



**CANTABIL** ITALY  
International Clothing

ANNUAL REPORT  
2019-2020

CANTABIL RETAIL INDIA LIMITED



**CANTABIL**  
International Clothing



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In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated performance/results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and realization of assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

# ABOUT US

Cantabil Retail India Ltd. is in the business of designing, manufacturing, branding and retailing of apparels under the brand name of CANTABIL. We have a network of 300+ exclusive retail outlets & employee strength of more than 2500 spread across India. The Company started its garments manufacturing and retailing business in the year 2000 and opened its first Cantabil store in September, 2000 in New Delhi. The CANTABIL brand offers the complete range of formal-wear, party-wear, casuals & ultracausal clothing for Men and Women in the middle to high income group. In the last 20 years, CANTABIL has become a complete family wear brand with

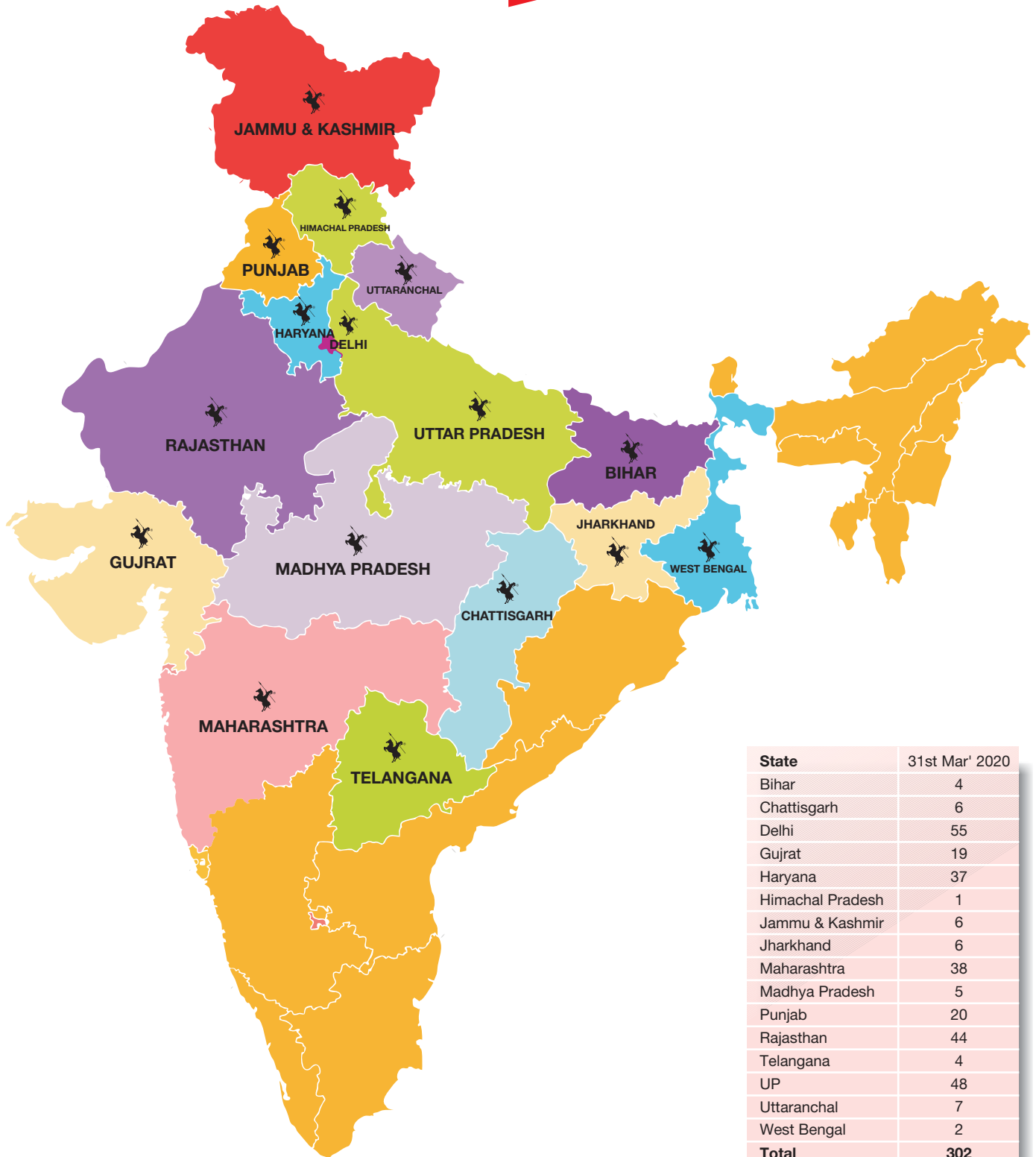
addition of women's wear segment in 2007 and Kids' wear in 2019. We also caters to men's and women's segment in accessories like under-garments, ties, belts, socks, caps and handkerchief etc.



# CORE VALUES



# OUR NETWORK



# BAHADURGARH PLANT



# AWARDS

Global  
Business  
Icon Award

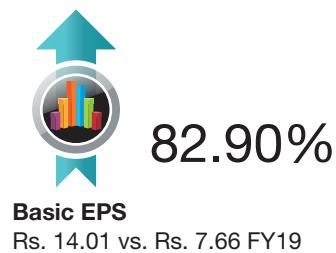
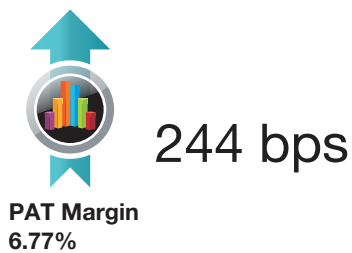
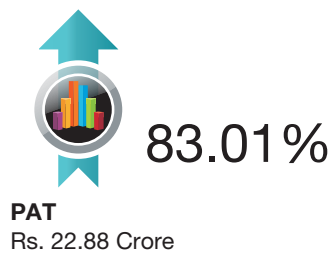
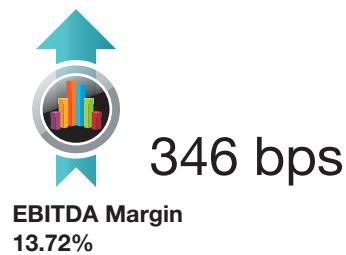
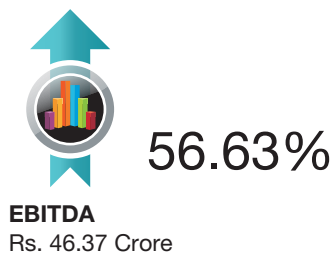
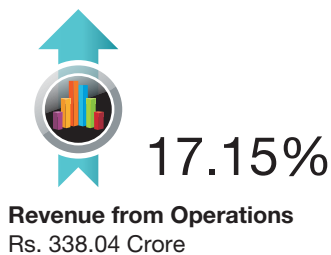


Saksham Saathi



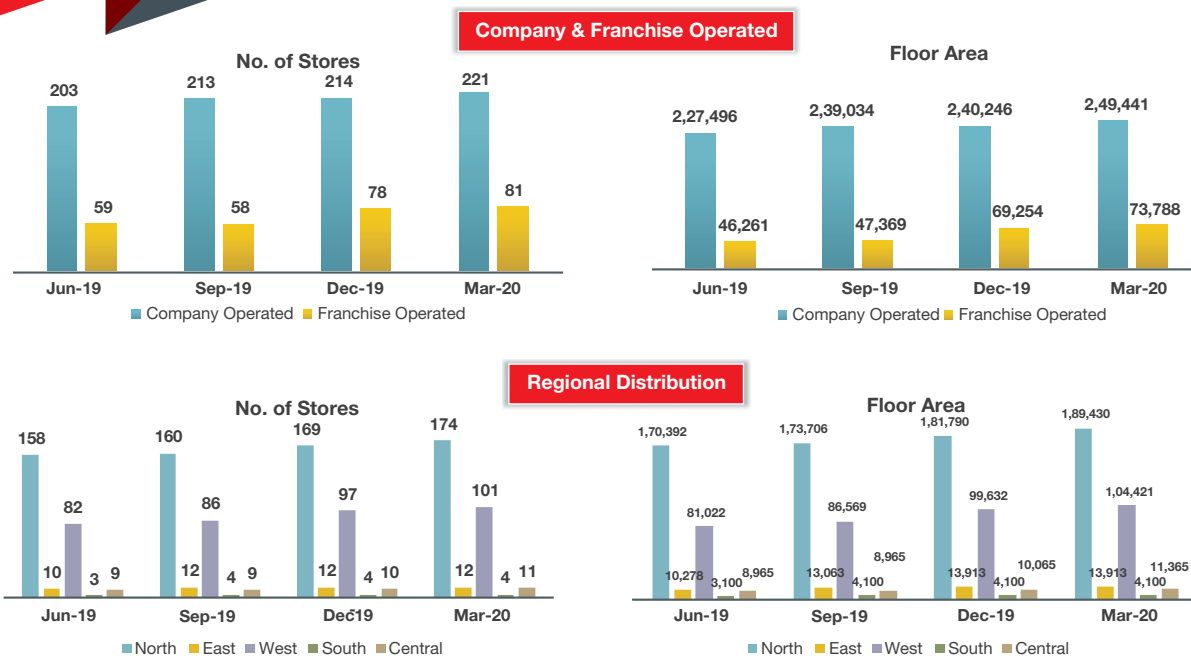
# PERFORMANCE AT A GLANCE

## Financial Highlights - FY20 vs FY19



• Above numbers are without taking into account-IND-AS 116 effect

## Exclusive Brand Outlets





# CHAIRMAN MESSAGE

We are pleased to present the annual review for FY 2019-20 of our Company. The past year has been busy, ever changing, challenging and critical for the industry at large. Along with the economic slowdown, the country also faced a pandemic by the end of the year which impacted the overall business activities in the last quarter. Due to COVID-19, most of the stores were not operational in the last half of March 2020 which impacted the revenue and PAT.

