00	1172599

Indian Terrain Fashions Limited Share Price Performance in comparison with BSE Sensex



Note: Above chart indicates the share price, taking into consideration the stock split from Rs. 10 per share to Rs. 2 per share.

Registrar and Share Transfer Agents

M/s. Link Intime India Private Limited, Mumbai are the Registrar and Share Transfer agents for handling physical and electronic registry work. The Shareholders are requested to address their share related requests/ queries to the RTA. The contact address of the registrar and share transfer agent is as follows:

M/s. Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W), Mumbai 400 078
Tel: + 91 22 2596 3838
Fax : + 91 22 2596 2691
Website : www.linkintime.co.in

Share Transfer System

The Board has delegated the powers to approve share transfers, transmissions, rematerialisation by constituting a Stakeholders Relationship Committee. As 99.99% of the shares were held in dematerialized mode, the transfers of those shares were done through the depositories with no involvement of the company.

The physical share transfer, transmissions are processed based on number of requests received. The shares lodged for transfers are processed and registered as per the requirements of the listing agreement and listing regulations if the documents are complete in all respects.

Distribution of Shareholding:

Distribution of Shareholding as on 31st March 2016 is as under:

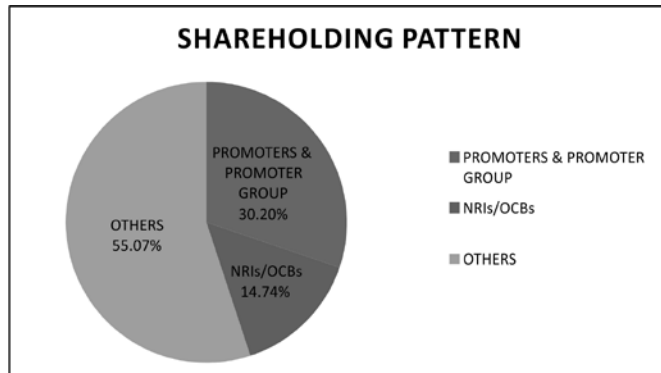
Range	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1-500	1151371	2302742	3.14%	9826	85.78%
501-1000	529549	1059098	1.44%	700	6.11%
1001-2000	578401	1156802	1.58%	399	3.48%
2001-3000	342826	685652	0.93%	134	1.17%
3001-4000	269642	539284	0.73%	77	0.67%
4001-5000	335142	670284	0.91%	72	0.63%
5001-10000	709038	1418076	1.93%	96	0.84%
Greater than 10000	32795331	65590662	89.33%	151	1.32%
TOTAL	36711300	73422600	100.00%	11455	100.00%

Shareholding Pattern as on 31st March 2016

Category	No. of Shares	%
Promoter and promoter group		
Promoter and promoter group	11086100	30.20
Sub Total	11086100	30.20
NRIs/OCBs		
Foreign Company	1845140	5.03
Foreign Nationals		
Non Resident Indians	292723	0.80
Foreign Institutional Investors	824945	2.24
Foreign Portfolio Investor	2446640	6.66
Sub Total	5409448	14.73
Others		
Clearing Members	127464	0.35
Private Corporate Bodies	4081844	11.12
Mutual Funds	7734685	21.07
Public	7790444	21.22
Others	481315	1.31
Sub Total	20215752	55.07
Total	36711300	100.00



Graphical Representation of the Shareholding pattern



Dematerialisation of Shares and liquidity

The Equity Shares of the company were admitted in the following depositories under International Securities Identification number (ISIN) No. INE611L01013 considering the benefits embedded in holding and trading of the securities in electronic form.

Name of the depository	Address
National Securities Depository Limited	4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	28th Floor, Phiroze Jee Jeebhoy Towers, Dalal Street, Mumbai - 400 001.

As at 31st March 2016, 36709855 Equity shares aggregating to 99.99% were held in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments up to the financial year 2015 - 16.

Address for correspondence

Indian Terrain Fashions Limited
Registered Office
 No:208, Velachery Tambaram Road,
 Narayanapuram, Pallikaranai,
 Chennai 600 100
 Tel: 91 44 4345 3000
 Fax:91 44 4345 3202

Corporate Office

SDF - IV & C2, 3rd Main Road,
 MEPZ - SEZ, Tambaram,
 Chennai 600 045.
 Tel : + 91 44 43432200
 Fax : +91 44 22622897, 22628184
 Email : investorservices@indianterrain.com
 Website : www.indianterrain.com

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
 The Members
Indian Terrain Fashions Limited

We have examined the Compliance of conditions of Corporate Governance by Indian Terrain Fashions Limited for the year ended 31st March 2016, as stipulated under Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Date : May 30, 2016
 Place : Chennai

For CNGSN & Associates LLP
 Chartered Accountants
 C.N. Gangadaran
 Partner
 Membership No.11205
 F.R.No.004915S

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Directors and Senior Management Personnel. The Code of Conduct is posted on the Company's website. I confirm that the Company has in respect of the financial year ended March 31, 2016, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors as on March 31, 2016.

Date : 30th May 2016
 Place : Chennai

V Rajagopal
 Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Terrain Fashions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Terrain Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in



accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Companies Act, 2013 we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act; and
- f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g. 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, 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 as referred to in Note 27(c) 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; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

for CNGSN & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number
004915S/S 200036

G. ANIL
Partner
Membership Number 22450

C.N. GANGADARAN
Partner
Membership Number 11205

Place: Chennai
Date: May 30, 2016

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Indian Terrain Fashions Limited ("the Company") on the financial statements for the year ended March 31, 2016, we report that:

1. In respect of its Fixed Assets:

- a. On the basis of available information, we report that the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner, designed to cover all the items over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.



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

2. In respect of its inventories :

a. As explained to us, the inventories of the Company have been physically verified during the year by the management at reasonable intervals.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. According to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification of inventories as compared with book records.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore in our opinion, the provisions of clause (iii) (a) (b) and (c) of paragraph 3 of the said Order are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore in our opinion the provisions of Clause (v) of paragraph 3 of the Order (as amended) are not applicable to the Company.

