

## DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Directors of your Company hereby present the Twenty Fourth Annual Report together with the Company's audited accounts for the financial year ended 31<sup>st</sup> March 2018. The Management Discussion and Analysis is also incorporated into this report.

### STATE OF COMPANY'S AFFAIRS

#### BUSINESS OPERATIONS

##### **Overview**

Your Company is the largest retailer for brand Nike in India. Your Company also manufactures footwear such as sports shoes and thongs for international brands namely Nike, PUMA, Asics and Lotto. Presently, your company has five manufacturing facilities including M/s Shree Shoes, a partnership firm, where SSIPL holds 99% of shares with a total production capacity of 4.89 million pairs of footwear and thongs per annum.

We also retail various international and domestic brands through multi-brand concept stores of SSIPL Lifestyle Private Limited ("SSIPL LS"), our wholly owned subsidiary, viz. Sports Station, ShoeTree and Value Station. Sports Station retails for Puma, Nike, Adidas, Reebok, Asics, Lotto, Converse, Skechers, Crocs, Speedo and Mmojah etc and ShoeTree retails various casual footwear brands, including Clarks, Puma, Carlton London and Cobblerz. SSIPL LS is also an exclusive distributor of Nike Accessories in India.

In the Financial year 2017-18, TR Capital III Mauritius, a private equity fund based in Mauritius invested in the company by acquiring 1,409,902 equity shares i.e., 14.05% stake of the Company's paid up equity share capital from the existing shareholders of the Company except promoters and their groups.

As on March 31, 2018, SSIPL Group operates 263 Exclusive Brand Outlets ("EBOs") for Nike, Levi's, Lotto, United Colors of Benetton, Clarks, and Mmojah, 76 Multi Brand Outlets ("MBOs") in the name of Sports Station and 12 concept stores in the name of Shoe Tree & Value Station.

## FINANCIAL PERFORMANCE

Rs. In lacs)

Particulars	Consolidated		Standalone	
	For the year ended 31-03-18	For the year ended 31-03-17	For the year ended 31-03-18	For the year ended 31-03-17
Total Income From Operation	83,402.38	86,907.96	55,029.63	58,810.39
PBDIT	6,374.71	3,788.11	4,525.39	3964.71
Depreciation	2,377.96	2,493.47	1,740.92	1,716.71
Profit after Depreciation before Interest and tax	3,996.75	1,294.64	2,784.47	2248.00
Financial Exp./ Interest	2,178.44	2,299.83	1,344.19	1,332.22
Profit before Tax	1,818.31	-573.86	1,440.28	915.78
Extraordinary Item	0.00	-431.32	0.00	-431.32
Profit before Tax after Extraordinary Items	1,818.31	-1,005.19	1,440.28	484.46
Provision for Tax and Deferred Tax	621.77	-135.56	487.28	174.75
Net Profit/ (Loss) for the year ( before Minority)	1,196.54	-869.63	953.00	309.72
Accumulated Profit carried to Balance sheet	1,190.56	-871.11	953.00	309.72

## PERFORMANCE OVERVIEW

Consolidated Gross sales witnesses' de growth of 4.03% to Rs. 83,402.38 lacs from Rs. 86,907.96 lacs in previous year.

Standalone Gross sales witnesses de-growth of 6.43% to Rs. 55,029.63 lacs from Rs. 58,810.39 lacs in previous year.

## OPERATING PROFIT

Consolidated Operating profit has increase by 209% to Rs. 3,996.75 lacs from Rs. 1,294.64 lacs in previous year.

Standalone Operating profit has increase by 53% to Rs. 2,784.47 lacs from Rs. 1,816.68 lacs in previous year.

## PROFIT AFTER TAX

The Company has achieved consolidated Profit/Loss after tax of Rs. 1,196.54 lacs as against Rs. (869.63) lacs in the last year, thereby recording increase of 238 % over the last year.

The Company has achieved standalone profit after tax of Rs.953 lacs as against Rs. 309.72 lacs in the last year, thereby recording a growth of 208% over the last year.

## DIVIDEND

In terms of the dividend policy of the company, no dividend has been recommended for the financial year 2017-18.

## TRANSFER TO RESERVE

“The Company proposes to transfer NIL amount to the general reserves out of the amount available for appropriation.

## CREDIT RATING

The Company's financial discipline and prudence is reflected in the latest credit rating of **A-** ascribed by rating agency ICRA and CRISIL for long term loans valid till 31<sup>st</sup> March 2018. The current credit rating is being evaluated by rating agencies.

## SHARE CAPITAL

The paid-up Share Capital as on March 31, 2018 was Rs. 100,315,860 comprising of 10,031,586 equity shares of Rs. 10/- each. During the year under review, no changes have taken place with regard to the share capital.

## ESOS, 2014

Pursuant to ESOS, 2014, the company has granted 76,000 options to the eligible employees of the Company and its subsidiary (ies) on 10<sup>th</sup> February 2015 which were to be exercised in two tranches in the year 2016 and 2017.

38000 options got vested on 10<sup>th</sup> February 2017; however, none were exercised by eligible employees of the company and its subsidiaries.

There are NIL option vested and exercisable as on 31<sup>st</sup> March 2018

## CONSOLIDATED FINANCIALS

In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed form at AOC-1 is attached as “Annexure – F” to the Board's report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the Company's website at the link – <http://www.ssiplgroup.com/investor-relation/financial-results.php>

**SSIPL LIFESTYLE PRIVATE LIMITED**



SSIPL Lifestyle Private Limited (“SSIPL LS”), the wholly owned subsidiary of the Company engaged in the business of retailing and distribution of footwear, apparels and accessories including fitness equipment’s witnessed Net Revenue of Rs. 32,377 lacs against Rs. 30,382 Lac during the last financial year on standalone basis. The subsidiary has reported Rs. 223.25 lacs PAT against Rs. (1,132.28) lac in previous year.

#### **SHUBH FOOTWEAR PRODUCTS PRIVATE LIMITED**

Shubh Footwear Products Private Limited (“Shubh”), the step down subsidiary of the company engaged in the development and distribution of private labels witnessed Net Revenue of Rs. 276 lac against Rs. (61) lac during the last financial year. The step- down subsidiary has reported PAT of Rs. 20 lac against Rs. (0.80) lac in previous year.

#### **SHREE SHOES, PARTNERSHIP FIRM**

Shree Shoes, a partnership firm engaged in the manufacturing of sports footwear wherein our company is a 99% partner, had witnessed Net Revenue of Rs. 8,912 lac against Rs.10,486 lac during the last financial year. The firm has reported PAT of Rs. 56.87 lacs against Rs. 147.44 lacs in previous year. Currently Shree shoes manufactures shoes and thongs for Brand Pumapursuant to the Contract Manufacturing Agreement entered with the Brand. Besides it is also manufacturing shoes/ shoes uppers/ shoes lowers for SSIPL Retail and SSIPL Lifestyle.

#### **EXTRACTS FROM THE ANNUAL RETURN**

Pursuant to Section 134(3) (a) read with Rule 12 of Companies (Management and Administration) Rules, 2014, the details forming part of extracts from the Annual Return in form MGT- 9 is annexed herewith as “Annexure A”.

#### **FEMA COMPLIANCES**

Pursuant to the RBI notification No. RBI/2013-14/117 dated July 04, 2013 your Company has duly obtained a certificate from our Statutory Auditors M/s S.N. Dhawan & Co. LLP. The statutory auditors have certified that the company is in compliance with the regulations as regards downstream investment and other FEMA provisions as applicable on your Company.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) and (5) of the Companies Act, 2013:-

- I. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period.
- III. that 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 annual accounts for the financial year ended 31<sup>st</sup> March 2018 on a `going concern basis`.
- V. that 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. that the Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF THE LOAN/ GUARANTEES OR INVESTMENTS**

The full particulars of the loans given, investments made, guarantees or security provided – and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act – can be found in the notes to the Financial Statements

#### **PARTICULARS OF RELATED PARTY TRANSACTIONS**

There were no materially significant related party transactions entered between the Company, Directors, management, or their relatives except for those disclosed in the financial statements. During the year under review, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2017-18 were in the ordinary course of business and on an arm's length basis. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does form a part of this report as Annexure B. All related party transactions are mentioned in the note to the Financial Statements. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review on a quarterly basis.

