

## DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Directors of your Company hereby present the Twenty Second Annual Report together with the Company's audited accounts for the financial year ended 31<sup>st</sup> March 2016. The Management Discussion and Analysis is also incorporated into this report.

### FINANCIAL PERFORMANCE

(Rs. In lacs)

Particulars	Consolidated		Standalone	
	For the year ended 31-03-16	For the year ended 31-03-15	For the year ended 31-03-16	For the year ended 31-03-15
Total Income From Operation	89,716	89,914	64,179	70,145
PBDIT	6,937	7,536	5,290	5,832
Depreciation	2,541	2,642	1,768	1,852
Profit after Depreciation before Interest and tax	4,397	4,895	3,522	3,980
Financial Exp./ Interest	2,178	1,883	1,415	1,365
Profit before Tax	2,219	3,012	2,107	2,615
Provision for Tax and Deferred Tax	589	965	475	645
Net Profit/ (Loss) for the year ( <b>before Minority</b> )	1,630	2,047	1,632	1,969
Accumulated Profit carried to Balance sheet	5,387	3,926	5,222	3,759

### DIVIDEND

The Board on March 10, 2016 approved an interim dividend of Rs. 1.40/- per equity share (i.e. 14 % on an equity share of Rs. 10/- each). The record date set out for the purpose of Interim dividend was 18<sup>th</sup> March 2016. The dividends were paid within the statutory time limits and below are the details of unclaimed dividend.

Year	Unclaimed Dividend Amount (in Rs.)
2014-15	1051
2015-16	1400
TOTAL	2451

A final dividend of Rs. 0.25/- per equity share (i.e. 0.25% on an equity share of Rs. 10/- each) has been recommended by the Board of Directors of the company and shall be paid subject to approval of shareholders in terms of Companies Act, 2013.

### 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 credit rating of **A-** ascribed by rating agency ICRA and CRISIL for long term loans and A1 for Commercial Paper by CARE.

### SHARE CAPITAL

The paid-up Share Capital as on March 31, 2016 was Rs. 100,315,860 comprising of 10,031,586 equity shares of Rs. 10/- each. During the year under review, the following changes have taken place with regard to the share capital.

#### 1. ESOS, 2008

During the period under review the Company has allotted 12,650 Equity shares of face value of Rs. 10/- each to the eligible employees of the company and its subsidiary under the Employee Stock option scheme ("ESOS"), 2008.

850 options got vested on 28<sup>th</sup> March 2016; however, none are exercised till date by eligible employees of the company and its subsidiaries.

#### 2. 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 2016; however, none are exercised till date by eligible employees of the company and its subsidiaries.

Further, pursuant to Section 62(1) (b) of Companies Act, 2013 read with Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, following details with respect to ESOS 2008 and ESOS, 2014 as follows:

S.No.	Particulars	ESOS 2008	ESOS 2014
1	Total Options Granted	1,50,000 options	76000 options
2	Options Granted during the year	Nil	Nil
3	Options Vested and exercisable as on 31 <sup>st</sup> March, 2016	13500 options	38000 options
4	Number of options exercised during the year	12650 options	Nil
5	Total Number of shares arising as a result of exercise of Options	12650 shares	Nil
6	Exercise Price	INR 74.9	INR 400
7	Variation of Terms of Options	No Variation	No Variation
8	Money Realised by exercise of Options	INR 9,47, 485	Not Applicable
9	Total Number of Options in force	850 options	76000 options
10	Employee-wise details of Options granted to:		
	(a) Key Managerial Personnel	(a) KMP – Kanika Verma ( 5270 options)	(a) KMP – Kanika Verma ( 4000 options)
	(b) Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year.	(b) Other Employees namely,  (i). Atul Madan – 37500 options (ii). Om Prakash Gupta- 19025 options	(b) Other Employees namely,  (i). Atul Madan- 8500 options (ii). Mohan Bansal-6000 options (iii).Praduman Pushkarnath Raina-6000 options (iv).Om Prakash Gupta-9000 (v). Suman Joshi-4000 options(F.Y. 2014-2015)

		(vi). Gulshan Kumar Uttreja- 4500 options
(c) Identified Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (Excluding outstanding warrants and conversions) of the Company at the time of grant.	Not applicable	Not applicable

#### 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 T.R. Chadha & Co., Chartered Accountants. 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

Pursuant to Section 134(3) (c) and (5) of the Act, yours directors confirm that:

- I. 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. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2016 on a 'going concern basis'.
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. The Directors had devised proper 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. All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2015-16 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. The details of related party disclosure form a part of the notes to the financial statements.

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

There were 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.

## 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 and Lotto, Presently, your company has six 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.

During the year, the company was in discussion with Asics for manufacturing of shoes and has recently signed an agreement to that effect.

We also retail various international and domestic brands through multi-brand concept stores of SSIPL Lifestyle Private Limited, 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. ShoeTree retails various casual footwear brands, including Clarks, Johnston & Murphy, Puma, Carlton London and Cobblerz. SSIPL Lifestyle is also an exclusive licensee for "Smiley" footwear in India.

As on March 31, 2016, SSIPL Group operates 315 Exclusive Brand Outlets ("EBOs") for Nike, Levi's, Lotto, United Colors of Benetton, Clarks, and Mmojah and also 68 Multi Brand Outlets ("MBOs") in the name of Sports Station, Shoetree and Value Station.