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

7. In respect of statutory dues:

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance scheme, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the following dues of CENVAT have not been deposited by the company on account of disputes:-

Name of the Statute	Nature of Dues	Forum Where the dispute is pending	Period to which the amount relates	Amount (in ₹ Lakhs)
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	February 2012 to April 2012	47.43
Central Excise Act, 1944	Excise duty	Appellate Tribunal, Central Excise & Service Tax, Chennai	May 2012 to September 2012	32.18

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

8. Based on our audit procedures and according to the information and explanations given to us, by the management we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to a financial institution, bank or government. The company has not issued any debentures.

9. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised in our opinion have been applied by the Company for the purposes for which they were obtained.

10. According to the information and explanations given to us no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with the directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

for CNGSN & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number
004915S/S 200036

G. ANIL
Partner
Membership Number 22450
Place: Chennai
Date: May 30, 2016

C.N. GANGADARAN
Partner
Membership Number 11205



Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Indian Terrain Fashions Limited ("the Company") as of March 31, 2016 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all materials 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

G. ANIL
Partner
Membership Number 22450

Place: Chennai
Date: May 30, 2016

for CNGSN & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number
004915S/S 200036

C.N. GANGADARAN
Partner
Membership Number 11205



Balance Sheet as at 31st March 2016

₹. In Crores

Particulars	Note No.	As at 31-Mar-16	As at 31-Mar-15
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	2	7.34	7.19
(b) Reserves and Surplus	3	153.62	119.21
		160.96	126.40
2 Non-Current Liabilities			
(a) Long-Term Borrowings	4	9.25	-
(b) Deferred Tax Liabilities	5	-	-
(c) Other Long-Term Liabilities	6	8.89	7.88
		18.14	7.88
3 Current Liabilities			
(a) Short-Term Borrowings	7	33.11	39.34
(b) Trade Payables	8	39.34	22.88
(c) Other Current Liabilities	9	12.41	8.27
(d) Short-Term Provisions	10	5.97	10.76
		90.83	81.25
Total		269.93	215.53
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible assets		26.57	6.73
(ii) Intangible assets		-	-
		26.57	6.73
(b) Long-Term Loans and Advances	12	11.56	13.41
(c) Other Non-Current Assets	13	0.43	0.37
		38.56	20.51
2 Current Assets			
(a) Current Investments	14	-	59.07
(b) Inventories	15	44.82	35.88
(c) Trade Receivables	16	117.23	95.61
(d) Cash and Bank Balances	17	67.17	2.50
(e) Short-Term Loans and Advances	18	0.60	0.60
(f) Other Current Assets	19	1.55	1.36
		231.37	195.02
Total		269.93	215.53

See Accompanying Notes to Financial Statements
To be read with our report of even date

1

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

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 4915S / S 200036

For and on Behalf of the Board
V. Rajagopal
Chairman & Managing Director

G. ANIL
Partner
Membership Number 22450

C.N.Gangadaran
Partner
Membership No. 11205

Rama Rajagopal
Director

Chennai, 30 May, 2016

M. Thiyagarajan
Chief Financial Officer

J. Manikandan
Company Secretary



Statement of Profit and Loss for the Year Ended 31st March 2016

₹. In Crores (except per share data)

Particulars	Note No.	for the year ended 31-Mar-16	for the year ended 31-Mar-15
I Revenue from Operations (gross)	20	325.10	290.41
Less: Excise Duty		0.09	-
Revenue from Operations (net)		325.01	290.41
II Other Income	21	5.13	0.78
Total Revenues		330.14	291.19
III Expenses			
a Cost of Materials	22	39.21	59.08
b Purchases of Finished Goods		112.93	57.76
c Changes in Inventories of Finished Goods & Work-in-Progress - (Inc) / Dec		(9.51)	4.46
d Employee Benefit Expenses	23	16.63	13.42
e Other Expenses	24	124.65	122.17
		283.91	256.89
IV Earnings before Interest, Depreciation and Tax		46.23	34.30
f Finance Costs	25	6.94	8.63
g Depreciation and Amortisation Expenses		2.31	2.92
		9.25	11.55
V Profit before Tax		36.98	22.75
VI Tax Expenses			
a Current Tax Expense		12.98	4.77
b MAT Credit Entitlement		(9.02)	-
c Deferred Tax		-	-
VII Net Profit for the year		33.02	17.98
VIII Earnings Per Share - In ₹.			
-- Basic		9.16	6.01
-- Diluted		9.16	6.01

See Accompanying Notes to Financial Statements
To be read with our report of even date

1

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

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 4915S / S 200036

For and on Behalf of the Board
V. Rajagopal
Chairman & Managing Director

G. ANIL
Partner
Membership Number 22450

C.N.Gangadaran
Partner
Membership No. 11205

Rama Rajagopal
Director

Chennai, 30 May, 2016

M. Thiyagarajan
Chief Financial Officer

J. Manikandan
Company Secretary



Notes to the Accounts as at 31st March 2016

1 Significant Accounting Policies

Sl. No.	Particulars
1.1 Basis of Preparation of Financial Statements	<p>These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees rounded off to the nearest rupee in crores.</p>
1.2 Use of Estimates	<p>The preparation of the financial statements in conformity of the GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Although these estimates are based upon the management best knowledge of current events and actions, actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.</p>
1.3 Revenue Recognition	<p>Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes Sales (net of trade discounts and rebates) which are recorded when the significant risks and rewards of ownership are transferred. Consignment Sales are accounted on the basis of Sales Memo received from Consignees.</p> <p>Export Sales are accounted on the basis of the dates of Bill of Lading and other delivery documents as per the contract. Domestic Sales excludes Sales Tax and Value Added Tax. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p> <p>Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.</p> <p>Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.</p> <p>Dividend income is recognized when the Company's right to receive dividend is established.</p>
1.4 Provisions, Contingent Liabilities and Contingent Assets	<p>A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.</p> <p>Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.</p> <p>Contingent assets are neither recognized nor disclosed in the financial statements.</p>
1.5 Fixed Assets	<p>Tangible Assets</p> <p>Tangible assets are stated at cost of acquisition, less accumulated depreciation and impairment losses if any, net of grants received, where applicable and subsequent improvements thereto including taxes, duties, freight, and other incidental expenses related to acquisition. Any trade discounts and rebates are deducted in arriving at the purchase price. Direct costs are capitalized until such assets are ready for use.</p> <p>Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.</p> <p>Intangible Assets</p> <p>Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable in bringing the asset to its working condition for the intended use.</p>