#### **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments that occurred subsequent to the end of the financial year till the date of this report, which affects the financial position of the Company:-

#### **CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of our company during the year.

#### **HUMAN RESOURCE MANAGEMENT & DEVELOPMENT**

SSIPL continues to introspect and strengthen its core competencies by redefining its Values and Vision. People development continues to be a key focus area and to have a sustained learning environment, the employees are being coached and empowered to coach others. Reaffirming a strong belief in inclusion and equality and a zero tolerance on

harassment, customised workshops and focused discussions are being conducted. To create a leadership pipeline across the system, assessments are being conducted to have fair and transparent performance evaluation. Infusion of technology in the learning space is helping the Company to maximise knowledge percolation, enable speedy coverage of information and monitor & address learning requirements of the employees. The team has been striving to continuously improve work culture, employee engagement, maintain competitive employee cost, productivity to be the best-in-class organisation. The Human resource department enables the smooth functioning of organization by strategizing policies and procedures and making employees adhere to the set SOP amicably.

The prime objective of HRD is to ensure top class talent in the organization by recruiting right manpower and deploying at the right place. Employee engagement programs are organized on regular basis to motivate employees and to maintain individual connect with them. Employee life cycle is being maintained through automated system to ease and simplify the process & better time management. HR takes care of Performance Management and annual appraisal through automated tools for all the employees by reviewing their talent, contribution to the organization and reward them through career progression and indicates their area of improvements. At our manufacturing units, we ensure basic requirement of safety, health and welfare of workers pertaining to statutory norms.

The details of our employees working in the retail and the manufacturing are as follows:

Segment	March 31, 2018
<b>Retail</b>	
Front-end	1518
Back-end	267
<b>Manufacturing</b>	
White Collar	390
Blue Collar	3242

**TRAINING**

Training and development allows employees to acquire new skills, sharpen existing ones, amplify strengths, perform better, increase productivity and be better leaders. Training helps to tackle shortcomings of individual & helps employees iron them out. From increasing people stability to flexibility, from heightening morale to reduced supervision it helps an individual to grow in less time towards right direction. What employee achieves individually is of big importance in an organization. We need to ensure that employees perform at their peak and wherever require we support them through this channel.

As an organization, we have a combined set of training programs to address professional, technical and soft skill needs & building and strongly advocate a “blended” approach to learning such as on job learning, workshops, projects and courses. Training not only helps an employee to perform better but also focuses on to grow people internally by helping them through various modes & ensure that the best talent is retained. Training modules vary as per the need. Right from induction /on boarding to skill development at every level, we focus on both technical and softer aspects to develop an individual and strengthen on his/her existing skills and develop new ones as well. Our overall

Department focuses on various development interventions. These trainings vary from class room workshops to on job training & coaching and sometimes even e-learning.

Training, in fact, is the cornerstone of effective management as it makes employees more efficient and productive, eventually leading to organizational growth.

### **INFORMATION TECHNOLOGY (IT)**

We believe that IT is a powerful tool in operating our business and have accordingly created a robust IT system, network and processes. With AX Retail 2012 R3 as the point of sale software for front end operations and Microsoft Dynamics Axapta 2012 R3 Enterprise Resource Planning (ERP) for the backend operations, we have a fully integrated real-time platform for managing the complexities of our business. The complete manufacturing business of the Company is also migrated to the Microsoft Ax platform. This makes the complete business of the Company on common ERP platform which is Microsoft Ax. Now the process of migrating to the latest version of Microsoft Ax on cloud, D 365 is in process.

Apart from the managing inventories, discounts and sales data, we also have integrated various other modules such as Employee Discount Management System (EDMS), Performance Management System (PMS), customer relationship management, Gift Vouchers and Gift Card application, Business Intelligence Tool, and HRMS.

The Company has successfully implemented universal gift card system which means the issuance and redemption of Gift Cards across multiple Franchisees.

We have also launched our Omni-channel application in some of our Nike and Sports Station stores in the form of tablet shopping with complete integration with AXAPTA which provides for a seamless shopping experience for our customers providing them the convenience of online shopping in the stores itself, by allowing the consumers to browse product by category/occasion, create looks. Have also successfully implemented POS billing through tablets which will help us remove the cash-desk space and add more space for sales..

### **INDIAN RETAIL OVERVIEW**

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

Indian Retail Industry has immense potential as India has the second largest population with affluent middle class, rapid urbanisation and solid growth of internet.

### **Market Size**

India's retail market is expected to increase by 60 per cent to reach US\$ 1.1 trillion by 2020, on the back of factors like rising incomes and lifestyle changes by middle class and increased digital connectivity. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent#. Indian retail market is divided into "Organised Retail Market" which is valued at \$60 billion which is only 9 per cent of the total sector and "Unorganised Retail Market constitutes the rest 91 per cent of the sector.

India's Business to Business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020. Online retail is expected to be at par with the physical stores in the next five years and has grown 23 per cent to \$17.8 billion in 2017.

India's total potential of Business to Consumer (B2C) is estimated to be US\$ 26 billion, of which \$3 billion can be achieved in the next three years from 16 product categories, according to a study by Federation of Indian Chambers of Commerce and Industry (FICCI) and Indian Institute of Foreign Trade (IIFT).

India has replaced China as the most promising markets for retail expansion, supported by expanding economy, coupled with booming consumption rates, urbanizing population and growing middle class.

India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. Indian e-commerce sales are expected to reach US\$ 120 billion! by 2020 from US\$ 30 billion in FY2016. Further, India's e-commerce market is expected to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience.

India's direct selling industry is expected to reach Rs 159.3 billion (US\$ 2.5 billion) by 2021, if provided with a conducive environment through reforms and regulation. Indian exports of locally made retail and lifestyle products grew at a CAGR of 10 per cent from 2013 to 2016.

India is expected to become the world's third-largest consumer economy, reaching US\$ 400 billion in consumption by 2025.

Luxury market of India is expected to grow to US\$ 30 billion by the end of 2018 from US\$ 23.8 billion 2017 supported by growing exposure of international brands amongst Indian youth and higher purchasing power of the upper class in tier 2 and 3 cities, according to ASSOCHAM.

The size of modern retail in India is expected to double to Rs 171,800 crore (US\$ 25.7 billion) from Rs 87,100 crore (US\$ 13 billion) in three years driven by omni-channel retail.

### **Investment Scenario**

The Indian retail trading has received Foreign Direct Investment (FDI) equity inflows totalling US\$1.09 billion during April 2000–September 2017, according to the Department of Industrial Policies and Promotion (DIPP).

With the rising need for consumer goods in different sectors including consumer electronics and home appliances, many companies have invested in the Indian retail space in the past few months.

- Department of Industrial Policy and Promotion (DIPP) approved three foreign direct investments (FDI), Mountain Trail Food, Kohler India Corporation, and Merlin Entertainments India in the single brand retail sector and two FDI proposals of over Rs 400 Crore (US\$ 62.45 million) within the retail sector.



- With 2017 being a successful year for herbal-ayurvedic brands, new Indian organic labels in hair care, cosmetics, food and apparel are belting up to carve an organic niche in the growing herbal segment.
- Investments by private equity firms in Indian retail sector reached US\$ 200 million in the first half of 2017, with seven new global brands entering India during the period.

### Government Initiatives

The Government of India has taken various initiatives to improve the retail industry in India. Some of them are listed below:

- The Government of India may change the Foreign Direct Investment (FDI) rules in food processing, in a bid to permit e-commerce companies and foreign retailers to sell Made in India consumer products.
- Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of e-commerce companies operating in India.

### Road Ahead

E-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come. Retailers should leverage the digital retail channels (e-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier-2 and tier-3 cities.

Both organized and unorganized retail companies have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers.

Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favorable demographics, entry of foreign players, and increasing urbanization.

## INDIAN FOOTWEAR INDUSTRY: A PERSPECTIVE

Footwear has evolved from being just a mere necessity as a protection for your feet to an important accessory that ups your fashion game right away. According to Business wire, India is the second largest global producer of footwear after China, accounting for 9 percent of the annual global production of 22 billion pairs. Presently about 90 percent of the footwear produce in the country is consumed by the domestic market and the rest is exported. The growing Indian fashion and lifestyle market has given an impetus to the footwear industry as well.