On our financial performance for the year, I am happy to share despite all these challenges, our Company met its targets, recording a sales growth of 17.15% from ₹ 288.55 cr in FY2019 to ₹ 338.04 cr in FY2020. This, coupled with better operational efficiencies, facilitated an 83.01% growth in net profit (w/o IND AS-116 effect) from ₹ 12.50 Cr in FY2019 to ₹ 22.88 Cr in FY2020.

The retail industry faces challenges of undiminished discounts, product differentiation and constant newness. Taking all this into consideration, we are increasing our focus towards brand building, marketing and sales, digital and social media adoption and strong customer relationships.

When it comes to how the next twelve months will play out, uncertainty might be the name of the game but it will be really how resilient & strong, we will ourselves that would define our future. With a possible slowdown, retailers should have a strategic plan that can handle adjustments as and when needed. While the overall economy might be losing its shine in 2020, it presents retailers an opportunity to review their operations for riding out a downturn.

Despite this difficult times, we launched brand Cantabil on e-commerce platform to expand its footprint in the marketplace. Internet usage in the country has exceeded half a billion people, pegged at 566 million, driven by rural internet growth and usage and I am happy to share that this is fast gaining traction and momentum giving us a signal that are moving in the right direction.

Increased availability of bandwidth, cheap data plans and increased awareness driven by government programmes seem to have rapidly bridged the digital gap between urban and rural India. It is noted that the internet usage is more gender balanced than ever before with women comprising 42 percent of total internet users. This increasing internet and digital media presence are leading to increasing customer expectations as they become more aware about the global trends and styles. Our research and development team is always studying the latest & changing trends, methods of



production and machineries used in the industry through market research, international magazines, etc. Our designing team is in sync with the research of the R&D team and designs the products as per customer's expectations and needs.

Along with a strong R&D and Designing team, we are focusing on building and maintaining a very effective and capable marketing and sales team to showcase our Company's wonderful products and designs. The right kind of marketing for any product is very essential & critical for the nature of our business as multiple similar products are available in the market. Besides marketing, our Company is strongly engaged in building strong customer relationships which will in turn lead to greater publicity of the brand through word of mouth and also increase the amount of repeat recall from them.

Our Company is rigorously penetrating and expanding in tier 2 and tier 3 cities where it gets first mover advantage. The acceptability of brands and brand loyalty has been increasing in small towns and rural areas as the purchasing power and willingness to pay is higher for a good quality product with affordable pricing strategy.

Cantabil currently has 302 stores 221 stores under Company-Owned Company-Operated model and 81 stores under Franchise-Owned Franchise-Operated model spread across 16 states. The Company wishes to demonstrate steady growth in the increase in number of stores over the years and with the help of experienced and capable management and dedicated team become an even more viable business.

I would like to thank the entire team of Cantabil for their untiring efforts, hard work and dedication, as well as all the stakeholders for their undeterred faith in our Company, which motivates us to set and achieve higher benchmarks.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Vijay Bansal	:	Chairman and Managing Director
Mr. Deepak Bansal	:	Whole Time Director
Mr. Basant Goyal	:	Whole Time Director
Mr. Rajeev Sharma	:	Non-Executive Independent Director
Mr. Balvinder Singh Ahluwalia	:	Non-Executive Independent Director
Mrs. Renu Jagdish	:	Non-Executive Independent Director

Company Secretary	-	Ms. Poonam Chahal	Registrar & Transfer Agent	Beetal Financial and Computer Services Pvt. Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi - 110062
Chief Financial Officer	-	Mr. Shivendra Nigam		
Statutory Auditors	-	M/s A N S K & Associates, Chartered Accountants (Formerly Known as Akhil Mittal & CO.) New Delhi		
Secretarial Auditor	-	M/s. Sanjay Grover & Associates Company Secretaries New Delhi		
Registered Office	:	B - 16, Ground Floor, Lawrence Road Industrial Area, Delhi - 110035		

Banker	ICICI Bank Ltd. State Bank of India Standard Chartered Bank Ltd. Oriental Bank of Commerce HDFC Bank Ltd. Axis Bank Ltd. Union Bank of India Yes Bank Ltd.
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**CANTABIL RETAIL INDIA LIMITED****CIN:** L74899DL1989PLC034995**Regd. and Corp. Office:** B- 16, Ground Floor, Lawrence Road, Industrial Area, New Delhi - 110035**Website:** www.cantabilinternational.com **E-mail:** investors@cantabilinternational.com**Telephone:** 91-11-27156381/82 **Fax:** 91-11-27156383**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 32<sup>nd</sup> (Thirty-Second) Annual General Meeting (“Meeting”) of the member(s) of CANTABIL RETAIL INDIA LIMITED (“Company”) will be held Friday, 25 day of September 2020 at 11:00 A.M. IST through Video Conferencing (“VC”)/ Other Audio- Visual Means (“OAVM”), to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2020 together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 1/- (Rupees One only) per share i.e @10% on equity share of face value of Rs. 10/- (Rupees Ten only) each, fully paid up, for the financial year ended on 31 March 2020.
3. To appoint a Director in place of Mr. Basant Goyal (DIN: 07659491), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. To consider and approve re-appointment of Mr. Vijay Bansal (DIN: 01110877), Chairman and Managing Director of the Company in accordance with section 196, 197, 198, 203, Schedule V as applicable and any other applicable provisions of the Companies Act, 2013

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203, Schedule V as applicable and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or re- enactment thereof for the time being in force), read with Schedule V of the Act read with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force and subject to approval of members, consent of the Board be and is hereby accorded for re-appointment of Mr. Vijay Bansal (DIN: 01110877) Chairman and Managing Director of the Company for a period of three years w.e.f. 01 April, 2021 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company enumerated herein below:

- A. **Salary:** Upto Rs. 1,68,00,000/- (Rupees One Crore Sixty Eight Lakh Only) per annum with the authority granted to the Board of Directors (hereinafter referred to as “the Board” which term shall include a Committee of Directors) to determine the Salary, Allowances & Perquisites from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 1,68,00,000/- (Rupees One Crore Sixty Eight Lakh Only)
- B. **Perquisites and Allowances:**
  - i. Medical Re-imburement/allowance: Re-imburement of actual expenses for self and family as per rules of the Company.
  - ii. Expenses in relation to use of Company car and telephone for official purpose.
  - iii. Provision for driver/Allowance for driver's salary: As per rules of the Company.

The total remuneration including Allowances & Perquisites shall not exceed the limits specified in Schedule V to the Act or the amount specified by the Central Government, as the case may be.”

- C. **Minimum Remuneration:** Where in any financial year, the Company incurs a loss or its profits are inadequate, the Chairman and Managing Director shall be paid remuneration within the minimum remuneration specified in Schedule V of the Companies Act, 2013.

**D. Other Terms:**

- i. He shall be entitled to reimbursement of entertainment expenses and other out of pocket expenses incurred in connection with the business of the Company.
- ii. As long as he functions as a Managing Director, he shall not be paid any sitting fees to attend the meetings of the Board and/or Committees thereof.
- iii. He shall be required to travel abroad for business purpose as and when required and all expenses incurred during such foreign travel will be governed by the Company's policy regarding foreign travel.
- iv. If at any time, the Managing Director ceases to be a Director of the Company for whatsoever cause/ reason, he shall cease to be the Managing Director of the Company.
- v. The appointment may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end. It is hereby agreed that the Company may terminate his appointment by paying to the Chairman & Managing Director his three months' salary in lieu of three months 'notice in writing.

The Board of Directors in its absolute discretion to increase remuneration of appointee and review, alter or vary designation and other terms and conditions of appointment of the appointee, as mutually agreed with Mr. Vijay Bansal, at the recommendation of Nomination and Remuneration Committee on annual basis or at such time when recommended by the Nomination and Remuneration Committee.

**“RESOLVED FURTHER THAT** Mr. Basant Goyal, Whole Time Director and/or Ms. Poonam Chahal, Company Secretary, be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.”