### PERFORMANCE OVERVIEW

Consolidated Gross sales witnesses de-growth of 0.2% to Rs. 89,716 lacs from Rs. 89,914 lacs in previous year.

Standalone Gross sales witnesses de-growth of 8.5% to Rs. 64,179 lacs from Rs. 70,145 lacs in previous year.

### OPERATING PROFIT

Consolidated Operating profit has decreased by 26.3% to Rs. 2,219 lacs from Rs. 3,012 lacs in previous year.

Standalone Operating profit has decreased by 19.4 % to Rs. 2,107 lacs from Rs. 2,615 lacs in previous year.

## PROFIT AFTER TAX

The Company has achieved consolidated profit after tax of Rs.1,630 lacs as against Rs. 2,054 lacs in the last year, thereby recording decrease of 20.6 % over the last year.

The Company has achieved standalone profit after tax of Rs.1,632 lacs as against Rs. 1,969 lacs in the last year, thereby recording a downfall of 17.1 % over the last year.

## 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

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. We take care of “End to End” employee life cycle by ensuring timely induction and orientation, followed by confirmation post their completion of their probation period. We have expertise in Salary administration and benefits across the organization.

Employee engagement programs are organized on regular basis to motivate employees and to maintain individual connect with them. 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.

Having set of employees from different horizon, we maintain organization culture at par with our vision, mission and values along with Zero grievance among them.

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

Segment	March 31, 2016
Retail	
Front-end	1864
Back-end	364
Manufacturing	
Staff	513
Worker	3280

## TRAINING

Training allows employees to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders. Since our organization is the sum total of what employees achieve individually, we need to ensure that employees perform at their peak and wherever require we support them through the learning and development channel. Training develops necessary skill sets in employees and enable them to address tasks independently. This also allows supervisors and management to focus on more pressing areas.

We offer a wide range of activities to address professional, technical and soft skill needs and strongly advocate a “blended” approach to learning such as on job learning, workshops, projects and courses. We provide training modules to our employees focusing on business, merchandising, people management, people development, people productivity, inventory control and management, store management and operations, and customer relationship management. Our approach is holistic 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 existing skills and develop new ones as well.

## 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. 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, E-commerce, M-commerce and HRMS.

We have also launched our Omni-channel application in some of our Nike 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.

The efforts has been duly recognized at various platforms by Organizations like Indian Express and Franchise India etc.



## **INDIAN RETAIL OVERVIEW**

The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organised retailing. A T Kearney, a US Based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets.

The retail market is expected to reach a whopping Rs. 47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 per cent, according to the an ASSOCHAM' study.

The retail market, (including organised and unorganized retail), was at Rs. 23 lakh crore in 2011-12. According to the study, organised retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 per cent and attain 10.2 per cent share of the total retail sector by 2016-17.

### **Retail classification**

Retail industry can be broadly classified into two categories namely- organised and unorganized retail.

- Organized retail - Organised traders/retailers, who are licensed for trading activities and registered to pay taxes to the government.
- Unorganized retail – It consists of unauthorized small shops - conventional Kirana shops, general stores, corner shops among various other small retail outlets - but remain as the radiating force of Indian retail industry.

### **Market Dynamics**

In the past few years, Indian Retail sector has seen tremendous growth in the organised segment. Major domestic players have stepped into the retail arena with long-term, ambitious plans to expand their business across verticals, cities and formats.

High consumer spending over the years by the young population (more than 31% of the country is below 14 years) and sharp rise in disposable income are driving the Indian organised retail sector's growth. Even Tier I & Tier II cities and towns are witnessing a major shift in consumer preferences and lifestyles, the result of which, they have emerged as attractive markets for retailers to expand their presence.

The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 95-96% of the total Indian retail industry. However, going forward, the organised sector's growth potential is expected to increase due

to globalization, high economic growth, and improved lifestyle. With this the retail sector in India is witnessing rejuvenation as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. The retailing configuration in India is fast developing as shopping malls are increasingly becoming familiar in large cities. When it comes to development of retail space specially the malls, the Tier II cities are no longer behind in the race.

Although the growth potential in the sector is immense, there are obstacles too, that could slow the pace of growth for new entrants. Rigid regulations, high personnel costs, real estate costs, lack of basic infrastructure, and highly competitive domestic retailer groups are some such challenges.

### **Key drivers of the Indian Retail Industry**

- Emergence of nuclear families
- An increase in the double-income households trend
- Large working population
- Reasonable Real estate prices
- Increase in disposable income and customer aspiration
- Demand as well as increase in expenditure for luxury items
- Growing preference for branded products and higher aspirations
- Growing liberalization of the FDI policy in the past decade
- Increasing urbanization,
- Rising affluence amid consumers

### **Bottlenecks**

- A long way to meet international standards
- Lack of efficient supply-chain management
- Lack of required retail space
- No fixed consumption pattern
- Shortage of trained manpower
- Lack of proper infrastructure and distribution channel

### **Emerging sectors/trends in Indian retailing**

Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior,

ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centers, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing workingwomen population and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India.

Within retail, the emerging sectors would be food and grocery, apparel, electronics, e-commerce, fashion and lifestyle.

Incorporation of technology in the organised retail segment has been something to reckon with in the past few years. Use of computers for merchandise planning and management, control of inventory costs and supplies and replenishment of goods done electronically, internal store billing, etc has changed the face of product retailing.