Notes to the Accounts as at 31st March 2016

Sl. No.	Particulars
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1.6 Depreciation and Amortization

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased /sold during a period is proportionately charged.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

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

The Management estimates the useful lives for fixed assets (tangible and intangible) as follows:

Category of Assets	Useful life under Companies Act, 2013	Useful life estimated by the Management
Building	30	30
Plant & Machinery	15	15
Electrical Installation	10	10
Office Equipments	5	5
Computers	3	3
Vehicles	8	8
Furniture & Fixtures	10	10
Computer Software (Intangible)	3	3

1.7 Impairment

The Company assesses at each Balance Sheet date whether there is any indication due to internal or external factors that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to maximum of depreciated historical cost and is accordingly reversed in the Statement of Profit and Loss.

1.8 Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

1.9 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that which approximates the actual rate at the date of the transaction.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent on the date of transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange differences either on settlement or on translation is recognized in the Statement of Profit and Loss.

1.10 Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or non-current (long term) based on Management's intention at the time of purchase. Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at the lower of cost and fair value of each investment individually.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.11 Inventories

Raw Materials and Components are valued at lower of Cost or Net Realizable Value. Cost of the said is computed by applying Specific Identification Method. Work in Progress and Finished Goods are valued at lower of Cost or Net Realizable Value. Cost of these inventories includes Costs of Conversion and Other costs incurred in bringing them to the present location and condition.



Notes to the Accounts as at 31st March 2016

Sl. No.	Particulars
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1.12 Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits in the nature of salary, wages, bonus, leave encashment and the expected cost of ex-gratia are recognized and accounted for on accrual basis in the period in which the employee renders the related service.

A) Defined Contribution Plans

Provident Fund and Employees State Insurance Scheme is a defined contribution plan, each eligible employee and the Company makes equal contributions at a percentage on the basic salary specified under the Employees' Provident Funds and Miscellaneous Provision Act, 1952 and Employees State Insurance Act, 1948 respectively. The Company's contributions are charged to the statement of profit and loss in the year when the contributions to the respective funds are due. The Company has no further obligations under the plan beyond its periodic contributions.

B) Defined Benefit Plan

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering the eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of the employee's employment with the Company.

The Employees Gratuity Scheme which is a defined benefit plan, is managed by trust maintained with SBI General Insurance Company Ltd. The liability with respect to gratuity plan is determined by an independent actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Group Gratuity Scheme. Obligation is measured at the present value of the estimated future cash flows using a discount rate that is determined with reference to market yields at the Balance Sheet date on Government Bonds, where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

1.13 Taxation

Tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Minimum Alternate Tax paid in accordance with tax laws gives rise to future economic benefits in the form of tax credit against future income tax liability. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax assets and liabilities are measured, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future. In case of unabsorbed losses and unabsorbed depreciation, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. Unrecognized deferred tax assets of earlier periods are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain as the case may be, that future taxable income will be available against which such deferred tax assets can be realized.

1.14 Accounting of Government Grants:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

1.15 Segment reporting:

The Company has considered business segment as the primary segment for disclosure. The Company is primarily engaged in a single segment business of dealing in apparels and is managed as one entity and is governed by a similar set of risks and return.

1.16 Earnings per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



Notes to the Accounts as at 31st March 2016

Sl. No.	Particulars
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The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including changes effected prior to the approval of the financial statements by the Board of Directors.

1.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.18 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on deposit with Banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.19 Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the maximum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

Leases

a) Operating Leases: Rentals are expensed on a straight line basis with reference to lease terms and other considerations.

b) (i) Finance leases prior to 1st April, 2001: Rentals are expensed with reference to lease terms and other considerations.

(ii) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

c) However, rentals referred to in (a) or (b) (i) above and the interest component referred to in (b) (ii) above, pertaining to the period upto the date of commissioning of the asset are capitalised.



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
2 SHARE CAPITAL		
a Authorised, Issued, Subscribed and Paid-Up Share Capital		
Authorized Share Capital: 6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹.2/- each	12.00	12.00
Issued, Subscribed and Paid up Capital : 3,67,11,300 (Previous Year 3,59,31,300) Equity Shares of ₹.2/- each	7.34	7.19
Total	7.34	7.19

The Shareholders of the Company have approved the sub-division of each equity share having a face value of Rs.10 into five equity shares having a face value of Rs.2 each through postal ballot on 7th December, 2015.

The record date for the sub-division was December 22, 2015. All shares and per share information in the Financial Statements reflect the effect of sub-division for each of the periods presented.

b Reconciliation of the number of shares

Number of Equity Shares outstanding at the beginning of the year	35,931,300	28,456,655
Add: Number of Shares issued during the year	780,000	7,474,645
Number of Equity Shares outstanding at the end of the year	36,711,300	35,931,300

c Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹.2/-

Each holder of equity shares is entitled to one vote per share

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of Equity Shares held by the shareholders.