**5. To consider and approve re-appointment of Mr. Deepak Bansal (DIN: 01111104), Whole Time Director of the Company in accordance with section 196, 197, 198, 203, Schedule V as applicable and any other applicable provisions of the Companies Act, 2013**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203, Schedule V as applicable and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or re- enactment thereof for the time being in force), read with Schedule V of the Act read with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force and subject to such other approval of members, consent of the Board be and is hereby accorded for re-appointment of Mr. Deepak Bansal (DIN: 01111104) Whole Time Director of the Company for a period of three years w.e.f. 01 April, 2021 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company enumerated herein below:

**Salary:** Upto Rs. 1,68,00,000/- (Rupees One Crore Sixty Eight Lakh Only) per annum with the authority granted to the Board of Directors (hereinafter referred to as “the Board” which term shall include a Committee of Directors) to determine the Salary, Allowances & Perquisites from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 1,68,00,000/- (Rupees One Crore Sixty Eight Lakh Only)

**A. Perquisites and Allowances:**

- i. Medical Re-imburement/allowance: Re-imburement of actual expenses for self and family as per rules of the Company.
- ii. Expenses in relation to use of Company car and telephone for official purpose.
- iii. Provision for driver/Allowance for driver's salary: As per rules of the Company.

The total remuneration including Allowances & Perquisites shall not exceed the limits specified in Schedule V to the Act or the amount specified by the Central Government as the case may be.”

**B. Minimum Remuneration:**

Where in any financial year, the Company incurs a loss or its profits are inadequate, the Whole Time Director shall be paid remuneration within the minimum remuneration specified in Schedule V of the Companies Act, 2013.

**C. Other Terms:**

- i. He shall be entitled to reimbursement of entertainment expenses and other out of pocket expenses incurred in connection with the business of the Company.
- ii. As long as he functions as a Whole Time Director, he shall not be paid any sitting fees to attend the meetings of the Board and/or Committees thereof.
- iii. He shall be required to travel abroad for business purpose as and when required and all expenses incurred during such foreign travel will be governed by the Company's policy regarding foreign travel.
- iv. If at any time, the Whole Time Director ceases to be a Director of the Company for whatsoever cause/ reason, he shall cease to be the Whole Time Director of the Company.
- v. The appointment may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end. It is hereby agreed that the Company may terminate his appointment by paying to the Whole Time Director his three months' salary in lieu of three months 'notice in writing.

The Board of Directors in its absolute discretion to increase remuneration of appointee and review, alter or vary designation and other terms and conditions of appointment of the appointee, as mutually agreed with Mr. Deepak Bansal, at the recommendation of Nomination and Remuneration Committee on annual basis or at such time when recommended by the Nomination and Remuneration Committee.

**“RESOLVED FURTHER THAT** Mr. Basant Goyal, Whole Time Director and/or Ms. Poonam Chahal, Company Secretary, be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.”

**6. Change of Object Clause of the Memorandum of Association of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 (“the Act”) including any modification or re-enactment thereof and other applicable provisions thereof the Main Object clause of the Memorandum of Association of the Company be and is hereby altered and amended as follows:

- A. Clause III (A) of the Objects clause of the Memorandum of Association of the Company be titled as “MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION’.
- B. The existing Main Objects of Clause III (A)(3) be altered by replacing the same with the following new Clause III(A)(3) as under:

*“To carry on the business of manufactures, importers, exporters and dealers in Men's, Women's and Children's Clothing, wearing apparel, Hosiery goods, footwear, Jackets, Socks, Ties, Perfume, Cosmetics, Deodorants, Fashion Wears, Inner wear accessories, Towels, Handkerchiefs, Scarves & Stoles and other Personal Care Products etc., and other similar articles of every kind, nature, description made from cotton, synthetic, wool, worsted materials and /or Leather”.*

**RESOLVED FURTHER THAT** any of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By Order of the Board of Directors  
For Cantabil Retail India Limited**

**Date : August 28, 2020  
Place: New Delhi  
Regd. Office: B-16, Lawrence Road Industrial Area  
New Delhi-110035**

**Sd/-  
(POONAM CHAHAL)  
Head- Legal & Company Secretary  
Fellow Membership No. : 9872**

## NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Corporate/Institutional Members are required to send a scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to contact@cssanjaygrover.in
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In terms of the provisions of Section 152 of the Act, Mr. Basant Goyal, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.
7. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the “Annexure” to the Notice.

## BOOK CLOSURE FOR FINAL DIVIDEND:

8. The Company has announced Book Closure from **Saturday 19th September, 2020 to Friday 25th September, 2020 (both days inclusive)** and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2019-2020, if approved at the meeting, will be payable to those eligible members whose names appeared:
  - i. As Beneficial Owners, as on **Record date i.e Friday 18th September, 2020** as per the list to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in Dematerialized form, and
  - ii. As Members in the Register of Members of the Company as on Record date i.e Friday 18th September, 2020 in respect of shares held in Physical Form, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (R&TA) on or before record date.
  - iii. The Dividend, if declared at the Annual General Meeting, will be paid within 30 days from the date of declaration to those members whose name is appeared on the Register of Member of the Company on the record date/cutoff date i.e. 18th September, 2020 (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
9. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to Directors' Report which is a part of this Annual Report.
10. In terms of the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) and Sections 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended, the Company is providing its members the facility to exercise their right to vote at the meeting by electronic means on any or all of the business specified in the accompanying Notice. Necessary arrangements have been made by the Company with CDSL to facilitate e-voting.



<b>Commencement of E-voting</b>	<b>10: 00 AM, Tuesday 22<sup>nd</sup> day of September, 2020</b>
<b>End of E-voting</b>	<b>5:00 PM, Thursday day 24 day of September, 2020</b>

11. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.
12. The Company had appointed Mr. Devesh Kumar Vasisht (CP No. 13700), Partner or failing him, Ms. Priyanka (CP No. 16187), Partner of M/s Sanjay Grover & Associates, Company Secretaries as scrutinizer to scrutinize the voting at the AGM venue and remote e-voting process in a fair and transparent manner.
13. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than Forty Eight (48) hours of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a Director authorised by him in writing who shall countersign the same.
14. The Chairman or a director authorised by him in writing shall declare the result of voting on or before closing business hours on September 26, 2020. After the result declared by the Chairman or any other director authorised by the Chairman, the same along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.cantabilinternational.com](http://www.cantabilinternational.com) and shall also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

#### **PROCEDURE FOR INSPECTION OF DOCUMENTS:**

15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
16. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors@cantabilinternational.com](mailto:investors@cantabilinternational.com).
17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, September 10, 2020 through email on [investors@cantabilinternational.com](mailto:investors@cantabilinternational.com). The same will be replied by the Company suitably.

#### **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

18. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for financial year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
  - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN, by email to the Company's email address [investors@cantabilinternational.com](mailto:investors@cantabilinternational.com)
  - b) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
19. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.cantabilinternational.com](http://www.cantabilinternational.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)
20. For receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investors@cantabilinternational.com](mailto:investors@cantabilinternational.com).
  - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- i) The voting period begins on **10: 00 AM, Tuesday 22nd day of September, 2020** and ends on 5:00 PM, **Thursday day 24 day of September, 2020**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday 18th September, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@cantabilinternational.com
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@cantabilinternational.com

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
  2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
  3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
21. Note for Non Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@cantabilinternational.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
22. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
23. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
24. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting (“AGM”) has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
25. The relevant details of directors seeking appointment/reappointment above pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standard- 2 is also given at the end of the Notice.
26. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**By Order of the Board of Directors  
For Cantabil Retail India Limited**

Sd/-  
**(POONAM CHAHAL)**

**Head- Legal & Company Secretary  
FCS No. 9872**

**Date : August 28, 2020  
Place: New Delhi**

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item Nos. 4**

Mr. Vijay Bansal is the promoter of the Company. He was appointed as Chairman and Managing Director of the Company on 15<sup>th</sup> September 2009 by the Board and approved by the members in the Extra-Ordinary General Meeting held on 19<sup>th</sup> November 2009. He was further re-appointed as Chairman and Managing Director on 13<sup>th</sup> February 2018 by the Board on the recommendation of Nomination and Remuneration Committee and approval of the members in the Annual General Meeting held on 28<sup>th</sup> September 2018. In view of the experience and invaluable contribution in the growth of the Company, Mr. Vijay Bansal was again re-appointed as Chairman and Managing Director of the Company on 28<sup>th</sup> August 2020 by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1<sup>st</sup> April 2021. The re-appointment is subject to the approval of members. Statement as per SCHEDULE V (PART II) (SECTION II) of the Companies Act, 2013:

<b>General Information</b>											
Nature of industry	We are in the business of designing, manufacturing, branding and retailing of apparels and wearable accessories.										
Date or expected date of commencement of commercial production	Since Company was incorporated in 1989 and duly commenced its business long ago.										
In case of new companies, date of commencement of activities as per project approved by financial institutions	Not applicable										
Financial performance based on given indicators	<p>Appearing in the prospectus</p> <p>As on 31<sup>st</sup> March, 2020: (In Lacs)</p> <table> <tr> <td>Total Revenue</td> <td>33803.65</td> </tr> <tr> <td>Profit before Tax &amp; Depreciation</td> <td>6819.79</td> </tr> <tr> <td>Profit before Tax</td> <td>2400.61</td> </tr> <tr> <td>Provisions for Deferred Tax Liability/ (Assets)</td> <td>757.67</td> </tr> <tr> <td>Profit after Tax</td> <td>1642.94</td> </tr> </table>	Total Revenue	33803.65	Profit before Tax & Depreciation	6819.79	Profit before Tax	2400.61	Provisions for Deferred Tax Liability/ (Assets)	757.67	Profit after Tax	1642.94
Total Revenue	33803.65										
Profit before Tax & Depreciation	6819.79										
Profit before Tax	2400.61										
Provisions for Deferred Tax Liability/ (Assets)	757.67										
Profit after Tax	1642.94										
Foreign investment or collaboration, if any	Not applicable										
<b>Information about the appointee</b> Background details	Mr. Vijay Bansal is Graduate from Kurukshetra University. He is the founder promoter of our Company. He promoted Kapish Products Private Limited in 1989 and thereafter launched CANTABIL brand in 2000										
Past remuneration	For the period 2019-20 : Aggregate value of salary and perquisites: Rs. 83,19,600/-										
Recognition or Awards	Mr. Vijay Bansal was conferred with Delhi Udyog Ratan Award 2008 by the Government of Delhi. Recently he was awarded with Business Icon Award in the category of "Brand of the Year", instituted by NSS Media Group										
Job profile and his suitability	Mr. Vijay Bansal is the Chairman and Managing Director of the Company aving overall experience of 31 years. He has been instrumental in strategic planning and business development of our Company including establishment of our brand. He is responsible for the overall management and supervision of the business of our Company.										
Remuneration proposed	As mentioned in the resolution stated above										
Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person	The proposed remuneration is commensurate with size and nature of the business of the company and big responsibility Mr. Vijay Bansal is carrying. The remunerations do differ from company to company in the industry depending on their respective operations. Apart from drawing remuneration as Managing Director of the Company, there is no other pecuniary relationship.										
Pecuniary relationship directly or indirectly with the company, or related relationship with the managerial personnel, if any	<p>Mr. Vijay Bansal is related to following managerial personnel's of the Company:</p> <ul style="list-style-type: none"> <li><b>Mr. Deepak Bansal : Whole-Time Director</b></li> </ul> <p>He holds 6112801 Equity Shares of Rs.10/- each (37.43%) of your Company in his personal capacity.</p>										

<b>Other information</b>	
Reasons of loss or inadequate profits	Since past few years retail industry is going through rough phase. However the Company is growing slowly and gradually but the profits are still not adequate.
Steps taken or proposed to be taken improvement	Focus has been placed on promotion and marketing of products for so as to increase the sales turnover of the company and efforts are being made to reduce overheads and fixed costs as compared to variable costs and this will result into increase in profits of the company.
Expected increase in productivity profits in measurable terms	Company has made its manufacturing facility fully operational at and HSIIDC Bahadurgarh (Haryana) and increased its production capacity to step into the export activities. Besides that company is aggressively opening new stores in tier two and three cities to increase sales turnover.

Mr. Vijay Banal is also Chairman of Corporate Social Responsibility and a Member of Audit Committee and Stake Holder Relationship Committee of the Company.

The Board of Directors of the Company in its meeting held on 28 August, 2020 approved the re-appointment of Mr. Vijay Bansal, Chairman and Managing Director w.e.f. 01 April, 2021 as recommended by the Nomination and Remuneration Committee in its meeting held on 28 August, 2020 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out in item no 4 for your approval.

Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the Shareholders in the Annual General Meeting.

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 04 of the Notice. Except Mr. Vijay bansal, himself, his son Mr. Deepak Bansal, Whole Time Director of the Company is concerned or interested, financial or otherwise, in the passing of the above resolution as set out in Item No. 04 of the notice.

**Item Nos. 5**

Mr. Deepak Bansal was appointed as Whole Time Director of the Company by the Board on 15<sup>th</sup> September 2009. He was further re-appointed as Whole Time Director on 12<sup>th</sup> February 2015 by the Board on the recommendation of Remuneration Committee and approval of the members in the Annual General Meeting held on 30<sup>th</sup> September 2015. He was further re-appointed as Whole Time Director on 13<sup>th</sup> February 2018 by the Board on the recommendation of Nomination and Remuneration Committee and approval of the members in the Annual General Meeting held on 28<sup>th</sup> September 2018.

He is looking after marketing operation and network of the retail outlets of the Company all over India. In view of the experience and invaluable contribution of Mr. Deepak Bansal towards the growth of the Company he was again re-appointed as Whole Time Director of the Company on 28<sup>th</sup> August 2020 by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1<sup>st</sup> April 2021. The re-appointment is subject to the approval of members. Statement as per SCHEDULE V (PART II) (SECTION II) of the Companies Act, 2013:

<b>General Information</b>	
Nature of industry	We are in the business of designing, manufacturing, branding and retailing of apparels and wearable accessories.
Date or expected date of commencement of commercial production	Since Company was incorporated in 1989 and duly commenced its business long ago.
In case of new companies, date of commencement of activities as per project approved by financial institutions	Not applicable Appearing in the prospectus

Financial performance based on given indicators	As on 31st March, 2020:	
		(In Lacs)
	Total Revenue	3,3803.65
	Profit before Tax & Depreciation	6819.79
	Profit before Tax	2400.61
	Provisions for Deferred Tax Liability/ (Assets)	757.67
	Profit after Tax	1642.94
Foreign investment or collaboration, if any	Not applicable	
<b>Information about the appointee</b>		
Background details Past remuneration	Mr. Deepak Bansal is Graduate in Mathematics from Delhi University. He has been actively involved in setting up of retail outlets in recent times all over India.	
Job profile and his suitability	<p>For the period 2019-20 :- Aggregate value of salary and perquisites: Rs. 83,19,600/-</p> <p>Mr. Deepak Bansal is a Whole-Time Director of the Company. As a Director, he is responsible for diversifying and expanding the business of the company and for preparing marketing strategy and advertisements for our products. He has an overall experience of 17 years in retail apparel industry.</p>	
Remuneration proposed	As mentioned in the resolution stated above	
Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person	The proposed remuneration is commensurate with size and nature of the business of the company and big responsibility Mr. Deepak Bansal is carrying. The remunerations do differ from company to company in the industry depending on their respective operations.	
Pecuniary relationship directly or indirectly with the company, or related relationship with the managerial personnel, if any	<p>Apart from drawing remuneration as Whole Time Director of the Company, there is no other pecuniary relationship.</p> <p>Mr. Deepak Bansal is related to following managerial personnels of the Company: <b>Mr. Vijay Bansal : Chaiman and Managing Director</b></p> <p>He holds 2567436 Equity Shares of Rs. 10/- each (15.72%) of your Company in his personal capacity.</p>	
<b>Other information</b>		
Reasons of loss or inadequate profits	Since past few years retail industry is going through rough phase. However the Company is growing slowly and gradually but the profits are still not adequate.	
Steps taken or proposed to be taken improvement	Focus has been placed on promotion and marketing of products for so as to increase the sales turnover of the company and efforts are being made to reduce overheads and fixed costs as compared to variable costs and this will result into increase in profits of the company.	
Expected increase in productivity profits in measurable terms	Company has made its manufacturing facility fully operational at and HSIIDC Bahadurgarh (Haryana) and increased its production capacity to step into the export activities. Besides that company is aggressively opening new stores in tier two and three cities to increase sales turnover.	

The Board of Directors of the Company in its meeting held on 28 August, 2020 approved the re-appointment of Mr. Deepak Bansal as Whole Time Director w.e.f. 01 April, 2021 as recommended by the Nomination and Remuneration Committee in its meeting held on 28 August, 2020 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out in item no 4 for your approval.

Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the Shareholders in the Annual General Meeting.

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 05 of the Notice. Except Mr. Deepak Bansal, himself, his Father Mr. Vijay Bansal, Chairman and Managing Director of the Company is concerned or interested, financial or otherwise, in the passing of the above resolution as set out in Item No. 05 of the notice.

#### **Item Nos. 6**

#### **Change of Object Clause of the Memorandum of Association of the Company**

Your Board has to consider from time to time proposals for expansion of product range which would be profitable for the Company as part of Expansion Plans. For this purpose, the object Clause of the Company which is presently restricted in scope, requires to be comprehensive so as to cover a wide range of activities to enable your Company to consider embarking upon new projects and activities.

The "Main Object" clause of the Memorandum of Association of the Company is being amended by deletion of Clause III (A) and with insertion of New Clause III (A). The Board at its meeting held on 28th August 2020 has approved alteration of the MOA of the Company and the Board now seeking Members' approval for the same.