Online retail business is the next gen format which has high potential for growth in the near future. After conquering physical stores, retailers are now foraying into the domain of e-retailing. The retail industry is all set to test waters over the online medium, by selling products through websites. Food and grocery stores comprises the largest chunk of the Indian retail market.

An emerging trend in this segment is the virtual formats where customer orders are taken online through web portals which are delivered at the door step the very same day or the following day. This trend has been catching up with most of the large sized retail chains that have their websites.

#### **The Road Ahead...**

The Indian retail market, currently estimated at \$490 billion, is project to grow at a compounded annual growth rate of 6 per cent to reach \$865 billion by 2023. Modern retail with a penetration of only 5% is expected to grow about six times from the current 27 billion USD to 220 billion USD, across all categories and segments.

Organised Retail is emerging as the new phenomenon in India and despite the slump, the market is growing exponentially. As economic growth brings more of India's people into the consuming classes and organized retail lures more and more existing shoppers, by 2016, more than 300 million shoppers are likely to patronize organized retail chains.

Consumer markets in emerging market economies like India are growing rapidly owing to robust economic growth. India's modern consumption level is set to double within five years to US\$ 1.5 trillion from the present level of US\$ 750 billion.

Thus, with tremendous potential and huge population, India is set for high growth in consumer expenditure. With India's large 'young' population and high domestic consumption, the macro trends for the sector look favorable.

### **INDIAN FOOTWEAR INDUSTRY: A PERSPECTIVE**

India is standing on the threshold of a retail revolution and witnessing fast changing retail scenario, with footwear market set to experience phenomenal growth in the coming years. The entry of numerous international players has also resulted in providing a significant boost to the Indian footwear market and the demand for Indian footwear will continue to grow in future as well.

At present, Indian footwear industry rank second-largest footwear producer after China. It possess a significant potential with overall market anticipated to grow at a higher CAGR of more than 15% during 2016-18. The market is de-licensed, which further creates expansion opportunities for the production capacities in modern state-of-the-art units.

Consolidating mid-term status by 2020, the potential target for Indian Footwear Industry will equalize consumption pattern of 3-4 pairs. With six/seven years to go, we need to scale our production from current level of 2 billion pairs to nearly 5 billion pairs at a CAGR rate of 30-40%. Additionally, on the strength of raw material available domestically, the large pool of skilled and unskilled manpower, we have all the capability to take this challenge head on.

The success mantras for footwear market in India lies in the core set of privileges existing in the country itself, including low labor cost, skilled working professionals, etc. Indian footwear industry is mainly driven by men's footwear segment, which has been booming with the rise in the purchasing power and the growth of image consciousness among the youngsters. Furthermore, with the rising younger working class population, the demand for formal footwear has also seen significant increase. Whereas, the old-age group demand for medical footwear that offers comfort and health benefits together with high quality. With the maximum population still living in rural areas, the demand for footwear is increasing in these regions. Rising income level of the people and brand awareness has further boosted the demand for premium footwear.

We foresee immense opportunities for increasing trend of online footwear retail market. Shoe manufacturers have gained a sudden upsurge in the retailing of footwear with the rise of e-commerce and the growing trend of online shopping.

Given this backdrop of homogeneous potential it would not be an exaggeration to say that Footwear Sector is today, on engine of incremental growth. With global integration of Indian Industry, rapid change in lifestyle, income growth at bottom of the wealth pyramid, Footwear industry is expected to grow leaps and bounds.

## **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

## **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. 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.

## **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 29, 2016. 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	0/5
2.	Carlton Pereira	Member	3/5
3.	Raj Vaisoha	Member	5/5
4.	Rahul Sood	Member	4/5
5.	Meenu Bansal	Member	2/5
6.	Srinath Srinivasan*	Member	1/4

*\*ceased as member of Audit Committee from 23<sup>rd</sup> March 2016*

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

#### **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>

#### **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 5 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 'Nomination, Remuneration & Compensation 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, SMP's and other employees 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.

#### **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.

During the year the company had organized a Guidance / Sensitization session for the Senior Management Team and for the employees both at Head Office and at the Kundli factory in order to aware and sensitize them about the new Act and its compliances. The session witnessed the participation of employees – both male and female from all the departments. Last year, we had also pasted posters educating the employees on Prevention of Sexual harassment matters at our manufacturing premises and HO. During the year under review, there were no complaints received. 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 filed annual return for the calendar year ending 31.12.2015 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 Directors</b>	Rishab Soni, Managing Director Sunil Taneja, Whole Time Director & CFO
<b>Non- Executive Directors</b>	Amit Kumar Mathur Carlton Pereira Srinath Srinivasan, Nominee Director Abhay Soi
<b>Independent Directors</b>	Sanjiv Saraf Raj Vaisoha Rahul Sood
<b>Women Director &amp; Independent Director</b>	Meenu Bansal

Majority of the Board is non- executive and Independent.