d Shares held by Holding Company, Ultimate Holding Company,

Subsidiaries, Associates

NIL

NIL

e Details of Shares held by each Shareholder holding more than 5%

Name of the Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% held	No. of Shares	% held
Mr. Venkatesh Rajagopal	47,47,115	12.9%	47,47,115	13.2%
Mrs. Rama Rajagopal	62,02,930	16.9%	62,02,930	17.3%
M/s New Vernon Private Equity Limited	18,45,140	5.0%	18,45,140	5.1%
M/s.SBI SMALL AND MIDCAP FUND	35,29,000	9.6%	33,82,470	9.4%
M/s.DSP BLACKROCK SMALL AND MIDCAP FUND	28,48,860	7.7%	28,62,975	8.0%

f Shares reserved for issuance

Employee Stock Options granted (Refer Note 31)	1,230,000	2,010,000
--	-----------	-----------

g Shares allotted for consideration other than cash

- 1) The Company was incorporated on 29th September 2009 with an Authorised Share Capital of Rs.50 lakhs (5,00,000 Shares of Rs.10 each)
- 2) In terms of the Scheme of Arrangement between Celebrity Fashions Limited, Indian Terrain Fashions Limited and its respective Shareholders and Creditors sanctioned by the Honorable High Court of Madras, which became effective on 3rd September 2010 with retrospective effect from 1st April 2010, the following effects were given:
 - a) Authorised Shared Capital increased to Rs.12,00,00,000 (1,20,00,000 shares of Rs.10 each)
 - b) The Pre-demerger paid up share capital of Rs.5,00,000 stands cancelled
 - c) 55,81,331 shares of Rs.10/- each the Company were issued to the Share holders of Celebrity Fashions Limited pursuant to demerger in the ratio of 2:7 (Two Shares for every Seven shares held in Celebrity Fashions Limited)



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
d) The Shareholders of the Company have approved the sub-division of each equity share having a face value of Rs.10 into five equity shares having a face value of Rs.2 each through postal ballot on 7th December, 2015. The record date for the sub-division was December 22, 2015. All shares and per share information in the finance statements reflect the effect of sub-division for each of period presented.		
3 RESERVES AND SURPLUS		
a Capital Reserve		
Opening Balance	8.01	8.01
Closing Balance	8.01	8.01
b Securities Premium Reserve		
Opening Balance	73.13	0.98
Add: Received during the Year	1.39	74.32
Less : Issue expenses written off	-	2.17
Closing Balance	74.52	73.13
c Share Options Outstanding Account		
Opening Balance	-	0.73
Less: Transferred to Securities Premium Reserve	-	0.73
Closing Balance	-	-
d Surplus in Statement of Profit and Loss		
Opening Balance	38.07	20.76
Less: Value of Assets whose useful life has expired (Refer Note 11)	-	0.67
Add: Profit for the Year	33.02	17.98
Closing Balance	71.09	38.07
Total	153.62	119.21
4 LONG TERM BORROWINGS		
Secured		
(i) Term loans From Banks		
- State Bank of India	9.00	-
- Axis Bank Limited - Vehicle Loan	0.14	-
(ii) From Others	0.11	-
Total	9.25	-

(a) The loan from State Bank of India (SBI) is secured by an Equitable Mortgage of

Land and building situated at survey No.70/2 & 70/3A Agaram Main Road, Thiruvenchery, Tambaram Taluk, Kancheepuram District.

The Loans are further secured by the following collaterals :

i) Hypothecation of plant & machinery

ii) Assignment of Brand value of "Indian Terrain"

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



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
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Secured Term Loan from Axis Bank Limited amounting to ₹ 0.14 crs. (Previous Year: ₹ Nil) represents the vehicle loan availed which carries interest rate of 10.25% p.a. This loan is repayable in 36 monthly installments from the date of the loan. The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

The maturity profile and rate of interest of the above term loans from banks are as set out below:

Term Loans from Banks	Rate of Interest	2016-17	2017-18	2018-19	2019-20	2020-21	Total
State Bank of India	11.70%	2.25	2.25	2.25	2.25	2.25	11.25
Axis Bank Limited	10.25%	0.10	0.11	0.03	0	0	0.24

(b) Secured Term Loans from Others amounting to ₹ 0.11 crs. (Previous Year: ₹ Nil) represents the vehicle loan availed from Kotak Mahindra Prime Limited which carries interest rate of 10% p.a. This loan is repayable in 60 monthly installments from the date of the loan. The loan is secured by the hypothecation of the motor vehicle purchased under their assistance.

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

Term Loans from Banks	Rate of Interest	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Kotak Mahindra Prime Limited	10.00%	0.02	0.03	0.03	0.03	0.02	0.13

Current Maturities of Long Term Borrowings are disclosed under the head "Other Current Liabilities" (Refer Note 9)

Details of Term loans

Total Term loans	11.63	-
Less: Classified under Other Current Liabilities - (Current maturities of Long Term Borrowings)	2.38	-
Long Term Borrowings	9.25	-
5 DEFERRED TAX LIABILITY		
Deferred Tax Liability	-	-
Deferred Tax Asset	-	-
Total	-	-
6 OTHER LONG-TERM LIABILITIES		
a Trade Payables	0.12	0.21
b Others:		
Trade / Security Deposits Received	8.77	7.67
Total	8.89	7.88
7 SHORT-TERM BORROWINGS		
a Loans Repayable on Demand from Banks		
Secured:		
Working Capital Facilities from State Bank of India	33.11	39.34

The Working Capital Facilities from State Bank of India are secured by First charge over the stocks, receivables and other current assets of the company.

The Loan are further secured by the following collaterals :

i) Hypothecation of plant & machinery

ii) Assignment of Brand value of "Indian Terrain"



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
iii) EM over land and building situated at 70/2 & 70/3A, Agaram Road, Thiruvenchery, Chennai - 600 073		
iv) Pledge of Promoters Shares in the Company to an extent of 76,46,450 Equity Shares and the personal guarantee of the promoters		
Total	33.11	39.34
8 TRADE PAYABLES		
a. Micro, Small and Medium Enterprises	-	-
b. Others	39.34	22.88
Total	39.34	22.88
The Company has not received any Memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2016 as Micro, Small or Medium Enterprises (MSME). Consequently the amount payable to these enterprises during the year is ₹. NIL.		
Others include Bills Acceptances of ₹. 8.17 crs (Previous Year ₹. 4.64 crs)		
Trade Payables include ₹.1.55 crs payable (Previous Year ₹.4.03 crs) to Company under Significant Influence or Control of Key Managerial Personnel (Refer Note 28 (e)(iv))		
9 OTHER CURRENT LIABILITIES		
a Current Maturities of Long-Term Borrowings		
Secured		
(i) Term loans (Refer Note 4)		
From Banks		
- State Bank of India	2.25	-
- Axis Bank Limited - Vehicle Loan	0.11	-
(ii) From Others	0.02	-
	2.38	-
b Accrued Salaries and Benefits		
Salaries and Wages Payable	1.03	0.72
Bonus Payable	0.61	0.44
	1.64	1.16
c Other Liabilities		
Withholding and Other Taxes Payable	1.13	0.94
Accrued Expenses	7.26	6.17
	8.39	7.11
Total	12.41	8.27
10 SHORT-TERM PROVISIONS		
a Provision for Employee Benefits		
Provision for Unavailed leave	0.50	0.42
Provision for Gratuity (Refer Note 30)	0.38	0.23
	0.88	0.65
b Other Provisions		
Provision for Tax	5.09	10.11
	5.09	10.11
Total	5.97	10.76