The proposed change of object clause requires the approval of shareholders' through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The Amendment shall be effective upon the registration of the resolution with the Registrar of the Companies. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.



## DIRECTORS' REPORT

Dear Members

The Board of Directors has immense pleasure in presenting its 32<sup>nd</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The financial results of the Company for the year under review are compared below with the previous year's results for your consideration:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Revenue From Operations	33,803.65	28,855.08
Other Income	405.66	399.83
<b>Profit before Finance Cost, Depreciation Exceptional Items &amp; Tax</b>	<b>8,890.78</b>	3360.35
Finance Cost	2,071.00	851.85
Depreciation	4,419.18	889.24
<b>Profit before Exceptional Items &amp; Tax</b>	<b>2,400.61</b>	1619.25
Exceptional items	-	-
<b>Profit before tax</b>	<b>2,400.61</b>	1619.25
<b>Tax expense:</b>		
1. Current Tax (MAT)	418.54	349.88
2. Current Tax :- MAT Entitlement/(Credit)	71.08	(349.88)
3. Deferred Tax (assets)/ liability	268.04	369.26
<b>Net Profit for the year</b>	<b>1,642.94</b>	1,249.99
Item of Other Comprehensive Income	(5.96)	70.41
Total Comprehensive Income for the year	1,636.98	1,320.41
Credit/ (Debit) Balance B/F from previous year	1,041.36	(279.04)
Other Adjustments	(1,260.32)	-
<b>Profit available for appropriation</b>	<b>-</b>	-
<b>Surplus/ (Deficit) carried to Balance Sheet</b>	<b>1,418.02</b>	1,041.36

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter prescribed under Section 133 of the Companies Act, 2013.

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Company has an increase of 17.15 % in total revenue from Rs. 28,855.08 Lakhs in Financial Year 2018 -19 to Rs.33,803.65 Lakhs in Financial Year 2019-20. The PAT has also improved from Rs. 1,249.99 lakhs to Rs.1,642.94 lakhs thereby recording an improvement of 31.43 %.

There has been no change in the nature of business during the reporting period.

### TRANSFER TO RESERVES

The company has not transferred any amount to the general reserves during the previous years.

### DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report are given below.

## GLOBAL PANDEMIC COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities & Retail Stores etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 3, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as property, plant & equipment, investments, loans, intangible assets, Trade receivable etc. The Company has considered internal and external information / indicators of future economic conditions and the Company expects to recover the carrying amount of the assets.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY2020, the strong balance sheet position, and inherent resilience of the business model position, the Company well to navigate the challenges ahead and gain market share.

## DIVIDEND

For FY 2019-2020, based on the Company's performance, the Directors in its meeting held on 28th August 2020 have declared dividend of Rs. 1/- (Rupees One only) per share i.e @10% on equity share of face value of Rs. 10/- (Rupees Ten only) each, fully paid up, for the financial year ended on 31 March 2020, subject to the approval of members.

## SHARE CAPITAL

The paid up capital of the company as on March 31, 2020 was Rs.163,276,080/-. During the year under review, the company did not issue any class or category of shares/ securities and consequently no change in the capital structure since previous year.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The company does not have any subsidiary, joint venture or associate company during the period of reporting.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of the business of the Company during the Financial Year ended on 31st March, 2020.

## SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied by the Company.

## CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making. Setting the tone at the top, the Directors cumulatively at the Board level, advocate good governance standards at Cantabil. Cantabil has been built on a strong foundation of good corporate governance which is now a standard for all operations across your Company. Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Secretarial Auditors confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

## CODE OF CONDUCT

Annual Compliance Report for the year ended 31st March 2020 has been received from all the Board members and Senior Management of the Company regarding the compliance of all provisions of Code of Conduct.

## MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis forms as part of this report.

## DEPOSITS

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 made thereunder.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## LISTING OF SHARES

The equity shares of your Company are listed on National Stock Exchange of India Limited (NSE), and BSE Limited (BSE). The listing fees for the Financial Year 2019-20 have been paid by the Company within the stipulated time.

## STOCK CODE: NSE BSE ISIN

**CANTABIL 533267 INE068L01016 (Shares)**

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Renu Jagdish was re-appointed as a Non- Executive Independent Director at the thirty first Annual General Meeting (AGM) held on September 26, 2019 for a period of five years w.e.f. September 29, 2019 up to September 28 2024. Further, in the opinion of the Board Mrs. Renu Jagdish possesses adequate integrity, expertise and experience required to best serve the interest of the Company.

During the year, Mr Arun Kumar Roopanwal and Mr. Lalit Kumar ceased to be the Directors with effect from September 29, 2019 upon completion of their term as Independent Directors. The Board places on record its appreciation for their invaluable contribution and guidance. Accordingly Mr. Balvinder Singh Ahluwalia and Mr. Rajeev Sharma was appointed as an Independent Director in place of them pursuant to the provision of Section 149, 152, 161, Schedule IV, and other applicable provisions of the Companies Act, 2013. Further, in the opinion of the Board Mr. Balvinder Singh Ahluwalia and Mr. Rajeev Sharma possess adequate integrity, expertise and experience required to best serve the interest of the Company.

Mr. Basant Goyal was re-appointed as a Whole Time Director at the thirty first Annual General Meeting (AGM) held on September 26, 2019 for a period of three years w.e.f. December 01, 2019 till the conclusion of Annual General Meeting to be held in the year 2022 or till such earlier date as may be determined by the Board of Directors of the company.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

The appointment of new directors is recommended by the Nomination and Remuneration Committee ('NRC') on the basis of requisite skills, proficiency, experience and competencies as identified and finalized by the Board considering the industry and sector in which the Company operates. The Board, on the recommendation of the NRC, independently evaluates and if found suitable, confirms an appointment to the Board. The appointments are based on the merits of the candidate and due regard is given to diversity including factors like gender, age, cultural, educational & geographical background, ethnicity, etc.

## DIRECTOR RETIRING BY ROTATION

Pursuant to the provisions of Section 152 the Companies Act, 2013 and the Article 125 of the Articles of Association of the Company, Mr. Basant Goyal (DIN: 07659491), Whole-Time Director of the Company retires by rotation and being eligible offer himself for re-appointment in the 32nd Annual General Meeting of the Company. The details of Directors being recommended for re-appointment as required is contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

## KEY MANAGERIAL PERSONNEL

As on 31st March 2020, the company has following Key Managerial Personnel in compliance of provisions of Section 203 of the Companies Act, 2013:

S. NO.	NAME	DESIGNATION
1.	Mr. Vijay Bansal	Chairman and Managing Director
2.	Mr. Deepak Bansal	Whole-Time Director
3.	Mr. Basant Goyal	Whole-Time Director
4.	Ms. Poonam Chahal	Company Secretary
5.	Mr. Shivendra Nigam	Chief Financial Officer

## BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the Company is having following Independent Directors, in terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 on its Board:-

S.NO.	NAME	APPOINTMENT/RE-APPOINTMENT	RESIGNATION/CESSATION
1.	Mrs. Renu Jagdish	Appointed on 30/09/2014 Re-appointed on 29/09/2019	N.A
2.	Mr. Balvinder Singh Ahluwalia	Appointed on 09/08/2019	N.A
3.	Mr. Rajeev Sharma	Appointed on 09/08/2019	N.A
4.	Mr. Lalit Kumar	Appointed on 11/09/2009 Re- appointed on 30/09/2014	29/09/2019
5.	Dr. Arun Kumar Roopanwal	Re- appointed on 30/09/2014 Appointed on 11/09/2009	29/09/2019

## DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

Each of the Independent Director has submitted their declaration that he /she meets the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 134(3)(c) and section 134(5) of the Companies Act, 2013 the Directors hereby confirm that:

- in the preparation of the Annual Accounts for the year ended as on 31st March 2020, the applicable Accounting Standards (Ind AS) had been followed along with proper explanation relating to material departures;
- the directors had 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 or loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the accounts for the financial year ended 31st March 2020 on a 'going concern' basis; and
- The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable

## NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / Business Policy and Strategy apart from other Board business. The Board / Committee Meetings are scheduled in compliance with the provisions of the Companies Act, 2013 and the requirement of the Listing Agreement/Regulations and the Notice of the Board/Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

Usually, meetings of the Board are held in Delhi. The Agenda of the Board / Committee meetings includes detailed notes on the items to be discussed at the meeting is circulated at least a week prior to the date of the meeting.