### Market Scenario

Footwear industry in India is very optimistic right now with growing awareness about the latest trends and consciousness among consumers. This industry has seen a tremendous growth in the last few years. The demand for

footwear products in India is increasing with each passing day. Indian footwear industry is approximately between Rs.30,000 crores to Rs.40,000 crores. And this can grow up to 100 percent by next 5 years provided the right policies and tax structure. This market is shared between organized and unorganized segment. The organized segment caters to about one third of the market while unorganized players fetch the remaining 70- 75 percent market which essentially falls under micro, mini, small and medium enterprises. With the rising disposable incomes of the customers, India's domestic footwear market is booming. Rising incomes, advent of globalization, improved employment and living standards in the country has led to the expansion in the size of this market. Also, consumer's increased exposure to plastic money and imposition of GST is going to provide more organized retailing and trade transparency in long term. Government of India has already commenced the "Make in India" campaign which has been proving beneficial in boosting manufacturing in India. Secondly, due to the ever increasing internet penetration and adoption of internet and the overall ecosystem for e-commerce falling in place, the last decade has been the best for this industry.

### **Evolving Shopping Behavior**

Instant awareness and aspirations for the latest global trends with the advent of technology has resulted in frequent shopping behavior of consumers. Demand for footwear is expected to remain strong over the forecast period. The category is anticipated to register a retail value CAGR of 7 percent at constant prices, with sales reaching Rs.778 billion in 2021. The way consumers are spending their money on various items has changed in recent years. With the ever-increasing penetration of internet and social media, the purchasing behavior of Indian consumers has changed dramatically. Urbanization is taking place in India at a dramatic pace and is influencing the life style and buying behavior of the consumers. The factors that affect buying behavior and draw customers to the shopping centers include space, ambiance and convenience and moreover an array of choice under one roof. The growth of integrated shopping malls, retail chains and multi-brand outlets is evidence of consumer behavior being favorable to the growing organized segment of the business in the metros. Also, global fashion and lifestyle brands have suddenly started betting big on small cities of India. Also, footwear now is an integral part of the outfit. It can make or break an outfit. The consumer in the present era is no longer the same simple, subtle and single- minded consumer he used to be a decade ago. Now, they prefer having a variety of footwear options. The consumer has become more technological savvy, extensively prone to digital marketing and practices, fashion conscious, demanding the latest trends and contemporary styles and vogueish in a certain manner. The growing footwear segment along with the rising brand consciousness, rising discretionary incomes which consequentially leads to higher propensity to buy along with rising fashion consciousness and increasing share of organized footwear market led to an enormous growth in footwear consumption.

### **Growing Opportunities**

Indian market, especially the footwear market, has a lot of scope. The Indian footwear industry is gearing up to leverage its strengths towards maximizing benefits. Resource strength of India in the form of materials and skilled manpower is a comparative advantage for the country, among other things. The increasing significance of footwear is leading to an upsurge in the demand of footwear day by day which is further leading to higher growth prospects of footwear industry. The easy availability of varied styles is also increasing brand loyalty amongst the customers. The advent of such huge varieties of footwear is growing the potential of footwear industry even in tier-II and tier-III cities as the people are becoming more and more brand centric in these cities as well.

### **Challenges Ahead**

While the footwear industry is set for an exponential growth in the times to come, there are many challenges that are continuously erecting roadblocks in the process. The industry is already working towards consolidating the growth. This has seen technology being the key element in making things possible to enhance growth. Many institutes have blossomed to provide retail professionals to the industry which will help in the long run. The government initiatives to taper down the real estate demands and make the pricing more pragmatic will also give a boost to the retail industry and push it to a higher growth path. Apart from these, counterfeiting is another big challenge for the organized footwear industry. Organized sector is something we cannot avoid because it's the bigger chunk of the market. But the real problem lies in stopping the counterfeit products; it's easy to sell fake shoes for the unorganized retailers but that ultimately hampers the brand image as consumers start associating the quality and performance of a fake product to the brand. We try to curtail that through legal processes where we conduct raids, seize counterfeits and apply to some suit in the court, etc. But that still possess as a big challenge for us, especially in a country like India where we don't have too many laws against counterfeit.

### **The Way Forward**

Going forward, with expansion in retail sector and technological advancements, footwear market is amongst the fastest emerging sectors in the fashion industry. The demand for footwear products in India is to expand in the coming years as the customers do not compromise both with comfort and style.

### **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as Annexure C.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours on working days upto the date of ensuing Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The Annual Report including the aforesaid information is also available on the Company's website.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

### **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Company has laid down internal control systems which are aimed at providing assurance on the company's effectiveness and efficiency of operations, compliance with laws and regulations, safeguarding of assets and reliability of financial and management reporting. Company is staffed with experienced and qualified people who play an important role in designing, implementing, maintaining and monitoring the internal control environment. An internal

audit team performs periodic internal audits to provide reasonable assurance over internal control effectiveness and advice on industry wide best practices.

In opinion of Statutory Auditors, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

The Audit committee consisting of independent director's review important issues raised by the Internal and Statutory auditors thereby ensuring that the risk is mitigated appropriately with appropriate rectification measures on a periodic basis.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In pursuance to Section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company has established a vigil mechanism and adopted a whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimization of persons who use this mechanism. In compliance with the provisions of Section 177(10) of the Act, the brief detail about this mechanism may be accessed on the Company's website at the link <http://www.ssiplgroup.com/investor-relation/vigil-mechanism.php>

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company believes in providing a safe and harassment free workplace for every individual working in SSIPL premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy for prevention of sexual harassment at work place and is fully committed to comply with its various provisions. The policy inter-alia provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. The Sexual Harassment Policy may be accessed on the Company's website at the link <http://www.ssiplgroup.com/investor-relation/sexual-harrasment.php>

The company has populated the sensitization of this Act as an integral part of Induction Program. Also, the manual and digital trainings are in place to educate the employees on regular intervals. During the year under review, no complaints were received in this regard.

The Company has filed annual return for the calendar year 2017, to the District officer under the provisions of Section 11 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## RISK MANAGEMENT

In lines with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report the compliances and effectiveness of the same. A Risk Management Committee has been constituted to oversee the risk management process in the Company. The committee has reviewed the major risks which affect the Company from both the external and the internal environment perspective. Appropriate actions have been taken by the Chief Risk Officer (CRO) of the company to either mitigate, partially mitigate, transfer or accept the risk and monitor the risk on regular basis. The Company's internal control system are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by our Statutory as well as Internal Auditors. Significant audit observation and follow up actions thereon are required to be reported to the Audit Committee.

## DIRECTORS

### Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive and Non- Executive Directors. The Composition of Board and category of Directors are as follows:

Category	Name of Directors
<b>Executive Promoter Directors</b>	Rishab Soni, Managing Director Sunil Taneja, Whole Time Director
<b>Non- Executive Directors</b>	Carlton Felix Pereira Srinath Srinivasan, Nominee Director Paul Gratien Robine, Nominee Director
<b>Independent Directors</b>	Sanjiv Saraf Rahul Sood Abhay Soi



Majority of the Board is non- executive.

**Code of Business Conduct & Ethics**

The Company has adopted the Code of Conduct for all Board members, Key Managerial personnel and Senior Managerial personnel of the Company. This Code is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance to the Code of Conduct. The Code is also displayed on the Company's Website at the link [http://www.ssiplgroup.com/investor-relation/ model-of-code.php](http://www.ssiplgroup.com/investor-relation/model-of-code.php)

**NUMBER OF MEETINGS OF THE BOARD DURING THE YEAR**

Pursuant to Section 134(3) (b) and Secretarial Standard – 1, During the financial year 2017-18, the Board of Directors of the Company met four (4) times on 23<sup>rd</sup> June 2017, 14<sup>th</sup> August 2017, 11<sup>th</sup> December 2017, and 23<sup>rd</sup> March 2018. The details of the Directors on the Board of your Company for the year 2016-17 are given below:

**Composition of the Board**

<b>Name of Director</b>	<b>Category</b>	<b>No. of Board Meetings Attended</b>	<b>Whether Attended last AGM</b>
Mr. Rishab Soni	Managing Director	4/4	Yes
Mr. Sunil Taneja	Whole Time Director	2/4	Yes
Mr. Carlton Felix Pereira	Non- Independent / Non- Executive Director	4/4	Yes
Mr. Abhay Soi	Non-Independent/ Non- Executive	2/4	Yes
Mr. Rahul Sood	Independent / Non- Executive Director	3/4	Yes
Mr. Raj Vaisoha	Independent/ Non- Executive Director	0/1	No

Mr. Sanjiv Saraf	Independent/ Non-Executive Director	2/4	Yes
Mr. Srinath Srinivasan	Non- Independent / Non-Executive Director	2/4	No
Ms. Nikita Susan George	Women & Non-Executive Director	4/4	Yes
Mr. Paul Gratien Robine**	Nominee Director	2/2	No

\*Ceased w.e.f. 31<sup>st</sup> July 2017

\*\*appointed w.e.f 14<sup>th</sup> August 2017

The Independent Directors met on 23<sup>rd</sup> March 2018, without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board. All the directors were present at the meeting except Mr. Sanjiv Saraf as he is pre-occupied with some personal commitments. The Board of Directors expressed their satisfaction with the evaluation process.