Particulars	As at 31-Mar-16	As at 31-Mar-15
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Note 11 - Fixed Assets

TANGIBLE ASSETS

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01/04/15	Additions	Deductions / Adjustments	As on 31/03/16	As on 01/04/15	For the year	Deductions / Adjustments	As on 31/03/16	As on 31/03/16	As on 31/03/15
1	Land	-	8.22	-	8.22	-	-	-	-	8.22	-
2	Buildings	-	6.16	-	6.16	-	0.01	-	0.01	6.15	-
3	Plant & Machinery	0.37	0.77	-	1.14	0.07	0.03	0.01	0.09	1.05	0.30
4	Electrical Installation	0.17	-	0.12	0.05	0.06	0.09	0.12	0.03	0.03	0.12
5	Office Equipments	0.10	0.07	0.07	0.11	0.06	0.04	0.07	0.03	0.08	0.05
6	Computers	0.34	0.17	-	0.50	0.20	0.11	-	0.31	0.19	0.14
7	Vehicles	1.63	0.63	0.17	2.09	0.32	0.25	0.10	0.47	1.63	1.31
8	Furniture & Fixtures	5.95	6.19	1.33	10.81	1.13	1.79	1.33	1.59	9.22	4.82
	Total	8.57	22.21	1.68	29.09	1.84	2.31	1.63	2.52	26.57	6.73
	Previous Year	9.50	2.53	3.46	8.57	1.72	2.77	2.66	1.83	6.73	7.78

INTANGIBLE ASSETS

Sl. No.	Particulars	Gross Block				Amortisation				Net Block	
		As on 01/04/15	Additions	Deductions / Adjustments	As on 31/03/16	As on 01/04/15	For the year	Deductions / Adjustments	As on 31/03/16	As on 31/03/16	As on 31/03/15
1	Computer Software	0.24	-	-	0.24	0.24	-	-	0.24	-	-
		0.24	-	-	0.24	0.24	-	-	0.24	-	-
	Previous Year	0.24	-	-	0.24	0.08	0.16	-	0.24	-	0.16

12 LONG-TERM LOANS AND ADVANCES

Unsecured and considered good

a Deposits

Security Deposits 7.14 7.03

b Advance Income Tax 0.48 6.38

c MAT Credit Entitlement 3.94 -

Total **11.56** **13.41**

Security deposits includes NIL (Previous Year ₹. 0.82 crs) paid to Company under Significant Influence or Control of Key Managerial Personnel (Refer Note 28(e)(v))

MAT Credit of ₹ 5.08 crs (Previous Year ₹ Nil) has been utilised during the year ended 31st March 2016 and adjusted with Provision for Tax.

13 OTHER NON-CURRENT ASSETS

Unsecured and considered good

Others

a Interest accrued on Fixed Deposits 0.06 0.06

b Deposit with Revenue Authorities 0.14 0.08

c Withholding Taxes Receivable - 0.08

d Receivable from Government Authorities

Sales Tax Receivable 0.23 0.15

Total **0.43** **0.37**

Deposit with Revenue Authorities represents pre-deposit amount made with the Central Excise Authorities in connection with appeal preferred.



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
14 Current Investments		
Carried at lower of cost and quoted / fair value		
Other Current Investments		
Investments in Mutual Funds		
Birla Sun Life Savings Fund - Growth - Direct Plan (Current Year - Nil / Previous Year - Unit 3,00,929.156)	-	8.00
Birla Sun Life Cash Manager - Growth - Direct Plan (Current Year - Nil / Previous Year - Unit 5,00,865.178)	-	17.00
UTI-Treasury Advantage Fund-Institutional Plan-Direct Plan-Growth (Current Year - Nil / Previous Year - Unit 26,628.311)	-	5.00
UTI-Money Market Fund - Institutional Plan - Direct Plan - growth (Current Year - Nil / Previous Year - Unit 19,385.855)	-	3.00
SBI Magnum Insta Cash Fund-Direct Plan - Growth (Current Year - Nil / Previous Year - Unit 16,186.515)	-	5.00
SBI Premier Liquid Fund - Regular Plan - Growth (Current Year - Nil / Previous Year - Unit 96,684.121)	-	21.07
Total	-	59.07
Aggregate value of current investments	-	59.07
Aggregate market value of current Investments	-	59.59
15 INVENTORIES		
a Raw Materials	1.64	2.21
b Work-in-Progress	1.08	2.12
c Finished Goods - Manufactured / Bought-Out	42.10	31.55
Total	44.82	35.88
Finished Goods include Goods in Transit of ₹.1.53 cr (Previous Year ₹.2.98 crs)		
16 TRADE RECEIVABLES		
Unsecured and considered good		
a Trade receivables outstanding for a period exceeding six months	3.92	4.57
b Others	113.31	91.04
Total	117.23	95.61
17 CASH AND BANK BALANCES		
a Cash and cash equivalents		
Balances with Bank		
in Current Account	65.32	1.36
Cash on hand	0.04	0.03
b Other Bank Balances		
Fixed Deposit with Banks	1.81	1.11
Total	67.17	2.50

Fixed deposits with banks include deposits of ₹. 1.14 crs with a maturity of more than 3 months, but less than 12 months (Previous Year ₹. 1.11 crs with a maturity of more than 3 months, but less than 12 months)

Fixed deposits with banks comprises of restricted bank balances of ₹.1.79 crs (Previous Year ₹.1.09 crs). The restrictions are primarily on account of fixed deposits held as margin money against Borrowings / Bank Guarantees.