### **Code of Business Conduct & Ethics**

The Company has adopted the Code of Conduct for all Board members and senior management 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.ssipgroup.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 2015-16, the Board of Directors of the Company met six (6) times on 28<sup>th</sup> May 2015, 10<sup>th</sup> August 2015, 30<sup>th</sup> September 2015, 20<sup>th</sup> October 2015, 23<sup>rd</sup> December 2015 and 29<sup>th</sup> March 2016. The details of the Directors on the Board of your Company for the year 2015-16 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	6/6	Yes
Mr. Sunil Taneja	Whole Time Director	4/6	Yes
Mr. Amit Mathur	Non- Independent / Non-Executive Director	5/6	Yes
Mr. Carlton Pereira	Non- Independent / Non-Executive Director	5/6	No
Mr. Abhay Soi	Non-Independent/ Non-Executive	3/6	No
Mr. Rahul Sood	Independent / Non-Executive Director	4/6	Yes
Mr. Raj Vaisoha	Independent/ Non-Executive Director	4/6	No
Mr. Sanjiv Saraf	Independent/ Non-Executive Director	1/6	No
Ms. Meenu Bansal	Independent Non-Executive Women Director	1/6	Yes

Mr. Srinath Srinivasan	Non- Independent / Non- Executive Director	3/6	Yes
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The Independent Directors met on Wednesday, the 23<sup>rd</sup> of March, 2016, 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 Independent Directors were present at the meeting except one Director- Ms. Meenu Bansal due to personal exigency.

***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	Date of Change in Nomenclature	Nature of Change
1.	Mr. Srinath Srinivasan	Director	January 21, 2015	August 18, 2015	Change in nomenclature from Nominee Director of OIJIF to Non-Executive, Non-Independent Director pursuant to Shareholders Approval dt. August 18, 2015.

There is no change in KMPs during the year under review.

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 wherein being eligible, Mr. Sunil Taneja and Mr. Carlton Felix Pereira offer themselves for reappointment.

***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, compliances.

## **ANNUAL GENERAL MEETING**

Pursuant to Secretarial Standard – 2, the Annual general meeting was held on 29<sup>th</sup> June, 2015 during the financial year from 01<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016.

## **STATUTORY DISCLOSURES:**

None of the Directors of your Company are 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 and Listing Regulation.

## **AUDITORS**

### **Statutory Auditors**

At the Annual General Meeting held on June 29, 2015, M/s T.R. Chadha & Co., Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the financial year 2016 and being eligible, offer themselves for re-appointment. 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 reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

As reported in Para (ix) (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 cess 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, 2016 except Employee State Insurance of Rs. 60,445/- which was inadvertently missed and was duly paid on a later date.

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".

As per the observations set out in the Secretarial Audit report, The Company is in the process of filing suitable reply with regard to the notice received from Labour Commissioner. We shall also file for the condonation of delay with Regional Director (RD) regarding the non-filing of MGT-14. The Company is in process of filing for registration and report in due course.

### **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 Mr. Amit Mathur, Mr. Raj K Vaisoha 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.

Our partner organizations/ NGO's comprise of the following:



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 & RECOGNITIONS

Your Company has received during the year, the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

- ❖ “Images Most Admired Total Retail Experience of the Year” Award at India Retail Technology Awards 2015;
- ❖ “Images Most Admired Omni Channel Retailer of the Year” Award at India Retail Technology Awards 2015;

- ❖ “Express Security Strategist Award” at the Express Technology Senate, 2015;
- ❖ “Express Intelligent Enterprise Award” at the Express Technology Senate, 2015;
- ❖ “Excellence in Innovation” at the International Data Corporation Iconic Insights Awards 2015.
- ❖ Our Company was awarded for retail excellence “Retailer of the year–Fashion & Lifestyle” at the Asia Retail Congress held on February 13, 2015.

## **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

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 format 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. 26,843 lac against Rs. 21,600 Lac during the last financial year on stand alone basis. The subsidiary has reported Rs. 56.52 lacs PAT against Rs. (77.54) lac in previous year. The company has opened its new multi-brand outlets by the name of “Sports Station”. The Company has also become Sub-licencee of Lotto Brand during the last financial 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. 480 lac against Rs. 491 lac during the last financial year. The step- down subsidiary has reported PAT of Rs.3.2 lac against Rs. (18.78) lac in previous year. Currently, Shubh owns renowned brands like Shoetree and Cobblerz including several others.

### **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. 9,302 lac against Rs. 11,255 lac during the last financial year. The firm has reported PAT of Rs. 134.20 lacs against Rs. 199.36 lacs in previous year. Currently Shree shoes manufactures shoes and thongs for Brand Puma pursuant to the Contract Manufacturing Agreement entered with them. Besides it is also manufacturing shoes/ shoes uppers/ shoes lowers for SSIPL Retail and SSIPL Lifestyle.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, SUSTAINABLE DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is produced below:

#### **(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, for quite some time it was proposed to set-up a Rooftop Solar PV Project of upto 1 MWp capacity in our plant located at 75, Sersa Road, Kundli, Sonipat in the state of Haryana . The Company is successfully installing Solar Plant of 1 Mw capacity, the installation is costing around Rs. 5.80 Crore to the Company, but the benefits of the project shall be for long term. This solar project shall not only aim to conserve energy but also permit savings on power costs.

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

1. All maintenance heads 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. Rain water harvesting system has been installed in the manufacturing unit at Kundli, to preserve rain water.
6. Incandescent Bulbs were being replaced with CFL and LED lights that led to less energy consumption and also save money.
7. At around 1.5 lac litre of water is being reuse after reprocessing of Domestic and industrial waste water.