The Board met five times in financial year 2019-2020 viz., on 23.05.2019, 09.08.2019, 07.11.2019, 16.01.2020 and 14.02.2020. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

## COMMITTEES OF THE BOARD

During the Year the Board has reconstituted its composition of committees' w.e.f October 9, 2019 by way of resolution by circulation

There are currently four Committees of the Board, as follows:

### 1. Audit Committee

The constitution of the Audit Committee is:-

1. Mrs. Renu Jagdish	-	Chairman & Independent Director
2. Mr. Balvinder Singh Ahluwalia	-	Member & Independent Director
3. Mr. Vijay Bansal	-	Member & Managing Director

### 2. Nomination and Remuneration Committee

The constitution of the Nomination & Remuneration Committee is:-

1. Mrs. Renu Jagdish	-	Chairman & Independent Director
2. Mr. Balvinder Singh Ahluwalia	-	Member & Independent Director
3. Mr. Rajeev Sharma	-	Member & Independent Director

### 3. Stakeholders' Relationship Committee

The constitution of the Stakeholders' Relationship Committee is:-

1. Mrs. Renu Jagdish	-	Chairman & Independent Director
2. Mr. Rajeev Sharma	-	Member & Independent Director
3. Mr. Vijay Bansal	-	Member & Managing Director

### 4. Corporate Social Responsibility Committee

The constitution of the Corporate Social Responsibility Committee is:-

1. Mr. Vijay Bansal	-	Chairman & Executive Director
2. Mr. Renu Jagdish	-	Member & Independent Director
3. Mr. Basant Goyal	-	Member & Executive Director

Details of all the Committees along with their charters, composition and meetings held during the year are provided in the "Report on Corporate Governance", a part of this Annual Report.

## NOMINATION AND REMUNERATION POLICY OF THE DIRECTOR AND KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company has, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3) based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are Company Philosophy, Guiding Principles, Nomination of Directors,

Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **ANNEXURE- 1** and forms part of this Report.

The Remuneration Policy adopted by your Company is available on company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com).

## **BOARD EVALUATION**

Meeting the requirements of the statute and considering Board Performance Evaluation as an important step for a Board to transit to a higher level of performance, the Nomination and Remuneration Committee has laid down a comprehensive framework for carrying out the evaluations prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The framework was developed to give all Board members an opportunity to evaluate and discuss the Board's performance openly from multiple perspectives and enhance governance practices within the Board. The framework describes the evaluation coverage and the process thereof.

Further, the detailed criteria for performance evaluation of Independent Directors are available on company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com).

## **PERFORMANCE EVALUATION OF BOARD AND COMMITTEE**

In respect of the Financial Year ended 31st March, 2020, the Board conducted its self-evaluation that of its Committees and all of its individual Members. Some of the parameters which were taken into account while conducting Board evaluation were : Board Composition in terms of its size, diversity; Board processes in terms of communication; Disclosure of information such that each Board meeting includes an opportunity for learning about the organization's activities through various presentations made to the Board on corporate functions, business verticals etc.; Accessibility of the Product Heads/ Factory Heads to the Board, wherever required, for informed decision-making. The evaluation of each of the Board Committees were done on parameters such as whether key items discussed in the Committee are suitably highlighted to the Board, whether Committee effectively performs support functions to the Board in fulfilling its responsibilities etc.

## **PERFORMANCE EVALUATION OF NON-INDEPENDENT DIRECTORS**

The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors, considering aspects such as Effectiveness as Chairman in developing and articulating the strategic vision of the Company, Demonstration of ethical leadership, displaying and promoting throughout the Company a behavior consistent with the culture and values of the organization, Contribution to discussion and debate through thoughtful and clearly stated observations and opinions; Creation of a performance culture that drives value creation without exposing the Company to excessive risk.

## **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

The performance evaluation of the Independent Directors was carried out by the entire Board, other than the Independent Director concerned, taking into account parameters such as refrain from any action that may lead to loss of independence; refrain from disclosing confidential information, including commercial secrets, technologies, unpublished price sensitive information, sales promotions plans etc. support to CMD and executive directors in instilling appropriate culture, values and behavior in the boardroom and beyond, well informed about the Company and the external environment in which it operates, moderate and arbitrate in the interest of the Company as a whole in situations of conflict between management and shareholders' interest etc.

## **EVALUATION OUTCOME**

It was assessed that the Board as a whole together with each of its Committees was working effectively in performance of its key functions- providing strategic guidance to the Company, reviewing and guiding business plans and major plans of action, ensuring effective monitoring of the management and overseeing risk management function. The Board is kept well informed at all times through regular communication and meets once per quarter and more often during times of rapid growth or if Company needs merit additional oversight and guidance. Comprehensive agendas are sent to all the Board Members well in advance to help them prepare and keep the meetings productive. The Company makes consistent efforts to acquaint the Board with the overall business

performance covering all business aspects by way of presenting specific performance of each product category and corporate function from time to time. The performance of the Chairman was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities for the day to day management of the business in line with the strategy and long term objectives. The Executive Directors and Non-executive Directors provided entrepreneurial leadership of the Company within a framework of prudent and effective controls with a balanced focus on policy formulation and development of operational procedures. It was acknowledged that the management afforded sufficient insight to the Board in keeping it up-to-date with key business developments which was essential for each of the individual Directors to maintain and enhance their effectiveness.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of Sections 124 and 125 the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the provision for transfer of application money received by companies for allotment of any securities which has remained unclaimed and unpaid for a period of seven years from the date it became due for payment to Investors Educations and Protections funds of Central Government. In accordance with the above provisions, the Company had transferred unpaid/unclaimed application money within the statutory period to the IEPF.

### **BOARD DIVERSITY POLICY**

The Boards of Directors of the Company formulated the Board Diversity Policy according to the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, draft of which is available on company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com).

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on appointment of directors is available on <http://www.cantabilinternational.com/> The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on <http://www.cantabilinternational.com/>.

### **AUDITORS AND THEIR REPORTS**

M/s A N S K & Associates, Chartered Accountant (Registration No.026177N), holds office until the conclusion of 34th Annual General Meeting of the Company. The Auditors' Report to the members for the year under review does not contain any qualification, reservation or adverse remark. The observation of the Auditors and the relevant notes on accounts are self-explanatory and therefore, do not call for any further comment.

### **STATUTORY AUDITORS' REPORT**

The observation made by the Auditors with reference to notes on accounts for the year ended 31st March 2020 are self -explanatory and therefore do not call for any further comments under section 134 of the Companies Act, 2013.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s A N S K & Associates, Chartered Accountants

### **SECRETARIAL AUDITORS**

The Board had appointed M/s Sanjay Grover & Associates, Company Secretaries for carrying out Secretarial Audit in terms of the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-2020.

### **SECRETARIAL AUDITORS REPORT**

The report of the secretarial auditors is annexed as a part to this report as **ANNEXURE-2**.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Sanjay Grover & Associates, Secretarial Auditors, in their report.

## COST AUDITORS

As per Section 148 of the Companies Act, 2013, the Company is not required to have the audit for its cost records.

## INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s Grant Thornton India LLP as an internal auditor, to conduct Internal Audit of the Company during the year.

The Company has a robust Internal Audit Functioning System which provides an independent, objective assurance services to value-add and improve operations of business units and processes by Financial, Business Process and Compliance Audit, Operation Reviews, Best Practices and Benchmarking, Leadership Development. The Head of Internal Audit reports to the Chairman of the Audit Committee and administratively to the Chief Financial Officer.

## CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The details of credit ratings are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

## STATUTORY DISCLOSURE

None of the Directors of your Company is disqualified as per provision of Section 164(2) of Companies Act, 2013. The Directors of the Company have made necessary disclosures as required under various provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

## AUDIT COMMITTEE

The Audit committee held four (4) meetings during the year viz., 23.05.2019, 09.08.2019, 07.11.2019, 14.02.2020

The Audit Committee functions in terms of the powers and role delegated by the Board of Directors keeping in view the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, have been described separately under the head Audit Committee in Report of Corporate Governance.

The members of the Audit Committee are;

Name of Members	Designation	Category
Mrs Renu Jagdish	Chairman	Independent Director
Mr. Balvinder Singh Ahluwalia	Member	Independent Director
Mr. Vijay Bansal	Member	Executive Director

- Mrs. Renu, Jagdish Chairman of the Committee has adequate financial and accounting knowledge.
- The Chief Financial Officer, Internal Auditor and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee. It is a practice of the Committee to extend an invitation to the Managing Director to attend the meeting as and when required.
- Ms. Poonam Chahal, Company Secretary, is Secretary of the Audit Committee.

## CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and rule made there under, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of the Composition of the Committee are set out in Corporate Governance Report which forms part of this report. The Committee has adopted a Corporate Social Responsibility Policy. Details of our CSR are available on our website [www.cantabilinternational.com](http://www.cantabilinternational.com).

The Annual Report of CSR activities is appended as “**ANNEXURE 3**” of this Board report



## RISK MANAGEMENT POLICY

The Company has constituted a committee and formulated a policy and process for risk management. The company has set up a core group of leadership team, which identifies, assesses the risks and the trends, exposure and potential impact analysis at different level and lays down the procedure for minimization of the risks. Risk management forms an integral part of management policy and is an ongoing process integrated with operations.

Company has identified various strategic, operational, financial risks which may impact company adversely; however, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the company. The draft of Risk Management Policy is available on company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com).