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
18 SHORT-TERM LOANS AND ADVANCES		
Unsecured and considered good		
Others		
Advances		
Prepaid Expenses	0.23	0.18
Loans and advances to Employees	0.37	0.42
Total	0.60	0.60
19 OTHER CURRENT ASSETS		
Unsecured and considered good		
a Accrued income on Investments	-	0.52
b Advances to Suppliers of Goods and Services	1.55	0.84
Total	1.55	1.36
20 REVENUE FROM OPERATIONS (GROSS)		
a Sale of Products **		
-- Domestic	324.38	289.69
-- Exports	0.72	0.69
b Other Operating Revenues		
-- Net Gain / (Loss) on Foreign Currency Transactions (Other than considered in finance costs)	-	0.03
Total	325.10	290.41
** Sale of Bought-out Goods included above	112.88	114.22
21 OTHER INCOME		
a Interest Accrued / Received on Fixed Deposits	0.08	0.13
b Income from Investment in Mutual Funds	5.04	0.65
c Profit on Sale of Assets	0.01	-
Total	5.13	0.78
22 COST OF MATERIALS		
Opening Stock of Materials	2.04	4.95
Add: Purchases of Materials	38.81	56.17
Less: Closing Stock of Materials	1.64	2.04
Total	39.21	59.08
PURCHASES OF FINISHED GOODS		
Knitwear	25.81	22.61
Jackets	5.72	5.84
Trouser / Denims	33.14	7.57
Shirt	47.82	21.64
Others - Accessories	0.44	0.10
Total	112.93	57.76



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
CHANGE IN INVENTORIES OF FINISHED GOODS / WORK-IN-PROGRESS - (INCREASE) / DECREASE		
Closing Stock		
Finished Goods - Manufactured / Bought-Out	42.10	31.55
Work-in-Progress	1.08	2.12
Opening Stock		
Finished Goods - Manufactured / Bought-Out	31.55	29.78
Work-in-Progress	2.12	8.35
Total	(9.51)	4.46
23 EMPLOYEE COSTS		
Salaries and Wages	14.96	12.26
Statutory Contribution	1.02	0.80
Staff Welfare Expenses	0.65	0.36
Total	16.63	13.42
24 OTHER EXPENSES		
Subcontracting and Garment Processing Costs	15.88	27.32
Power & Fuel	0.11	0.11
Rent	11.50	8.67
Insurance	0.39	0.32
Rates and Taxes	0.60	0.50
Traveling & Conveyance	3.21	2.99
Consultancy Charges	2.39	0.92
Communication Expenses	0.39	0.47
Selling Commission & Discounts	54.26	52.21
Selling Expenditure Reimbursement	3.73	3.48
Distribution Costs	4.82	4.38
Entertainment & Sales Promotion Expenses	7.00	4.90
Advertisement	15.75	12.07
Bad Debts written off	-	0.17
Printing & Stationery	0.30	0.25
Showroom Maintenance	1.02	0.91
Books, Periodicals & Subscriptions	0.56	0.25
Directors Sitting Fee	0.09	0.04
Remuneration to Directors	0.84	0.84
Vehicle Fuel & Repairs	0.06	0.06
Auditors' remuneration	0.08	0.09
Other Miscellaneous Expenses	1.40	1.09
Contribution towards Corporate Social Responsibility	0.27	0.13
Total	124.65	122.17

Auditors' Remuneration includes ₹.5.15 lakhs (Previous Year ₹.5.05 lakhs) for Statutory Audit, ₹.0.80 lakhs (Previous Year ₹.0.79 lakhs) for Tax Audit and Transfer Pricing Audit ₹.0.80 lakhs (Previous Year - ₹.1.34 lakhs) for Cost Audit ₹.Nil (Previous Year ₹.0.60 lakhs) Secretarial Audit ₹.1.00 lakhs (Previous Year ₹. 1.00 lakhs)

Audit certification charges and out-of-pocket expenses of ₹.1,92,298/- (Previous Year - ₹.58,989/-) was paid to the Auditors and the same is grouped under consultancy charges.



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
25 FINANCE COSTS		
a Interest on		
Term loans	0.04	2.06
Working Capital & Others	4.99	5.07
b Other Borrowing Costs - Bank Charges	1.91	1.50
Total	6.94	8.63
26 EARNINGS PER SHARE		
Earnings Per Share - In ₹.		
Basic	9.16	6.01
Diluted	9.16	6.01
Earnings per Share is calculated as under:		
a Numerator		
Net Profit after Tax as disclosed in Statement of Profit and Loss	33.02	17.98
b Denominator		
Weighted Average Number of Equity Share Outstanding		
Basic	36,039,989	29,919,574
Diluted	36,039,989	29,919,574
c Nominal Value of Share (In ₹.)	2.00	2.00
No. of Shares as on 1st April	35,931,300	28,456,655
No. of Shares as on 31st March	36,711,300	35,931,300
Weighted Average No. of Shares	36,039,989	29,919,574
Dilutive No. of Shares	36,039,989	29,919,574
27 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)		
a Guarantees given by Banks and Counter Guaranteed by the Company	0.05	-
b On account of Letters of Credit issued by Bankers on behalf of the Company	3.33	1.43
c Claims against Company not acknowledged as Debts, being demands from Commissionerate of Central Excise on availing Input Credit of Service Tax. Based on the advise of its legal counsels and interpretation of the relevant regulations governing the levy of Excise Duty, the Company is of the opinion that the issues raised in the demand notice are unlikely to be sustained. Accordingly no provision has been made for such demands.	1.97	1.78
28 RELATED PARTY TRANSACTIONS		
Related Parties with whom transactions have taken place during the year:		
a Key Managerial Personnel:		
Mr. V. Rajagopal		
Mrs. Rama Rajagopal		
b Relatives of Key Managerial Personnel		
Ms. Anjali Rajagopal		
c Enterprises under Control or Significant Influence of Key Managerial Personnel / Relatives of Key Managerial Personnel		
M/s Celebrity Fashions Limited		
M/s Celebrity Connections		
M/s Touche PR		
d Transactions carried out with Related Parties during the Year		
Managerial Remuneration	0.84	0.84
Consultancy Charges	0.11	0.10