#### **TECHNOLOGY ABSORBSION**

<b>S. No</b>	<b>Capability</b>	<b>Tehnology Absorbed</b>	<b>Tech</b>	<b>Benefits</b>
1	Dirrect No Sew	Dirrect No Sew (Hot and Cold Set up) for Upper prod. - 3 Set up	Imported	1) Cost reduction
				2) Product Improvement with Aesthetic and Human error reduction
				3) Product development
2	Coputerized Stitching	Computerized Stitching Juki Machine 20*30(6 nos) + 1 nos (10*15)	Local	1) Cost reduction
				2) Product Improvement with Aesthetic and Human error reduction
				3) Product development
3	Injection Molding	First injection Molding Machine(second Hand) - 4 sets machines	Local	1) Lead Time Reduction
				2) Cost Reduction
				3) Dependency on o/source agency
4	Foxing Tape	Foxing Extruder and Vulcanized tank	Imported	1) Vendor Substitution
5	High Frequency Machine	2 set up of High frequency machine	Local	1) Product Development
6	Coating on Molds	Nano Coating set up for IMEVA molds	Imported	1) Process Elevation
				2) Mold life
				3) Product improvement
7	Lab Investment	Upgradation of Lab with addition	Imported	1) Process Elevation and Control



		of new std machines		
8	TPU Injection	L&T TPU Injection machine	Local	1) Vendor Substitution 2) Cost reduction
9	Printing Set ups	Pad Pring + Midole painting	Local	1) Product Development

## **(B) FOREIGN EXCHANGE EARNING AND OUTGO**

### **(I) Outgo**

		(Rs)	
Sr. No.	Particulars	2015-16	2014-15
1	Traveling	916,124	1,663,813
2	Interest on Foreign currency loan	119,409	5,300,658
3	Purchases including capital goods (CIF value)	391,147,029	414,197,653
4	Royalty	-	2,630,711
5	Professional Fees	-	-
6	Repair – Plant & Machinery	-	-

### **(II) Earnings**

There is 24,567,709/- foreign earning during the Financial Year ended on 31<sup>st</sup> March 2016.

## **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.

Your Company takes adequate care of the occupational safety and organizes from time to time various health and sanitization programmes and also maintains a safe and healthy work environment. In addition to this recently your 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.

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.

## **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**

**Sd/-**

**Sd/-**

**Place: New Delhi  
Date: June 22, 2016**

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

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

## ANNEXURE- "A" – EXTRACTS OF THE ANNUAL RETURN

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2016</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	19202	36.18
2	Retailing of sports footwear	52323	36.96
3	Retailing of apparels	52322	26.86

### 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	U85190DL2007PTC166053	Wholly Owned subsidiary company	100%	2(87)
2	Shubh Footwear Products Private Limited	U19201DL2005PTC139864	Step-Down Subsidiary Company	0%	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. 01.04.2015)				No. of Shares held at the end of the year (i.e. 31.03.2016)				% 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	4,097,527	-	4,097,527	40.90%	4,097,527	-	4,097,527	40.85%	-0.05
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	578,163	22,844	601,007	6.00%	501007	-	501007	4.99%	1.01

d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>4,675, 690</b>	<b>22,8 44</b>	<b>4,698, 534</b>	<b>46.9 0%</b>	<b>45985 34</b>		<b>45985 34</b>	<b>45.8 4%</b>	<b>1.06</b>
<b>(2) Foreign</b>									
a) NRI- Individuals			-	0.00 %			-		
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...(Fore ign 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 Shareholdin g of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4,675, 690</b>	<b>22,8 44</b>	<b>4,698, 534</b>	<b>46.9 0%</b>	<b>45985 34</b>		<b>45985 34</b>	<b>45.8 4%</b>	<b>1.06</b>
<b>B. PUBLIC SHAREHOL DING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	883,60 1	776, 890	1,660, 491	16.5 7%	17604 91	-	17604 91	17.5 5%	0.98

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	1,588,368	-	1,588,368	15.85%	1,588,368	-	1,588,368	15.83%	-0.02
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>2,471,969</b>	<b>776,890</b>	<b>3,248,859</b>	<b>32.43%</b>	<b>3348859</b>	<b>-</b>	<b>3348859</b>	<b>33.38%</b>	<b>0.95</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	779,923	-	779,923	7.78%	779,923	-	779,923	7.77%	-0.01
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	157,315	8,907	166,222	1.66%	132827	10677	122150	1.32%	-0.34
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,123,015	-	1,123,015	11.21%	1155632	-	1155632	11.52%	0.31
c) Others (specify)		-			2383	-	2383	0.02%	0.02
<b>SUB TOTAL (B)(2):</b>	<b>2,060,253</b>	<b>8,907</b>	<b>2,069,160</b>	<b>20.65%</b>	<b>2070765</b>	<b>10677</b>	<b>2060088</b>	<b>20.64%</b>	<b>-0.01</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4,532,222</b>	<b>785,797</b>	<b>5,318,019</b>	<b>53.08%</b>	<b>5419624</b>	<b>10677</b>	<b>5408947</b>	<b>54.03%</b>	<b>0.95</b>

<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>9,207,912</b>	<b>808,641</b>	<b>10,016,553</b>	<b>99.98%</b>	<b>10018158</b>	<b>10677</b>	<b>10007481</b>	<b>100</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	1478700	14.76%	-	1483700	14.79%	-	0.03%
2	Sunil Taneja	651151	6.50%	-	651151	6.49%	-	(0.01%)
3	Amit Mathur	781378	7.80%	-	781378	7.79%	-	(0.01%)
4	Kabir Taneja	290875	2.90%	-	290875	2.90%	-	Nil
	<b>Total</b>	<b>3202104</b>	<b>31.96%</b>	<b>-</b>	<b>3207104</b>	<b>31.97%</b>	<b>-</b>	<b>0.01%</b>