#### **Changes in our Board & KMP during the last year**

Our Board has undergone the following changes in the last year:

Sr. No.	Name	Designation	Date of Appointment/ Cessation	Nature of Change
1	Mr. Raj Vaisoha	Director	July 31, 2017	Cessation from the Directorship w.e.f. July 31, 2017
2.	Ms. Paul Gratien Robine	Nominee Director	August 14, 2017	Appointment as Nominee Director w.e.f August 14, 2017

There is the following change in KMPs during the year:-

Sr. No.	Name	Designation	Date of Approval of board	Nature and date of such Changes
1	Mr. Manish Poddar	CFO	March 23, 2018	Resignation w.e.f. February 28, 2018

The Management has been interviewing various candidates for the position of CFO of the Company, however, till date no appropriate candidature has been selected for nomination as CFO.

During the year in review, the term in office of Mr. Sanjiv Saraf and Mr. Raj Vaisoha, Independent Directors of the Company came to an end in July 2017, wherein Mr. Sanjiv Saraf in the EGM held on 17<sup>th</sup> July 2017 has been reappointed as Independent Director for a second term of two years effective from the date of Extra-Ordinary General Meeting. However, Mr. Raj Vaisoha ceased to act as an Independent Director from 31<sup>st</sup> July 2017.

The board places on record its sincere appreciation for the services rendered by Mr. Raj Vaisoha during his tenure as Director of the Company.

Mr. Abhay Soi, Non-Executive, Non Independent Director who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, - appointed as Independent Director of the Company w.e.f from 18<sup>th</sup> August 2017 to hold office for a term of two consecutive years for the term up to the conclusion of the 25<sup>th</sup> Annual General Meeting of the Company

The term in office of Mr. Rahul Sood Independent Director of the Company came to an end in September 2017 and were re-appointed as Independent Director for a second term of two years effective from the date of Annual General Meeting held on 18<sup>th</sup> September 2017.

Pursuant to the provisions of section 196,197, 198 and 203 of the Companies Act, 2013 read along with Schedule V of the Act and applicable rules of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Sunil Taneja, Whole Time Director of the Company has been re-appointed for a period of five years commencing from 1<sup>st</sup> April 2017 ,approved by the members of the company in the Extra Ordinary General Meeting held on 11<sup>th</sup> August 2017.

In accordance with the provisions of Companies Act, 2013, Mr. Sunil Taneja and Mr. Carlton Felix Pereira are the directors liable to retire by rotation at ensuing Annual General Meeting, and being eligible, offer themselves for reappointment at the said meeting. The Board has recommended their reappointment. Their brief profiles are provided in the Notice convening the ensuing 24<sup>th</sup> Annual General Meeting of the Company

#### ***Declaration by Independent Directors***



Pursuant to Section 134(3) (d) of the Act, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment of an Independent Director, the Company issues a formal letter of appointment setting out in detail, the terms of appointment, duties and responsibilities. The company has put in place a system to familiarize the Independent Director of their roles, rights, responsibilities, nature of industry in which the company operates, business model of the company and the ongoing events relating to the company. Further, in every quarterly Board meeting, a detailed review on the various business divisions and major subsidiaries is presented in order to update the Directors and to ensure their effective participation in the Company’s strategy, business performance, operations, finance, investor relations, risk management framework, human resources, IT and other related matters. The presentations to the Board includes update on company’s policies, and quarterly performance report which includes information on business performance, operations, financial parameters, litigations and compliances.

### AUDIT COMMITTEE

Pursuant to Section 177(8) of the Act read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, the audit committee (“**Audit Committee**”) was reconstituted by our Board in its meeting held on March 23, 2018. The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The Audit committee has met four times during the year and the composition of the Audit Committee is as follows:

Sr. No.	Name of Director	Designation	No. of meetings attended
1.	Sanjiv Saraf	Chairman	1/4
2.	Carlton Felix Pereira	Member	4/4
3.	Raj Vaisoha*	Member	1/1*
4.	Rahul Sood	Member	4/4
5.	Abhay Soi**	Member	0/0**

\*ceased as member of Audit Committee from 31<sup>st</sup> July 2017.

\*\*appointed as member of Audit Committee from 23<sup>rd</sup> March 2018

Scope and terms of reference: The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act 2013.

### COMPLIANCE UNDER SECTION 178 OF THE COMPANIES ACT, 2013

In compliance with Section 178 of the Companies Act, 2013, the Company has a “Nomination and Remuneration/Compensation (“NRC”) Committee” of the Board consisting of 4 non-executive directors out of which 3 are independent directors.

The scope of the NRC Committee includes, but not limited, reviewing the overall compensation policy, service agreements, performance incentive and employment conditions of Executive Director(s) and Key Managerial

Personnel / Senior Management Personnel & other employees. The recommendations of NRC Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

The NRC committee has formulated and adopted a Remuneration Policy on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director; and other matters provided under sub-section (3) of section 178 of the Companies Act 2013.

In reviewing the overall remuneration of the Board of Directors, KMP's and SMP's of the Company, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

The Nomination, Remuneration and compensation policy of the company is available at Company's website.

## **ANNUAL GENERAL MEETING**

Pursuant to Secretarial Standard – 2, the Annual general meeting was held on 18<sup>th</sup> September 2017 during the financial year from 01<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.

## **STATUTORY DISCLOSURES:**

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013.

## **AUDITORS**

### **Statutory Auditors**

At the Annual General Meeting held on September 18, 2017, M/s S.N. Dhawan & Co. LLP, were appointed as statutory auditors of the Company to hold office till the conclusion of the Twenty Eighth Annual General Meeting subject to ratification by members at each annual general meeting. As required under the provision of Section 139 of the Company Act, 2013, In this regard, the Company has received a certificate from the auditors to the effect that if they are eligible to continue the statutory auditors of the Company, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

As reported in Para (vii) (b) of Annexure to Auditors' Report, the Company has not deposited the dues of sales-tax, income-tax, local area development tax, Entry Tax and c forms on account of dispute in the normal course of business and expected to be decided/ settled in due course of time. The explanation of which has already been provided by the auditors in their report. There are no outstanding statutory dues for more than six months from the date they became payable as on March 31, 2018.

The observations of Auditors are self-explanatory and/ or suitably explained in various notes to the accounts and no further comments are required from the Board of directors of the Company.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s DMK Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure D". The Secretarial Auditors have made a qualification in their Report for the financial year ended on 31 March, 2018. The qualification and management response to the qualification are as under:

### **Observations in Secretarial Auditor's Report: -**

- 1. The Company was required to appoint Women Director pursuant to section 149(1) latest by December 28, 2016 to fill the vacancy created due to vacation of Ms. Meenu Bansal on September 29, 2016 of the Companies Act, 2013 & in this regard the company has received a show cause notice dated May 24, 2017 u/s 149(1) of the Act from the Ministry of Corporate Affairs for not appointing women Director on time. However, the Company has appointed Ms. Nikita Susanne George Women Director on March 24, 2017 in place of Meenu Bansal. However, The Registrar of Companies, NCT of Delhi & Haryana in the meantime has initiated the prosecution before the Additional Chief Judicial Magistrate, Delhi against the Company, its Directors & Officers for violation of section 149 of the Act, 2013. The Company, its Directors & officers filed the composite application before the Regional Director, Northern Region u/s 441 of the Act on January 23, 2018 for compounding of violation of section 149. The Regional Director vide its order dated May 17, 2018 has disposed off the application upon payment of compounding fee.*
- 2. It is observed that Mr. Manish Poddar, Chief Financial Officer (CFO) of the company has resigned w.e.f 28.02.2018 and the company has not appointed CFO in place of Mr. Manish Poddar as per Section 203 of Companies Act, 2013 as on date, however we were informed that in the next Board Meeting, the company will fill the position of CFO.*
- 3. The company has re-appointed Mr. Sunil Taneja as the Whole Time Director of the Company w.e.f. 01.04.2017, however the requisite return with respect to his re-appointment has not been filed with the Registrar of Companies.*

### Management response:

1. The observation is self-explanatory. The matter has been compounded and disposed off.
2. The Board has appointed a CFO in its meeting held on 21<sup>st</sup> June 2018.
3. The filing of the form was inadvertently missed. The management shall take due care in future.