## VIGIL MECHANISM

Details of establishment of vigil mechanism are disclosed in the corporate governance report and are also available on company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com).

## REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

## INVESTOR RELATION ADVISOR

During the year, the company has appointed Bridge Investor Relation Private Limited (BRIDGE) as an Investor Relation Advisor which provide advisory services to the Company. The main function of BRIDGE is to :

- a) Preparation of Communication Pack
- b) Interaction with Research Analysts
- c) Interaction with Institutional Investors
- d) Interaction with Equity Sales and Investment Bankers.
- e) Routine activities of Investor Relations

## AWARDS AND RECOGNITION

Cantabil Retail India Limited was felicitated with the 'Saksham Sathi' award by the Government of Haryana for the commendable contribution in implementation of Apprentices Act, 1961 during the year 2019-2020. The company trained good number of youngsters and provided them employment in its facility under this act.

## POLICY AGAINST SEXUAL HARASSMENT AT WORK PLACE

The Company in its endeavor for zero tolerance towards sexual harassment at the workplace has in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 adopted the "Policy on redressal of Sexual Harassment". An Internal Complaints Committee has been constituted under the policy which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal. The Committee submits an Annual Report to the Audit Committee of the Board of Directors of your Company on the complaints received and action taken by it.

During the year, no complaint was lodged with the Internal Complaints Committee (ICC). In order to fulfill the desired utility of the Committee and make the Policy meaningful, the Committee meets at specified intervals to take note of useful tools, mobile applications, media excerpts etc. that enhance security of female employees. The same are circulated within the organization to encourage general awareness. In its endeavor to ensure the spirit of law, during the Financial Year 2019-2020, the ICC continued to undertake interactive sessions from time to time. The interactions were primarily aimed at understanding as to how comfortable female employees are working in the organization especially from safety point of view and how forthcoming would they be, in raising their voice if they are put in an undesirable situation.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1);**

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com). The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

## **RELATED PARTIES DISCLOSURES**

Related party transactions are reviewed and approved by Audit committee and are also placed before the Board for necessary approval. The Company has developed a related party transactions manual, standard operating procedures for the purpose of identification and monitoring of such transactions.

The Board has approved policy for related party transactions which is available on company's website.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form (**Form AOC-2**) are attached as **ANNEXURE-4**.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the Financial Year ended on 31st March, 2020, the company has entered into transactions which were given under section 186 of Companies Act, 2013. The particulars of investments made by the Company under section 186 as on 31st March, 2020 are furnished in **ANNEXURE-5** and form part of this Report.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, there is no employee in the Company who falls under the criteria set out in the Section 197(12) and whose particulars forms part of this report.

However, the information required under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **ANNEXURE-6**.

## **EXTRACT OF ANNUAL RETURN**

As per the requirement of Section 92(3) of the Companies Act 2013 and rules framed thereunder, the extract of annual return for the F.Y. 2020, given in **ANNEXURE-7** in the prescribed form **MGT - 9**, this is the part of this report. The same is available on the company website [www.cantabilinternational.com](http://www.cantabilinternational.com).

## **NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS)**

The NEAPS is a web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, announcements, corporate actions etc. are filed electronically on NEAPS.

## **BSE CORPORATE COMPLIANCE & LISTING CENTRE (THE "LISTING CENTRE")**

The Listing Centre of BSE is a web based application designed by BSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, press releases etc. are also filed electronically on the Listing Centre.

### SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The system enables centralized database of all complaints, online uploading of action taken reports (ATRs) by the concerned companies and online viewing by investors of actions taken on their complaint and current status. Your company is also registered on **SCORES** and there was no complaint filed by any investor during the year under review.

### COMMUNICATION AND PUBLIC RELATIONS

Your Company has on a continuous basis endeavored to increase awareness among its stakeholders and in the market place about the Company's strategy, new developments and financial performance as per rules laid down by the Regulatory Authority like SEBI etc. Brand building of the organization is being given impetus and your Company is poised to achieve positive results out of these efforts.

### INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The policy is available on company's website at [www.cantabilinternational.com](http://www.cantabilinternational.com).

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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

Information in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in **ANNEXURE-8**:

### GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following(s), as there were no transactions have been done w.r.t. these items:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No Issue of Employee Stock Option has been made.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its holding company.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Banks, Government Authorities, Business Associates and shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

**For and on behalf of the Board**

**Date: August 28, 2020**

**Place: New Delhi**

Sd/-  
**VIJAY BANSAL**  
**(Chairman and Managing Director)**

## ANNEXURE – 1

### NOMINATION AND REMUNERATION POLICY

#### (1) PREFACE

The remuneration policy of the Board of Directors of Cantabil Retail India Limited (CRIL) is conceived and executed by the Nomination and Remuneration committee (N&RC) of the company. It has been designed to keep pace with the business environment and market linked positioning of the company. N&RC determines and recommends to the board the compensation payable to executive Directors of the company. The remuneration consists of a fixed component and a variable component linked to the long term vision, medium term goals and annual business plans.

CRIL constituted remuneration committee on September 11, 2009 to assess, review, recommend the quantum and payment of annual salary, commission along with service agreements related employment conditions of the Executive Directors. It makes due and in-depth study for comparative remuneration practices followed in the industry for appropriate recommendations. Accordingly, at the Board meeting on May 26, 2014, the remuneration Committee has been renamed as the Nomination and Remuneration Committee.

The tenure of office of existing two Independent Director Dr. Arun Kumar Roonpanwal and Mr. Lalit Kumar has expired and in compliance of provisions, sections, rules of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Accordingly the Board on October 9, 2019 reconstituted Nomination and Remuneration Committee of the Company with immediate effect.

**The constitution of the committee is as follows as on March 31, 2020**

NAME	CATEGORY	DESIGNATION
Mrs Renu Jagdish	Independent Director	Chairman
Mr. Rajeev Sharma	Independent Director	Member
Mr. Balvinder Singh Ahluwalia	Independent Director	Member
Ms. Poonam Chahal	Head- Legal & Company Secretary	Company Secretary

#### (2) KEY DEFINITIONS AS PER THE COMPANIES ACT 2013

- “Board of Directors” or “Board”, in relation to a company, means the collective body of the Directors of the company;
- The expression “senior management” means personnel of the company who are members of its core management team other than the Board of Directors. It comprises of all the members of the management who are one level below the Executive Directors and include the Functional Heads.
- “Key managerial personnel”, in relation to a company, means-

1.	The Chief Executive Officer (CEO) or the Managing Director or the Manager or in their absence, a whole time director ;
2.	The Company Secretary;
3.	The Whole-Time Director;
4.	The Chief Financial Officer; and

- CRIL has following individuals assuming key positions in the company :

##### A. Board of Directors

Mr. Vijay Bansal	Chairman and Managing Director
Mr. Deepak Bansal	Whole Time Director
Mr. Basant Goyal	Whole Time Director
Mr. Rajeev Sharma	Non-Executive - Independent Director
Mr. Balvinder Singh Ahluwalia	Non-Executive - Independent Director
Ms. Renu Jagdish	Non-Executive - Independent Director

##### B. Independent Directors

Pursuant to Clause 25 of SEBI (LODR) Regulations 2015, entered into with the Stock Exchange(s), an Independent Director means a Non-Executive Director who:

- Apart from receiving Director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its Senior Management, its holding company, its subsidiaries or associates which may affect independence of the Director;
- Is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- Has not been an executive of the company in the immediately preceding 3 (three) financial years;
- Is not a partner or an executive of the statutory audit firm or the internal audit firm that is associated with the company and has not been a partner or an executive of any such firm for last 3 (three) years and the legal firms(s) and consulting firm(s) that have a material Association with the entity;
- Is not a material supplier, service provider or customer or a lesser or lessee of the company, which may affect the independence of the Director;
- Is not a substantial shareholder of the company i.e. owning 2(two) % or more of the block of voting shares; and
- Is not less than 21 (twenty one) years of age.

**C. The Senior Management Team consists of**

- i. Head Legal & Company Secretary
- ii. Chief Financial Officer
- iii. Head- Sales & Marketing
- iv. Head-Operations
- v. Head-Sourcing
- vi. Head-Supply Chain
- vii. Head- Human Resources Management

**D. Key Managerial Personnel**

- i. Chairman and Managing Director
- ii. Head Legal and Company Secretary
- iii. Chief Financial Officer
- iv. Whole Time Directors

**(3) Key Principles of the Remuneration Policy**

The guiding factors of remuneration policy for all individuals covered including Executive directors, Key managerial personnel, senior management personnel and executives is as follows :

1. Aligning key executive and board members compensation and remuneration with the longer term interests of the company and its stakeholders.
2. Minimize complexity and ensure transparency.
3. Link to Long Term Strategy as well as annual business performance of the company
4. Promotes a culture of meritocracy and is linked to key performance and business drivers.
5. Reflective of line expertise, market competitiveness so as to attract the best talent

**(4) Remuneration to Executive Directors**

- The proposed remuneration to Executive Directors is recommended by the (N&RC) and approved by the Board in its Board meeting, subject to subsequent approval by the shareholders at the company's annual general meeting and by such other authorities, as the case maybe.
- At the Board meeting, only Non-Executive Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, business acumen ship, expertise, prevailing remuneration in the industry and the financial position of the company. The elements of the remuneration and limits are pursuant to the clause 178,197 and Schedule V of the Companies Act, 2013 and also Clause49 of the Listing Agreement entered into with the related Stock Exchange(s).