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
Jobwork Charges, Material Purchases and Rentals Celebrity Fashions Limited	23.69	32.70
Purchase of Immoveable Property - M/s. Celebrity Fashions Limited	14.00	-
e Outstanding Balances as on 31.03.16		
i Payable as Managerial Remuneration	0.07	0.07
ii Salaries	-	-
iii Consultancy Charges	0.01	0.01
iv Trade Payable against Jobwork Charges, Material Purchases and Rentals - Celebrity Fashions Limited	1.55	4.03
v Long-Term Loans and Advances - Security Deposit - Celebrity Fashions Limited	-	0.82
29 DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES		
Loans and advances in the nature of Loans given to Subsidiaries, Associates and Others	-	-
30 EMPLOYEE BENEFIT PLAN - GRATUITY		
The employees' gratuity fund scheme managed by a Trust is a defined benefit plan.		
The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
Amount Recognised in the Balance Sheet in respect of gratuity		
Present Value of Defined Benefit Obligation at the end of the Year	0.73	0.50
Fair Value of Plan Assets at the end of the Year	0.35	0.28
Net Liability / (Asset)	0.38	0.23
Amount Recognised in Statement of Profit and Loss in respect of gratuity		
Current Service Cost	0.18	0.11
Interest on Defined Benefit Obligations	0.04	0.02
Expected Return on Plan Assets	(0.02)	(0.02)
Net Actuarial (Gain) / Loss recognised during the Period	(0.04)	0.08
Net Gratuity Cost	0.15	0.19
Actual Return on Plan Assets		
Expected Return on Plan Assets	0.02	0.02
Actuarial Gain / (Loss) on Plan Assets	0.10	0.00
Actual Return on Plan Assets	0.12	0.02
Reconciliation of present value of obligation and the fair value of the plan assets		
Opening Defined Benefit Obligation	0.50	0.35
Current Service Cost	0.18	0.11
Interest Cost	0.04	0.02
Actuarial (Gain) / Loss	0.06	0.08
Benefits Paid	(0.05)	(0.06)
Closing Defined Benefit Obligation	0.73	0.50
Opening Fair Value of Plan Assets	0.28	0.31
Expected Return on Plan Assets	0.02	0.02
Actuarial Gain / (Loss)	0.10	0.00
Employer Contributions	-	-
Benefits Paid	(0.05)	(0.06)
Closing Fair Value of Plan Assets	0.35	0.28



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the Year	0.50	0.35
Interest Cost	0.04	0.02
Current Service Cost	0.18	0.11
Benefit Paid	(0.05)	(0.06)
Actuarial (gain) / loss on obligations	0.06	0.08
Liability at the end of the Year	0.73	0.50
Closing balances of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	0.28	0.31
Expected Return on Plan Assets	0.02	0.02
Employer Contributions	-	-
Benefits Paid	(0.05)	(0.06)
Actuarial gain/(loss) on Plan Assets	0.10	0.00
Fair Value of Plan Assets at the end of the Year	0.35	0.28
Actual Return on plan assets	0.12	0.02
Investment Details of Plan Assets		
Assets under Insurance Schemes	100%	100%
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	7.8%	7.7%
Estimated Rate of Return on Plan Assets	7.8%	8.0%
The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
31 EMPLOYEE STOCK OPTION SCHEME DETAILS (ESOP)		
The Shareholders in the Annual General Meeting held on 30th September 2011, have approved the issue of 11,16,000 Options (pre Sub division)		
under the Scheme titled "Employee Stock Option Scheme (ESOP) 2011" to Key Managerial Executives of the Company. Each Option comprises one underlying Equity Share. The Details of the Scheme is provided in the Annexure to the Directors' Report.		
The difference between the Fair Price of the Share underlying the Options on the date of grant and the exercise price of the Options (being the intrinsic value of the option) representing Stock Compensation expense is expensed over the Vesting Period.		
ESOP Details as on the date of the Balance Sheet (Post Sub division)		
Options Outstanding at the beginning of the Year	2,010,000	2,422,500
Granted during the Year		
Vested during the Year		
Exercised during the Year	780,000	412,500
Cancelled during the Year		
Options Outstanding at the end of the Year	1,230,000	2,010,000

32 SEGMENT REPORTING

The Company has considered business segment as the primary segment for disclosure. The Company is primarily engaged in a single segment business of manufacturing and sale of apparels and is managed as one entity for its sale and is governed by a similar set of risks and return. Hence, no additional disclosures are required, other than those already given in the Financial Statements.

The Company has identified Geographical Segment as the secondary segment which consists of:

- a) Domestic (Sales to customers located in India)
- b) International (Sales to customers located outside India)

Revenue directly attributable to segments is reported based on items that are individually identifiable to that segment. The Company believes that it is not practical to allocate segment expenses, segment results, assets used, except trade receivables, in the Company's business or liabilities contracted since the resources/ services/ assets are used interchangeably within the segments.

All fixed assets are located in India. Accordingly, no secondary segmental information is disclosed.