### DEPOSITS

The Company has not accepted any deposits from the public during the year under review within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### CORPORATE SOCIAL RESPONSIBILITY [SUSTAINABILITY REPORTING]

As per Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee, which comprises of Board members named Ms. Nikita Susan George, Mr. Rishab Soni and Mr. Rahul Sood. The Committee monitors and oversees various CSR initiatives and activities of the Company. The Company's CSR activities are implemented through SSIPL Foundation which was incorporated for the purpose by SSIPL Group.

The CSR Policy of the Company is displayed on the Company's Website at the link – <http://www.ssiplgroup.com/investor-relation/CSR-policy.php>.

A detailed Report on CSR activities is attached to this report as "Annexure-E".

### AWARDS & ACCOLADES

Your Company continues to win awards year-after-year, thus reiterating its credible market position. Some awards during FY 2018 are:

- ❖ Brand Lotto won Economic Times- Champions of fitness 2017-18
- ❖ Brand Levis, DLF Promenade New Delhi- For achieving highest like to like growth 2017
- ❖ Brand Levis, SSIPL –Best rigor on new initiatives-MSF 2017

### INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has laid down internal control systems which are aimed at providing assurance on the company's effectiveness and efficiency of operations, compliance with laws and regulations, safeguarding of assets and reliability of financial and management reporting. Company is staffed with experienced and qualified people who play an important role in designing, implementing, maintaining and monitoring the internal control environment. An internal

audit team performs periodic internal audits to provide reasonable assurance over internal control effectiveness and advice on industry wide best practices.

In opinion of Statutory Auditors, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **(A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION&SUSTAINABLE DEVELOPMENT**

We strongly believe in conducting our business in an environmentally sustainable manner. Since the operations of the company are energy intensive and all the production stages consume electricity, therefore, we have set-up a Rooftop Solar PV Project of 1 MWp capacity in our plant located at 75, Sersa Road, Kundli, Sonipat in the state of Haryana against connected load of 1.5 MWp. IN FY 2016-2017.It was a major initiative towards energy conservation, green energy etc. and the Company is enjoying immense benefits out of this project by conserving energy and huge savings in power costs.

Besides the above, the other ways of energy conservation and sustainable development have been stated as below:

1. All maintenance personnel and Store managers were made aware about energy consumption of their store as per the connected load. Based on the connected load and operating hours, budgeted energy consumption is given to each stores and practice of taking daily logs and cross-checking the daily consumption with the budgeted units is adopted. This helps in curbing the unwanted consumption.
2. Eliminated the unwanted night consumption and restricted usage of the night lighting during night work.
3. The factory is designed in such a way that natural light comes into the production area and the factory is fitted with energy saving lighting systems. Lights are kept off during tea and lunch breaks and on unused production lines
4. The machinery installed at the factory is also technologically advanced and helps in reducing the consumption of power.
5. Incandescent Bulbs were being replaced with CFL and LED lights that led to less energy consumption and also save money.

6. At around 365 lac litre of water is being reuse after reprocessing of Domestic and industrial waste water for gardening.

### TECHNOLOGY ABSORBPSION

- 1) We have started midsole degreasing through conveyer system shifting from conventional method of drum washing.
- 2) Rubber degreasing installed.
- 3) Expansion of computerized stitching is continuous part of manufacturing business.
- 4) Trials for large & small concept of IP compounding successfully done.

### (B) FOREIGN EXCHANGE EARNING AND OUTGO

#### (I) Outgo

Particulars	FY 2017-18	FY 2016-17
Traveling	158,149	629,365
Purchases including capital goods (CIF value)	437,585,433	504,052,124
Interest on foreign currency loan	56,719	424,189
Professional fees	2,573,342	614,910
Testing and development	16,121	219,135
	<b>440,389,764</b>	<b>505,939,723</b>

(Rs)

#### (II) Earnings

There is 9,235,197/- foreign earning during the Financial Year ended on 31<sup>st</sup> March 2018.

### OCCUPATIONAL HEALTH AND SAFETY (OHS)

Occupational Health and Safety (OHS) is an area concerned with the safety, health and welfare of people engaged in work or employment. Good OHS practices can also reduce employee injury and illness related costs, including medical care, sick leave and disability benefit costs and creates more productive work environment.

Company takes adequate care of the occupational safety and organizes from time to time various health and safety programmes and also maintains a safe and healthy work environment. In addition, company has observed Road Safety Week educating its employees of the road safety rules. The company has also conducted general safety program, fire safety program, fire drills etc. to take care of the safety of employees. The company conducts audits of process, facility

based on international standards. Company also drives various improvement projects related to carbon dioxide reduction, pollution control, water and energy conservation

Another important benefit of implementing OHS are as follows:-

- □ a safe and healthy work environment enhanced self-esteem, reduced stress, improved morale, increased job satisfaction & improved sense of well-being
  - Good health and safety measures mean that staff can do their work more easily and safely.
  - a safe and healthy workplace enhance company credentials and gives it an edge over its competitors
  - a safe and healthy workplace help in establishes positive community relations

### ACKNOWLEDGEMENT

The Directors are thankful to all the shareholders, Principals, customers, suppliers, Investors, bankers and all other business associates and various departments of Central Government and State Government for the incessant support provided by them to the Company and their confidence in its management. Your Director also wish to place on record their sincere appreciation for the devotion and dedicated efforts put in by the employees at all levels.

**For SSIPL RETAIL LIMITED**

**Place: New Delhi**  
**Date:21.06.2018**

**Sd/-**  
**Rishab Soni**  
**Managing Director**  
**(DIN: 00035576)**

**Add: 50-A, Friends Colony East,**  
**New Delhi, 110065**

**Sd/-**  
**Sunil Taneja**  
**Whole Time Director**  
**(DIN- 00035716)**

**Add: 220, Sector - A, Zone- B,**  
**Mancheswar Industrial Estate,**  
**Bhubaneswar, 751010, Orissa**

**ANNEXURE- "A" – EXTRACTS 04F THE ANNUAL RETURN**

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2018</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

I	CIN	U74899DL1994PLC061971
ii	Registration Date	5 <sup>th</sup> October 1994
iii	Name of the Company	SSIPL RETAIL LIMITED
iv	Category	Company limited by shares
V	Sub-category of the Company	Indian Non-Government Company
Vi	Address of the Registered office & contact details	B1/F4, Mohan Co-operative Industrial Area, Main Mathura Road, New Delhi, Delhi-110044
Vii	Whether listed company	No
Viii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE PRIVATE LIMITED Karvy Selenium Tower- B. Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032, Telangana, Tel: +91-40-44655000 Fax: +91-40-23431551 Email Add: eimward.ris@karvy.com

**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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of sports footwear	15202	37%
2	Retailing of sports footwear	47713	38%
3	Retailing of apparels	47190	25%



### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SSIPL Lifestyle Private Limited	U85190DL2007PT C166053	Wholly Owned subsidiary company	100%	2(87)
2	Shubh Footwear Products Private Limited	U19201DL2005PT C139864	Step-Down Subsidiary Company	50.25%	2(87)

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

#### (i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01.04.2017)				No. of Shares held at the end of the year (i.e. 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	4,128,947	-	4,128,947	41.15%	4,159,738	-	4,159,738	41.47%	0.32%
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	501,007	-	501,007	5.00%	501,007	-	501,007	5.00%	0.01%
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-