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING**

S I. N o	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	1478700	14.76 %	20/07/2015	Purchase	5000	1483700	14.79%
2	Sunil Taneja	651151	6.50%	-	-	-	651151	6.49%
3	Amit Mathur	781378	7.80%	-	-	-	781378	7.79%
4	Kabir Taneja	290875	2.90%	-	-	-	290875	2.90%
	<b>Total</b>	<b>3202104</b>	<b>31.96 %</b>			<b>5000</b>	<b>3207104</b>	<b>31.97%</b>

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

S I. N o	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	17.57 %	-	-	-	1760491	17.55 %	-
2	Tano Mauritius India FVCI	1588368	15.85 %	-	-	-	1588368	15.83 %	-
3	Rajesh Sahgal	400000	3.99 %	-	-	-	400000	3.99 %	-
4	Trishul Tread Pvt. Ltd.	431043	4.30 %	-	-	-	431043	4.30 %	-
5	Nandita Soni	295105	2.95 %	20/07/2015	Purchase	5000	300105	2.99 %	-



6	Divya Mathur	245829	2.45%	-	-	-	245829	2.45%	-
7	Future Lifestyle Fashions Limited	609197	6.08%	-	-	-	609197	6.07%	-
8	Taruna Soi	230000	2.30%	-	-	-	230000	2.29%	-
9	Narayan K Seshadri	182192	1.82%	-	-	-	182192	1.82%	-
10	Ashish Gupta	180334	1.80%	-	-	-	180334	1.80%	-

**(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	1478700	14.76%	20/07/2015	Purchase	5000	1483700	14.79%
2	Sunil Taneja	651151	6.50%	-	-	-	651151	6.49%
3	Amit Mathur	781378	7.80%	-	-	-	781378	7.79%
4	Abhay Soi	130489	1.30%	-	-	-	130489	1.30%
5	Kanika Verma	5000	0.05%	03.07.2015	ESOP Allotment	270	5270	0.05%
	<b>Total</b>	<b>3046718</b>	<b>30.41%</b>				<b>3051988</b>	<b>30.42%</b>

\*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	79,65,92,116	-	9,44,84,344	89,10,76,459
ii) Interest due but not paid	32,61,918	-	-	32,61,918
iii) Interest accrued but not due	51,135	-	-	51,135
<b>Total (i+ ii+ iii)</b>	<b>79,99,05,169</b>	<b>-</b>	<b>9,44,84,344</b>	<b>89,43,89,513</b>
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction				
<b>Net Change</b>	<b>6,07,76,408</b>		<b>(1,70,99,543)</b>	<b>4,36,76,865</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	85,83,40,079		77,38,48,014	93,57,24,879
ii) Interest due but not paid	23,08,028			23,08,028
iii) Interest accrued but not due	33,470		33,470	51,135
<b>Total (i+ii+iii)</b>	<b>86,06,81,577</b>	<b>-</b>	<b>7,73,84,801</b>	<b>93,80,66,378</b>

## 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
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1	Gross salary	Rishab Soni	Sunil Taneja	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	17,922,570	43,46,880	<b>22,269,450</b>
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4,504,600	870,000	<b>5,374,600</b>
	(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>22427170</b>	<b>5,216,880</b>	<b>27,644,050</b>

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Sanjiv Saraf	Raj K Vaisoha	Rahul Sood		
1	Independent Directors					
	Fee for attending board committee meetings	25,000	100,000	100,000	-	225,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	600,000	-	600,000
	<b>Total (1)</b>	<b>25,000</b>	<b>100,000</b>	<b>700,000</b>	<b>-</b>	<b>825,000</b>
2	Other Non-Executive Directors					<b>Total</b>
	Fee for attending board committee meetings	75,000	75,000	25,000	125,000	300,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>75,000</b>	<b>75,000</b>	<b>25,000</b>	<b>125,000</b>	<b>300,000</b>
	<b>Total (B)=(1+2)</b>	<b>100,000</b>	<b>175,000</b>	<b>725,000</b>	<b>125,000</b>	<b>1,125,000</b>
	<b>Total Managerial remuneration</b>					<b>28,769,050</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.	-	3,577,878	-	3,577,878
	(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	-	106,944**	-	106,944
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>		<b>3,684,822</b>	<b>-</b>	<b>3,684,822</b>

\*\* 270 options were granted under ESOS 2008 and 4000 options were granted under ESOS 2014.