Notes on Financial Statements for the Year ended 31st March, 2016

₹. In Crores

Particulars	As at 31-Mar-16	As at 31-Mar-15
33 OTHERS		
a Aggregate Expenses		
Electricity Expenses included under Power and Fuel	0.10	0.09
b Earnings in Foreign Currency		
Export of Goods - FOB Value	-	-
c Expenditure in Foreign Currency		
Traveling expenses	0.62	0.52
Software Expenses	0.07	0.16
Consultancy Fees	1.08	0.17
Subscription & Membership	0.14	-
Advertisement Product Shoot	-	0.63
d Value of Imports		
Raw materials	6.14	4.69
Capital Goods	-	-
e Imported and Indigenous Consumption of Raw materials		
Imported		
-- Rs. In Crores	6.16	3.51
-- % to Total	4.05%	3.0%
Indigenous		
-- Rs. In Crores	145.98	113.33
-- % to Total	96.0%	97.0%

34 OTHER DISCLOSURES

- a Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year classification.
- b In the opinion of the Board of Directors, long term loans and advances, other non current assets and current assets of the Company, are expected to have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Provision for bad or doubtful amounts has been made in the accounts, wherever warranted..

To be read with our report of even date

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

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 4915S / S 200036

For and on Behalf of the Board
V. Rajagopal
Chairman & Managing Director

G. ANIL
Partner
Membership Number 22450

C.N.Gangadaran
Partner
Membership No. 11205

Rama Rajagopal
Director

Chennai, 30 May, 2016

M. Thiyagarajan
Chief Financial Officer

J. Manikandan
Company Secretary



Cashflow Statement for the year ending 31st March 2016

₹. In Crores

Sl. No.	Particulars	2015-16	2014-15
A	Cashflow from Operating Activities		
	Net Profit before Tax and before Extra-Ordinary Items	36.98	22.74
	Adjustments for:		
	Depreciation and Amortisation for the year	2.31	2.92
	Assets Value Written off - Life Time Expiry	-	(0.67)
	Bad Debts written off	-	0.17
	Income from sale of investments	(5.04)	(0.65)
	Interest & Finance Charges paid	6.94	8.63
	Interest Income	(0.09)	(0.12)
	MAT Credit Entitlement	9.02	
		13.14	10.27
	Operating Profit before Working Capital Changes	50.12	33.02
	Adjustments for:		
	Decrease / (Increase) in debtors and other receivables	(25.99)	(20.80)
	Decrease / (Increase) in inventories	(8.94)	7.20
	Increase / (Decrease) in creditors and other payables	19.57	(3.23)
	Cash generated from Operations	34.76	16.19
	Income Taxes Refund / (Paid) (net)	(12.02)	(3.74)
	Net Cash from Operating Activities	22.74	12.45
B	Cashflow from Investing Activities		
	(Purchase) / Sale of Fixed Assets including land and building (net)	(22.14)	(2.39)
	Value of Assets with Expired Life	-	0.67
	(Purchase) / Sale of Investments (net)	64.11	(58.42)
	Interest Received	0.09	0.12
	Net Cash (Used In) / from Investing Activities	42.05	(60.01)
C	Cashflow from Financing Activities		
	Share Capital	0.16	1.49
	Share Premium	1.39	71.42
	Short Term Borrowings	(6.23)	4.30
	Long Term Borrowings (Net)	11.50	(21.24)
	Interest and Finance Charges paid	(6.94)	(8.63)
	Net Cash (Used In) / from Financing Activities	(0.13)	47.36
	Net Increase in Cash and Cash Equivalents	64.67	(0.21)
	Cash and Cash Equivalents (Opening Balance)	2.50	2.71
	Cash and Cash Equivalents (Closing Balance)	67.17	2.50

Note:

- The above statement has been prepared on the basis of indirect method as stipulated in Accounting Standard 3
- Cash and Cash equivalents represents
 - Cash balances
 - Bank balances
 - Deposits held as Margin Money against Borrowings / Guarantees (Refer Note 17)
 To be read with our report of even date
- Previous year figures have been regrouped / reclassified where necessary.

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

For CNGSN & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 4915S / S 200036

For and on Behalf of the Board
V. Rajagopal
Chairman & Managing Director

G. Anil
Partner
Membership No. 22450

C.N.Gangadaran
Partner
Membership No. 11205

Rama Rajagopal
Director

Chennai, 30 May, 2016

M. Thiyagarajan
Chief Financial Officer

J. Manikandan
Company Secretary



INDIAN TERRAIN FASHIONS LIMITED

CIN:L18101TN2009PLC073017

Registered office: No.208, Velachery Tambaram Road, Narayanapuram,Pallikaranai,Chennai-600 100
 Phone No.91-44-4227 9100; email: response.itfl@indianterrain.com Fax No.+91-44-4343 2360; Website: www.indianterrain.com

ATTENDANCE SLIP

Regd Folio No. /DP/ Client ID

No. of Shares held

I hereby record my presence at the SEVENTH ANNUAL GENERAL MEETING of the Company at the Corporate Office situated at SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 at 11.30 A.M. on Friday, the 30th day of September 2016.

.....
 Signature of member / Proxy

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	: L18101TN2009PLC073017
Name of the Company	INDIAN TERRAIN FASHIONS LIMITED
Registered Office	: 208, Velachery Tambaram Road, Narayanapuram,Pallikaranai,Chennai-600 100
Name of the member (s)	:
Registered Address	:
E-mail Id	:
Folio No./Client Id	:
DP ID	:

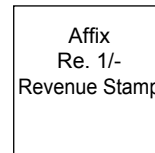
I/ We being the member(s) holding Shares of the above named company, hereby appoint

1. Name :
 Address :
 Email Id :
 Signature : or failing him

as my / our proxy to attend and vote (on a poll) for me / us on my behalf at the Seventh Annual General Meeting of the Company to be held on Friday, the 30th day of September 2016 at 11.30 A.M. at the Corporate Office situated at SDF-IV& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.

- | | |
|----|----|
| 1. | 2. |
| 3. | 4. |



Signed this..... Day of..... 2016.

Signature of shareholder

Signature of Proxy holder(s)

Note: This form in order to be effective, should be duly completed and deposited at the Corporate Office of the Company situated at SDF-V& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 not less than 48 hours before the commencement of the meeting.

REGISTERED BOOK POST

If undelivered please return to

Indian Terrain Fashions Limited

No. 208, Velachery, Tambaram Road,
Narayanapuram, Pallikaranai, Chennai - 600 100.

Tel : +91 44 4227 9100

Fax : +91 44 4343 2360