<b>SUB TOTAL:(A) (1)</b>	<b>4,629,954</b>		<b>4,629,954</b>	<b>46.15%</b>	<b>4,660,745</b>		<b>4,660,745</b>	<b>46.47%</b>	<b>0.32%</b>
<b>(2) Foreign</b>									
a) NRI-Individuals			-	0.00%			-		
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...(Foreign FVCI)			-				-		
			-				-		
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
			-				-		
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4,629,954</b>		<b>4,629,954</b>	<b>46.15%</b>	<b>4,660,745</b>		<b>4,660,745</b>	<b>46.47%</b>	<b>0.32%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-



e) Venture Capital Fund	1,760,491	-	1,760,491	17.55%	1,760,491	-	1,760,491	17.55%	0.00%
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	1,409,902	-	1,409,902	14.05%	14.05%
h) Foreign Venture Capital Funds	1,588,368	-	1,588,368	15.83%	1,588,368	-	1,588,368	15.83%	0.00%
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>3,348,859</b>	<b>-</b>	<b>3,348,859</b>	<b>33.38%</b>	<b>4,758,761</b>	<b>-</b>	<b>4,758,761</b>	<b>47.44%</b>	<b>14.06%</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	779,923	-	779,923	7.77%	609197	-	609197	6.07%	-1.7%
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	111,453	8,407	119,860	1.32%	500	-	500	0.005%	-1.32%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,150,607	-	1,150,607	11.52%	-	-	-	-	-
c) Others (specify) NRI	2,383	-	2383	0.02 %	2,383	-	2383	0.02 %	0.00%

<b>SUB TOTAL (B)(2):</b>	<b>2,044,366</b>	<b>8407</b>	<b>2,052,773</b>	<b>20.64</b>	<b>612,080</b>		<b>612,080</b>	<b>6.10%</b>	<b>14.54%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5,393,225</b>	<b>8,407</b>	<b>5,401,632</b>	<b>54.03</b>	<b>5,370,841</b>		<b>5,370,841</b>	<b>53.54</b>	<b>-0.49%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>10,023,179</b>	<b>8,407</b>	<b>10,031,586</b>	<b>100.00%</b>	<b>10,031,586</b>		<b>10,031,586</b>	<b>100.00%</b>	<b>-</b>

## ii) SHAREHOLDING OF PROMOTERS

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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 shares	
1	Rishab Soni	1528259	15.23%	-	1531759	15.27%	-	0.04%
2	Sunil Taneja	651151	6.49%	-	651151	6.49%	-	Nil
3	Amit Mathur	781378	7.79%	-	781378	7.79%	-	Nil
4	Kabir Taneja	290875	2.90%	-	290875	2.90%	-	Nil
	<b>Total</b>	<b>3251663</b>	<b>32.41%</b>	<b>-</b>	<b>3255163</b>	<b>32.45%</b>	<b>-</b>	<b>0.04%</b>

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No	Name of the promoter	Shareholding at the beginning of the year		Date wise change in shareholding			Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date of event	Nature of event	No of shares	No. of shares	% of total shares of the company
1	Rishab Soni	1528259	15.23%	1. 11/05/2017 2.29/05/2017	Purchase  Purchase	500  3000	1531759	15.27%
2	Sunil Taneja	651151	6.49%	-	-	-	651151	6.49%
3	Amit Mathur	781378	7.79%	-	-	-	781378	7.79%
4	Kabir Taneja	290875	2.90%	-	-	-	290875	2.90%
	<b>Total</b>	<b>3207104</b>	<b>31.97%</b>			<b>3500</b>	<b>3255163</b>	<b>32.45%</b>

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise change in shareholding			Shareholding at the end of the year		Date of separation, if separated during the year
		No. of shares	% of total shares of the company	Date of event	Nature of event	No of shares	No. of shares	% of total shares of the company	

1	Oman India Joint Investment Fund	1760491	17.55%	-	-	-	1760491	17.55%	-
2	Tano Mauritius India FVCI	1588368	15.83%	-	-	-	1588368	15.83%	-
3	TR Capital III Mauritius	-	-	1. 10.07.20 17	Purch ase	57827	1409902	14.05%	
				2. 11.07.20 17	Purch ase	785598			
				3. 12.07.20 17	Purch ase	351060			
				4. 13.07.20 17	Purch ase	16660			
				5. 18.07.20 17	Purch ase	183192			
				6. 21.07.20 17	Purch ase	15565			
4	Future Lifestyle Fashions Limited	609197	6.07%	-	-	-	609197	6.07%	-
5	Trishul Tread Pvt. Ltd.	431043	4.30%	-	-	-	431043	4.30%	-
6	Nandita Soni	301990	3.01%	1. 15.05.20 17	Purch ase	9500	329281	3.28%	-
				2. 15.05.20 17	Purch ase	9884			

				3. 5.06.201 7	Purch ase	7907			
7	Kabir Sunil Taneja	290875	2.90%	-	-	-	290875	2.90%	
8	Divya Kashyap	245829	2.45%	-	-	-	245829	2.45%	-
9	Himmaj Soni	126545	1.26%	-	-	-	126545	1.26%	
10	KNS Trading Private Private	69964	0.70%	-	-	-	69964	0.70%	

**(v) SHAREHOLDING OF DIRECTORS & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Date wise change in shareholding			Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date of event	Nature of event	No of shares	No. of shares	% of total shares of the company
1	Rishab Soni	1528259	15.23%	1. 11/05/201 7	Purchas e	500	1531759	15.27%
				2.29/05/2 017	Purchas e	3000		
2	Sunil Taneja	651151	6.49%	-	-	-	651151	6.49%
3	Nikita Susan George	44119	0.44%	-	-	-	44119	0.44%
4	Abhay Soi	130489	1.30%	15.05.201 7	Transfer	130489	-	-
5	Kanika Verma	5270	0.05%	25.09.201 7	Transfer	5270	-	-

	<b>Total</b>	<b>3096547</b>	<b>30.86%</b>			<b>2964288</b>	<b>29.55%</b>
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\*rest of the directors and KMP's do not hold any share of the company.

## V.INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	986,194,036		65,094,041	1,051,288,077
ii) Interest due but not paid	0			0
iii) Interest accrued but not due	5037651			5037651
<b>Total (i+ ii+ iii)</b>	<b>991,231,687</b>		<b>65,094,041</b>	<b>1,056,325,728</b>
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction				
<b>Net Change</b>	<b>14,40,53,186</b>		<b>(10,859,324 )</b>	<b>13,31,93,862</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	113,28,61,077		54,234,717	118,70,95,793
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	2,423,797		-	2,423,797





<b>Total (i+ii+iii)</b>	<b>113,52,84,873</b>	-	<b>54,234,717</b>	<b>118,95,19,590</b>
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## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	<b>Gross salary</b>	<b>Rishab Soni</b>	<b>Sunil Taneja</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	18,712,811	4,853,227	23,566,038
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6,108,980	0	6,108,980
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as % of profit	0	0	0
	others (specify)	0	0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>24,821,791</b>	<b>4,853,227</b>	<b>29,675,018</b>

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	<b>Sanjiv Saraf</b>	<b>Raj K Vaisoha</b>	<b>Rahul Sood</b>		
	Fee for attending board committee meetings	50,000	-	75,000	-	125,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>50,000</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>125,000</b>

2	Other Non-Executive Directors	<b>Abhay Soi</b>	<b>Srinath Srinivasan</b>	<b>Paul Robine</b>	<b>Carlton Felix Pereira</b>	<b>Total</b>
	Fee for attending board committee meetings	50,000	50,000	25,000	100,000	225,000
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (2)	50,000	50,000	25,000	100,000	225,000
	Total (B)=(1+2)	<b>100,000</b>	<b>50,000</b>	<b>125,000</b>	<b>100,000</b>	<b>350,000</b>

### C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	4,388,583	7,340,677*	11,729,260
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-		-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>		<b>4,388,583</b>	<b>7,340,677*</b>	<b>11,729,260</b>

\*Mr. Manish Poddar, CFO of the Company resigned from the position on January 28, 2018.

### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

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)
<b>A. COMPANY</b>					
Penalty					
Punishment			<b>NONE</b>		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			<b>NONE</b>		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			<b>NONE</b>		
Compounding					

For SSIPL RETAIL LIMITED

Place: New Delhi

Rishab Soni  
Managing Director  
(DIN: 00035576)

Sunil Taneja  
Whole Time Director  
(DIN- 00035716)



Date: 21.06.2018

Add: 50-A, Friends Colony  
East, New Delhi, 110065

Add: 220, Sector - A, Zone- B,  
Mancheswar Industrial Estate,  
Bhubaneswar, 751010, Orissa



**(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

**1. Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as follows:-

(in lacs)

(1)	(2)	(3)	(4)	(5)	
S. No	Name(s) of the related party and nature of relationship	Salient features of the agreement	Nature of contracts/ arrangements/ transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any, for the first quarter of FY 2017-18
1	Ridhi Enterprises  Nature of relationship: firm controlled by relative of Mr. Rishab Soni	The Second party to act as a store management agent for sale of the products from its outlet. The first party shall be liable to pay a commission on the sale value of products in terms of the Agreement. The term of agreement is 9 years.  • The commission amount is 5% on actual sale or MG of Rs. 8.76 lac whichever is higher.	Store Management Agreement	22 <sup>nd</sup> June 2017	1.49

2	Rent paid to Mr. Kabir Taneja and Ms. Alka Taneja  Nature of relationship: Mr. Kabir Taneja is Promoter and Ms. Alka Taneja is relative of Promoter	Commercial arrangement is made between the parties for the use of property and terms and conditions are fixed by them regarding the rent and various other.	Rent Agreement	22 <sup>nd</sup> June 2017	2.70
3	M/S Shree Shoes	The projected transaction value will not be more than Rs. 150 crores in this year.	Product Purchase & Sale Agreement	22 <sup>nd</sup> June 2017	2,096.45
4.	M/s Shree Shoes	Rent agreement in regard to the premises owned by the company located at Bangaran, Paonta Sahib, Himachal Pradesh at an agreed rent of Rs. 125,000/- per month.	Rent Agreement	22 <sup>nd</sup> June 2017	4.31

**For SSIPL RETAIL LIMITED**

Sd/-

Sd/-

**Rishab Soni**  
**Managing Director**  
**(DIN: 00035576)**

**Sunil Taneja**  
**Whole Time Director**  
**(DIN- 00035716)**  
**Add: 220, Sector - A, Zone-**  
**B, Mancheswar Industrial**  
**Estate, Bhubaneswar,**  
**751010, Orissa**

**Place: New Delhi**  
**Date:21.06.2018**

**Add: 50-A, Friends**  
**Colony East, New**  
**Delhi, 110065**



## ANNEXURE- “C” – PARTICULARS OF EMPLOYEES

The information required pertaining to employees pursuant to Provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been produced below:-

S.No	Name, Age & Designation	Nature of Employment & Date of commencement of employment	Qualification, Experience & last employment	Percentage of shares held in the Company as on 31 <sup>st</sup> March 2018	Whether related to any other Director or manager of the Company	Remuneration (per annum)
1	Rishab Soni, 45 years, Managing Director	Permanent, April 25, 2006	He holds a diploma in footwear designing from ArsSutoria Institute of Design and Development, Milan, Italy. He has 21 years of experience in manufacturing, licensing, distribution of footwear and retailing of branded merchandise. He has no previous associations prior to joining our company.	15.27%	No	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961– Rs.18,712,811/- (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 –Rs. 6,108,980/-
2	Atul Madan, 42 years, President- SSIPL Group	Permanent, January 1, 2011	He holds a Diploma in Business Management from Institute of Management Technology (“IMT”), Ghaziabad. He has 16 years of experience in field of sales, operations and key accounts management in service industry. Earlier, he was associated with our Company since November 1, 2009 as a	NIL	No	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961– Rs. 8,460,998/-  (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 – – Nil

			consultant for purpose of supporting SSIPL Retail business. He is also associated with Mystique Logistics Private Limited in the capacity of a director since 2006.			
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✚ The remuneration does not include the provisions made for gratuity and leave benefits, as they are determined on the basis of actuary of the company as a whole.

**For SSIPL RETAIL LIMITED**

Place: New Delhi  
Date: 21.06.2018

**Sd/-**  
**Rishab Soni**  
**Managing Director**  
**(DIN: 00035576)**  
**Add: 50-A, Friends Colony**  
**East, New Delhi, 110065**

**Sd/-**  
**Sunil Taneja**  
**Whole Time Director**  
**(DIN- 00035716)**  
**Add: 220, Sector - A, Zone- B,**  
**Mancheswar Industrial Estate,**  
**Bhubaneswar, 751010, Orissa**



**DRAFT -Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

***FOR THE FINANCIAL YEAR ENDED 31.03.2018***

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

To,

The Members,  
**SSIPL Retail Limited**  
B-1/F 4 Mohan Cooperative Industrial Area,  
Main Mathura Road,  
New Delhi-110 044

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure-1 attached to this report :-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**

- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment(FDI), Overseas Direct Investment(OD) and External Commercial Borrowings(ECB); **(No fresh FDI, ODI and ECB was taken by the company during the Audit Period);**
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period);**
  - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period);**
  - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company)**
  - IV. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company)**
  - V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period);**
  - VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period);**
  - VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**
- (v) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMNT**

- a. The Payment of Wages Act, 1936 and rules made thereunder,

- b. The Factories Act, 1948 and rules made thereunder,
- c. The Minimum Wages Act, 1948 and the rules made thereunder,
- d. The Employees' State Insurance Act, 1948 and rules made thereunder,
- e. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder,
- f. The Payment of Bonus Act, 1965 and rules made thereunder,
- g. The Payment of Gratuity Act, 1972 and rules made thereunder,
- h. The Apprentice Act, 1961 and ruled made thereunder,
- i. The Industrial Dispute Act, 1947 and rules made thereunder,
- j. Equal Remuneration Act, 1976 and rules made thereunder,
- k. The Employees Compensation Act, 1923 and rules made thereunder,
- l. The Maternity Benefit Act, 1961 and rules made thereunder,
- m. The Industrial Employment (Standing Orders), 1946,
- n. The Punjab Industrial Establishment (National & Festival Holidays & Casual and Sick Leave) Act, 1965,
- o. UP Industrial Establishments (National Holidays) Act, 1961 & rules made thereunder,
- p. HP Industrial Establishments (National & Festival Holidays & Casual & Sick Leave) Act, 1969 and rules made thereunder,
- q. State Shop & Establishment Act & rules made thereunder,

- r. State Tax on Professionals, Trade, Callings & Employment Act, 1975 and rules made thereunder,
- s. Profession Tax Act and rules made thereunder,
- t. Transfer of Property Act, 1882 and rules made thereunder,
- u. Registration Act, 1908 and rules made thereunder,
- v. Indian Stamp Act, 1899 and rules made thereunder,
- w. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder,
- x. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,
- y. Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003,
- z. The Environment Protection Act, 1986 and Rules made thereunder,
- aa. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodity) Rules, 2011,
- bb. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.
- cc. Further the Company has obtained material licenses and certificates required under various laws for the operation of retail stores and as on March 31, 2018 the company had 144 retail stores.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not applicable to the Company during the Audit Period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guideline, Standards etc. mentioned above subject to the following observations;

*The Company was required to appoint Women Director pursuant to section 149(1) latest by December 28, 2016 to fill the vacancy created due to vacation of Ms. Meenu Bansal on September 29, 2016 of the Companies Act, 2013 & in this regard the company has received a show cause notice dated May 24, 2017 u/s 149(1) of the Act from the Ministry of Corporate Affairs for not appointing women Director on time. However, the Company has appointed Ms. Nikita Susanne George Women Director on March 24, 2017 in place of Meenu Bansal. However, The Registrar of Companies, NCT of Delhi & Haryana in the meantime has initiated the prosecution before the Additional Chief Judicial Magistrate, Delhi against the Company, its Directors & Officers for violation of section 149 of the Act, 2013. The Company, its Directors & officers filed the composite application before the Regional Director, Northern Region u/s 441 of the Act on January 23, 2018 for compounding of violation of section 149. The Regional Director vide its order dated May 17, 2018 has disposed off the application upon payment of compounding fee.*

*It is observed that Mr. Manish Poddar, Chief Financial Officer (CFO) of the company has resigned w.e.f 28.02.2018 and the company has not appointed CFO in place of Mr. Manish Poddar as per Section 203 of Companies Act, 2013 as on date, however we were informed that in the next Board Meeting, the company will fill the position of CFO.*

*One of the forms MR-1 has not been filed with the Registrar of Companies.*

Based on the information received and records maintained, we further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except the observations made above.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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. During the audit period four board meetings were held in compliance with the Act.