**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>		

Compoundin g					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			<b>NONE</b>		
Compoundin g					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			<b>NONE</b>		
Compoundin g					

For SSIPL RETAIL LIMITED

Sd/-

Sd/-

Place: New Delhi  
Date: June 22, 2016

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

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

**ANNEXURE- "B" –**

**FORM NO. AOC- 2**

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

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

**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, 2016, 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, 2016 are as follows:-

(1) )	(2)		(3)	(4)	(5)
S. N o	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:
1	SSIPL Lifestyle Private Limited  Nature of relationship: wholly owned subsidiary	The Purchaser intends to buy products from the Seller for the purpose of selling from its own retail stores  The term of agreement is 3 years. The purchase predictions for the next three years are: FY 2016-17: 20 Cr	Product supply agreement	28 <sup>th</sup> May 2015	Rs. 1,46,97,018/-

		FY 2017-18: 25 Cr FY 2018-19: 30 Cr			
2	SSIPL Lifestyle Private Limited  Nature of relationship: wholly owned subsidiary	The Purchaser is getting shoes manufactured from the manufacturer. The term of agreement is 3 years. The purchase predictions for the next three years is: FY 2016-17: 35 Cr FY 2017-18: 60 Cr FY 2018-19: 90 Cr	Manufacturing Agreement	28 <sup>th</sup> May 2015	Nil
3	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 sale predictions for the next three years is: FY 2016-17: 12 Cr FY 2017-18: 15 Cr FY 2018-19: 20 Cr  • The commission amount is 5% on actual sale or MG of Rs. 8.76 lac whichever is higher.	Store Management Agreement	28 <sup>th</sup> May 2015	Nil
4	Rent paid to Mr. Kabir Taneja and	Commercial arrangement is made between the parties	Rent Agreement	28 <sup>th</sup> May 2015	17,40,000 per annum

	Ms. Alka Taneja  Nature of relationship: Mr. Kabir Taneja is Promoter and Ms. Alka Taneja is relative of Promoter	for the use of property and terms and conditions are fixed by them regarding the rent and various other.			
5	M/S Shree Shoes	Sales of goods not exceeding Rs. 100 crores. Sales of Fixed Assets not exceeding Rs. 20 lacs & Purchase of goods not exceeding Rs. 60 lacs  The projected transaction value will not be more than Rs. 125 crores in this year.	Product Purchase & Sale Agreement	28 <sup>th</sup> May 2015	Nil

For SSIPL RETAIL LIMITED

Sd/-

Sd/-

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

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

Place: New Delhi  
Date: June 22, 2016

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

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




## 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 2016	Whether related to any other Director or manager of the Company	Remuneration (per annum)
1	Rishab Soni, 43 years, Managing Director	Permanent, April 25, 2006	He holds a diploma in footwear designing from Ars Sutoria Institute of Design and Development, Milan, Italy. He has 20 years of experience in manufacturing, licensing, distribution of footwear and retailing of branded merchandise. He has no previous associations prior to joining our company.	14.79%	No	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961– Rs. 17,922,570/-  (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 – Rs. 4,504,600/-
2	Atul Madan, 40 years, President- SSIPL Group	Permanent, January 1, 2011	He holds a Diploma in Business Management from Institute of Management Technology ("IMT"), Ghaziabad. He has 15 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 consultant for purpose of supporting SSIPL Retail business. He is also	0.43%	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

			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**

**Sd/-**

**Sd/-**

**Rishab Soni**

**Sunil Taneja**

**Managing Director**

**Whole Time Director & CFO**

**(DIN: 00035576)**

**(DIN- 00035716)**

**Place: New Delhi**

**Date: June 22, 2016**

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

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

**ANNEXURE- "D"**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

*[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,

**M/s 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, 2016 (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, 2016 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;
- 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 FDI, ODI and ECB was taken by the company during the Audit Period);**

(v) 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, 1992; **(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;
- IV. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- 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);**

**(vi) 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. Minimum Wages Act, 1948 and the rules made thereunder,
- d. 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. 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,
- i. The Industrial Dispute Act, 1947 and rules made thereunder,
- j. The Equal Remuneration Act, 1976 and rules made thereunder,
- k. The Employees Compensation Act, 1923 and rules made thereunder,
- l. Maternity Benefit Act, 1961 and rules made thereunder,
- m. 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. Trade Marks Act, 1999 & rules made thereunder,
- u. Transfer of Property Act, 1882 and rules made thereunder,
- v. Registration Act, 1908 and rules made thereunder,
- w. Indian Stamp Act, 1899 and rules made therunder,
- x. The Air (Prevention and Control of Pollution) Act, 1981 and rules made

thereunder,

- y. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,
- z. Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003,
- aa. The Environment Protection Act, 1985 and Rules made thereunder,
- bb. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodity) Rules, 2011,
- cc. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.
- dd. Further the Company has obtained material licenses and certificates required under various laws for the operation of 383 stores as March 31, 2016

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company (During the Audit Period the Company has got in principle approval from BSE and NSE, however no securities is listed as on March 31, 2016 with any of the stock exchange as the company has postponed its Initial Public Offer)

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

- i) *A notice (no. 633/Dehradun-Bo./2014-15) dated January 30, 2016 has been issued by the Deputy Labour Commissioner, Uttarakhand asking the Company to submit certain documents with respect to the Payment of Bonus for FY 2014-15 such as A/B/C schedule-II, profit-loss account and balance sheet for the FY 2013-14 and 2014-15 for purposes of verification within 7 days of receipt of this notice failing which legal action would be initiated according to law. The company is yet to provide the above said documents.*
- ii) *Further the Company is in the process of making the following applications for :*
  - a) *Certificate of registration Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodity) Rules, 2011 for the factory at Bhagani, Paonta Sahib, Himachal Pradesh to Controller, Weights and Measures*

- b) *Certificate of registration under Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodity) Rules, 2011 for the factory at Kundli (316, Sector 57), Sonipat, Haryana to Controller, Weights and Measures*
- iii) *The Company has not filed copy of resolution dated 07.04.2015 in form MGT-14 with ROC with respect to corporate guarantee given u/s 186 of the Companies Act, 2013 to Axis Bank Limited for providing financial facility to its wholly owned subsidiary M/s SSIPL Lifestyle Private Limited.*
- iv) *The Company has not filed Environmental Audit Report in Form V for its unit at Bangran, Paonta Sahib, Himachal Pradesh for the Financial Year ended 31.03.2015.*

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.
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 six board meetings were held out of which two board meetings were held at shorter notice 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. except as follows:

- (a) Special Resolution under section 14 of the Companies Act, 2013 was passed by the members at its Extra Ordinary General Meeting dated 18.08.2015 for altering the Article of Association by substituting the Para

2 of Article 1 of Chapter 2 of the existing Articles of Association which contains special rights vested to members - OIJIF & Tano will be automatically terminated & ceased to have any force with effect from the date of listing of Equity Shares of the Company on stock exchange in India, subsequent to an IPO of the Equity Shares of the Company without any further action by the Company or its Shareholders.

- (b) The Company has received approval on Red Hearing Prospectus from SEBI on December 7, 2015, however the Company could not file the same with ROC within the prescribed time in terms of SEBI Regulation(s) and the Board at its Meeting held on December 23, 2015 has decided to frame the revised times lines in consultation with Merchant Bankers and submit the revised RHP with SEBI.
- (c) Special resolution under section 62(1)(c) and other applicable provisions of the Companies Act, 2013 was passed by the members at its Extra Ordinary General Meeting dated 20.01.2016 for issue and allotment of equity shares to the Public (IPO) for an amount not exceeding Rs. 500 crore/ upto 15,00,000 equity shares of Rs. 10/- each including with the provision for offer for sales by existing promoters/shareholders.
- (d) The Board vide resolution passed through circulation on January 5, 2016 approved and adopted updated draft Red Herring Prospectus for the proposed initial public offer of the Equity Shares of the Company for filing with the Securities and Exchange Board of India ("SEBI") and the relevant stock exchanges, as the case may be, in accordance with the Companies Act, 2013, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (e) The Board at its meeting held on March 29, 2016 has approved to avail the additional term loan of Rs.5 crore for its solar plant at Kundli unit and working capital facility of Rs.11 cr. from HDFC Bank in terms of borrowing limit sanctioned by the shareholders on 31.07.2014.
- (f) The Board at its meeting held on March 29, 2016 has approved the conversion of loans and term deposits amounting to Rs.20 crore extended to SSIPL Lifestyle Private Limited into fully paid equity shares.

**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, 2016 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- “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:
  - Mr. Amit Mathur (Director)
  - Mr. Raj Vaisoha (Independent Director)
  - Mr. Rahul Sood (Independent Director)
3. Average net profit of the company in the last three financial years: Rs. 23.81 Crores
4. Prescribed CSR expenditure (2% of the amount stated above): Rs. 47.62 lacs
5. Details of the CSR spend for the financial year:-
  - Total amount spent during the financial year:- Rs. 47.62 lacs
  - Amount unspent, if any- NIL
  - Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 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]	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
				(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)

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 section of the society, Blood donation camps	Promoting healthcare including preventive healthcare & sanitation	Delhi NCR, U.P., Haryana and Bangran & Bhagani-HP		2645231	2745231	2645231
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, Promoting Road safety, Promotion of art, culture & language.	Promoting education, including special education & employment enhancing vocational skills especially among children, differently abled	Delhi NCR, Haryana, Bhagani-HP		847604	968544	847604

3.	Support to old age homes and Ashrams by providing electricity bills and in-kinds, support to Schools run by NGO's for the poor and under privilege section of the society, support in organizing various cultural events for social awareness	Measures for reducing inequalities faced by socially & economically backward groups and Rural Development	Delhi NCR, Uttarakhand,		258402	258402	258402
4.	Promotion & Sponsoring of sports events at schools and at district and national level and providing support to para-athletes globally and to provide them social platform	To promote and encouragement of various sports activities and to support athletics and para athletes	National & International level		8,50,000	900000	8,50,000
	<b>TOTAL</b>				<b>46,01,237</b>	<b>48,72,177</b>	<b>46,01,237</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 Niwas Sewarth Nyasa, Guru Vishram Vridhashram, Shraddhanand Sewa Sangh, Project Sagroli Sunrise, Inrio and DCCW, for the purpose of achieving CSR.

*\* SSIPL Retail Limited had paid a total of Rs. 47.74 lacs its implementing agency SSIPL Foundation, the balance fund exists with SSIPL Foundation.*

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and policy of the Company.

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 Committee, 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 of 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 & CFO**  
**(DIN- 00035716)**

**Place: New Delhi**  
**Date: June 22, 2016**

**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**

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	93,335,020	199,000	43,281,809
4	Reserves & surplus	401,297,700	541,992	-
5	Total assets	1,939,514,365	34,420,054	226,370,634
6	Total Liabilities	1,444,881,645	33,679,062	183,088,825
7	Investments	Nil	Nil	-
8	Turnover	2,684,278,765	47,977,075	930,227,056
9	Profit before taxation	12,688,997	399,687	17,856,513
10	Provision for taxation	7,036,661	79,777	4,436,649
11	Profit after taxation	5,652,336	319,910	13,419,864
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**

Sd/-

Sd/-

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

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

**Place: New Delhi**  
**Date: June 22, 2016**

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

**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