3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Report(s) made by Ms. Kanika Verma, Company Secretary and VP-Legal & Compliance and taken on record by the Board of Directors at their meeting (s), we further report that;

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

**We further report** that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

**For DMK ASSOCIATES  
COMPANY SECRETARIES**

**(DEEPAK KUKREJA)  
FCS, LL.B, ACIS (UK)  
PARTNER**

**FCS 4140  
C P 8265**

**Date:  
Place: New Delhi**

To,

The Members,

**M/s SSIPL Retail Limited**

B-1/F 4 Mohan Cooperative Industrial Area,

Main Mathura Road,

New Delhi-110 044

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2018 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. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts 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 the 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 DMK ASSOCIATES  
COMPANY SECRETARIES**

**(DEEPAK KUKREJA)  
FCS, LL.B, ACIS (UK)**



**PARTNER**

**FCS 4140  
C P 8265**

**Date:**

**Place: New Delhi**

**ANNEXURE 1**

To,

The Members,  
**M/s SSIPL Retail Limited**  
B-1/F 4 Mohan Cooperative Industrial Area,  
Main Mathura Road,  
New Delhi-110 044

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2018 of even date is to be read along with this letter**

7. 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.
8. 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. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
9. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.



10. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
11. 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 the procedures on test basis.
12. 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 DMK ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**(DEEPAK KUKREJA)  
FCS, LL.B, ACIS (UK)  
PARTNER  
FCS 4140  
C P 8265**

**Date: 21.06.2018**

**Place: New Delhi**

## **ANNEXURE “E” – ANNUAL REPORT ON CSR ACTIVITIES**

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]**

1. A brief outline of the Company's CSR Policy including purview of projects and programmes proposed to be undertaken:  
The CSR Policy of the Company is placed on the Company's website (<http://www.ssiplgroup.com/investor-relation/CSR-policy.php>)
2. Composition of the CSR Committee:
  - Ms. Nikita Susan George (Director)
  - Mr. Rishab Soni (Managing Director)
  - Mr. Rahul Sood (Independent Director)

3. Average net profit of the company in the last three financial years: Rs. 18.11Crores
4. Prescribed CSR expenditure (2% of the amount stated above): Rs. 36.22lacs
5. Details of the CSR spend for the financial year:-
  - Total amount spent during the financial year:- Rs. 48.04 lacs
  - Amount unspent, if any- NIL
  - Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) [Overheads- nil]	Amount spent : Direct or through implementing agency*
				(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
1	Palliative Cancer Care, Heart surgery support and various other surgeries for children and major health issues, Health camps, provision for quality healthcare, upliftment for under privilege	Promoting healthcare including preventive healthcare	Delhi NCR	15	14.16	14.16

	section of the society,					
2	Educational, Tuition Support to under privilege children and differently abled children , Educational aid to Govt. Schools, educational and infrastructural upliftment of Govt. Primary Schools, Promotion of art, culture & language.	Promoting education, including special education & employment enhancing vocational skills especially among children, differently abled	Delhi NCR, Haryana, Bhagani-HP	4.50	3.49	3.49
3.	Support to old age homes by adopting 15 persons and Ashrams by providing electricity bills and providing cow fodder, support to Schools run by NGO's for the	Measures for reducing inequalities faced by socially & economically backward groups and Rural Development	Delhi NCR, Uttarakhand,	10.22	10.73	10.73



	poor and under privilege section of the society, support in organizing various cultural events for social awareness					
4.	Promotion & Sponsoring of sports events at schools and at district and national level and providing support to athletes and training young children and helping them to become athletes	To promote and encouragement of various sports activities and to support athletics	National & International level	4.00	4.20	4.20
5	In kind donations			2.50	15.46	15.46
	<b>TOTAL</b>			<b>36.22</b>	<b>48.04</b>	<b>48.04</b>

**\*details of implementing agency.-** All above activities have been carried out by SSIPL Foundation, a Section 8 Company formed by SSIPL Group by supporting various NGO's including Pall Can Care, Heart Care Foundation of India, Shri NiwasSewarth Nyasa, Guru VishramVridhashram, Shraddhanand Sewa Sangh, Project Sagroli Sunrise, Rekhta Foundation, Ibaadat Foundation and DCCW, for the purpose of achieving CSR. Ms. GitanjaliBhalla, CSR-Manager of the company is responsible in expenditure incurred for promotion of health care including preventive health care.

The CSR Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and transparently monitoring implementation of projects in terms of 'Corporate Social Responsibility Policy' and Schedule VII of Companies Act, 2013. The Committee's constitution and terms of reference is in lines with the

requirements of the Companies Act, 2013. The CSR committee of the company works in close cooperation with the Implementation team, the members of which pay periodical visits to the partner NGO's and also the new NGO's in order to assess the working of the NGO and to identify new proposals for the consideration of the CSR committee. The CSR committee evaluates the proposal and approves the same if found fit and thereafter directs the Board of SSIPL Foundation to implement the CSR initiative.

**For SSIPL RETAIL LIMITED**

**Sd/-**

**Sd/-**

**Rishab Soni**  
**Managing Director**  
**(DIN: 00035576)**

**Sunil Taneja**  
**Whole Time Director**  
**(DIN- 00035716)**

**Place: New Delhi**

**Date: 21.06.2018**

**Add: 50-A, Friends Colony**  
**East, New Delhi, 110065**

**Add: 220, Sector - A, Zone- B,**  
**Mancheswar Industrial Estate,**  
**Bhubaneswar, 751010, Orissa**

(pursuant to the first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/  
Associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. In lacs)

1	Name of the subsidiary	SSIPL Lifestyle Private Limited	Shubh Footwear Products Private Limited	Shree Shoes
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same	Same	Same
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A
3	Share capital/ Partner Capital	933.35	1.99	580.26
4	Reserves & surplus	3103.94	24.23	56.87
5	Total assets	23,931.65	563.57	3,785.48
6	Total Liabilities	19,894.36	537.35	3,148.35
7	Investments	Nil	Nil	Nil
8	Turnover	32,351.96	275.89	8,909.45
9	Profit before taxation	333.52	25.78	74.92
10	Provision for taxation	110.27	6.17	18.05
11	Profit after taxation	223.25	19.61	56.87
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	100%	SSIPL Lifestyle:50.25% Others: 49.75%	99%

The following information shall be furnished:-

1. Names of subsidiaries which are yet to commence operations: N.A.
2. Names of subsidiaries which have been liquidated or sold during the year. N.A.

**Part “B”: Associates and Joint Ventures**

S.No.	Name of Associates/Joint Ventures			
1	Latest audited Balance Sheet Date			
2	Shares of Associate/Joint Ventures held by the company on the year end			
	No.			
	Amount of Investment in Associates/Joint Venture			
	Extend of Holding %			
3	Description of how there is significant influence			
4	Reason why the associate/joint venture is not Consolidated			
6	Networth attributable to Shareholding as per latest audited Balance Sheet			
7	Profit / Loss for the year			
	i. Considered in Consolidation			
	ii. Not Considered in Consolidation			

The following information shall be furnished:-

1. Names of associates which are yet to commence operations: N.A.
2. Names of associates which have been liquidated or sold during the year. N.A.

**For SSIPL RETAIL LIMITED**

Place: New Delhi  
Date:21.06.2018

**Sd/-**  
**Rishab Soni**  
**Managing Director**  
**(DIN: 00035576)**  
**Add: 50-A, Friends Colony**  
**East, New Delhi, 110065**

**Sd/-**  
**Sunil Taneja**  
**Whole Time Director**  
**(DIN- 00035716)**  
**Add: 220, Sector - A, Zone- B,**  
**Mancheswar Industrial Estate,**  
**Bhubaneswar, 751010, Orissa**

**Sd/-**  
**Kanika Verma**  
**Company Secretary**  
**Membership No. F5780**  
**Add: A-99, Yojana Vihar,**  
**Delhi- 110092**