#### 4.1.1 Remuneration Policy Structure

The remuneration structure for the Executive Directors include following components:

#### 4.1.2 Basic Salary

A fixed monthly base level remuneration to reflect the scale and dynamics of business

- It is reviewed annually
- An annual increase as per recommendations of the N&RC and approval of the Board of Directors

#### 4.1.3 Commission

- Executive Directors will be eligible for commission in addition to the Basic Salary, perquisites and any other allowances, benefits and amenities.
- It shall be subject to the condition that the amount of commission shall not exceed 1% of net profit of the company in a particular financial year in the manner referred in Section 197 & 198 of Companies Act, 2013.
- The amount of Commission shall be paid subject to recommendations of the N&RC and approval of the Board of Directors.

#### 4.1.4 Perquisites and Allowances

A basket of Perquisites and Allowances would also form a part of the remuneration structure.

#### 4.1.5 Contribution to Provident and Other Funds

In addition to the above, the remuneration would also include:

- Contribution to Provident and Super annuation Funds
- Gratuity

#### 4.1.6 Minimum Remuneration

In case of inadequate profits or no profit in an financial year , during the tenure of the Executive Directors, then they shall be entitled to, by way of Basic Salary, Perquisites, allowances not exceeding the ceiling limit of Rs. 3,50,000 per month, and in addition hereto, they shall also be eligible for perquisites not exceeding the limits specified under Part IV of Schedule V of the Companies Act,2013 or as such limits as prescribed by the Government from time to time as minimum remuneration, whichever is higher.

### 5 Remuneration payable to Non-Executive & Independent Director

The Non-Executive Directors of the company would be paid sitting fees for each meeting of the Board of the directors.

### 6 Remuneration to Key Managerial Personnel, Senior Management & Staff

The compensation for the Key Managerial Personnel, senior management and staff at CRIL would be guided by the qualification, experience, interpersonal skills, external competitiveness and internal parity through annual benchmarking surveys by Human resources department.

Internally, Performance ratings of all the CRIL employees would be spread across a normal distribution curve. The rating secured by an employee will be used as an input to determine variable and merit pay increases. Variable and Merit Pay increase will be calculated using a combination of individual performance and organizational performance. Grade wise differentiation in the ratio of variable and fixed pay as well as increment percentage may be made.

Compensation can also be determined based on identified skill sets critical to success of CRIL. It is determined as per management review of market trends and availability of identical resources.

#### 6.1 Grade Structure

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in CRIL. Individual Remuneration within the appropriate grade and is based on following:

- a) An individual's qualification, industrial experience, skill, competencies and knowledge relevant to the job; and
- b) An individual's performance and potential contribution to the Company.

<b>Employee Group</b>	<b>Parameters to Focus</b>
Senior Management	High weightage to company performance & emphasis to Long Term Incentives and Benefits derived
Middle Management	High weightage to individual performance with dynamic variable component.
Staff	Fixed Income & some social security benefits.
Workman	Fixed income. Comparable with industry peers. Focus on providing necessary and statutory benefits.

## 6.2 Workmen Compensation

Workmen are paid wages in accordance to the best industrial practices in vogue among peers, subject to Central and State laws in force.

**For and on behalf of the Board**

**Date: August 28, 2020**

**Place: New Delhi**

**Sd/-**

**VIJAY BANSAL**  
**(Chairman and Managing Director)**

**ANNEXURE – 2****SECRETARIAL AUDIT REPORT<sup>1</sup>**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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

**Cantabil Retail India Limited**

(CIN: L74899DL1989PLC034995)

B-16, Ground Floor Industrial Area

Lawrence Road, New Delhi- 110035

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

**We report that-**

- a) 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.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- g) Some of the books and papers were verified through online means due to prevailing lockdown (COVID-19) and due efforts have been made by the company to make available all the relevant documents & records and by the auditors to conduct and complete the audit in aforesaid lockdown conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (no event took place during the relevant financial year);

<sup>1</sup> Subject to the review of signed financial statements and auditor's report thereon for the financial year ended 31st March, 2020.



- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \*The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015.

\* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

- (vi) The Company is engaged in the business of designing, manufacturing, branding and retailing of apparel and apparel accessories through chain of retail stores and also in the business of real estate. As informed by the Management, there is no sector specific law applicable to the Company.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period under review were carried out in compliance with the provisions of the Act.

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

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

**For Sanjay Grover & Associates**  
**Company Secretaries**  
**Firm Registration No.: P2001DE052900**

**Devesh Kumar Vasish**  
**Partner**  
**M. No.:F8488**  
**CP No.:13700**  
**UDIN: F008488B000627876**

**Date: August 28, 2020**  
**Place: New Delhi**

## ANNEXURE – 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act 2013)

#### 1. Preamble

Cantabil Retail India Ltd. (CRIL), is a responsible corporate citizen. We at CRIL are committed to fulfil our responsibilities towards the society by addressing some of India's most pressing challenges relating to education, health, equality and access. Through our initiatives, Cantabil Retail India Limited aims to bring gender equality, support for creation of job opportunities & employment for women, the differently-abled and the disadvantaged sections of our society.

#### 2. Outline of the CSR Policy

Cantabil Retail India Limited (CRIL) is dedicated towards its social responsibility and aims to contribute to society by supporting and enabling the social and economic development of local communities in India. In alignment with our vision and guiding principles, through our CSR initiatives we aim to address India's most pressing challenges related to education, health, equality and access. We are committed to enable people and technology to drive innovation, disseminate knowledge, and create shared value to improve lives. Our CSR programme areas shall be aligned with the national development priorities and the needs of the communities and will be in sync with Schedule VII of the Companies Act 2013. Our comprehensive CSR policy aims to benefit the community at large through our CSR programmes with a special focus on children, women, youth, men, the differently abled, geriatrics and rural communities.

#### 3. Composition of the CSR Committee

The composition of the CSR Committee is as under:

Designation / Category		
Chairman Vijay Bansal	Member Renu Jagdish	Member Basant Goyal

#### 4. Average Net Profit for the last 3 years and prescribed CSR Expenditure

(₹ in Lakhs)

Entity name	16-17	17-18	18-19	Average net profit of the last 3 preceding years (INR)	Prescribed CSR Expenditure (INR) 2% of Average net profit)
Cantabil Retail India Limited	586,34,573	712,53,191	16,19,88,851	9,72,92,205	19,45,844

#### 5. Details of CSR activities / projects undertaken during the year

(a) Total Amount to be spent for the financial year- 19,45,844

(b) Amount Unspent- NIL

(c) Manner in which the amount spent during the financial year is detailed below

(₹ in Lakhs)

S. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs 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:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
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(₹ in Lakhs)

1	Promoting health care including preventive health care	To provide medical relief to the public in all branches of medical science by all available means and to manage, administer, own and to run hospitals , clinic, dispensaries etc and manufacture, buy, sell, import and export in any kind of equipment, medical and drugs for hospital. Clinics, dispensaries etc	Local Area	2,00,000	2,00,000	2,00,000	Implementing agency (DEV EYE FOUNDATION)*
2	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry conservation of natural resources and maintaining quality of soil air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Animal Husbandry, Dairying & Fisheries	Delhi, Haryana, & Uttar Pradesh	11,00,000	11,00,000	11,00,000	Implementing agency (Kamdhenu Mangal Parivar)**
3	Construction of medical universities	Promoting Healthcare including Preventive Healthcare, promoting education	Local Area	6,50,000	6,50,000	6,50,000	Implementing agency (Maharaja Agarsen Hospital Charitable Trust Regd.)***
		<b>Total</b>			<b>19,50,000</b>	<b>19,50,000</b>	<b>Total</b>

\* **Dev Eye Foundation** has been established as a public charitable trust and has a comprehensive approach towards provide medical relief to the public in all branches of medical science by all available means and to manage, administer, own and to run hospitals, clinic, dispensaries etc and manufacture, buy, sell, import and export in any kind of equipment, medical and drugs for hospital. Clinics, dispensaries etc

\*\* **Kamdhenu Mangal Parivar** has a comprehensive approach towards Animal Husbandry, Dairying & Fisheries.

\*\*\***Maharaja Agarsen Hospital Charitable Trust** to promote encourages, support and assist educational, research and related activities.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report: Not Applicable.
7. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with Company's CSR objectives (i.e. CSR Vision and CSR Mission) and CSR Policy of the Company.

For and on behalf of the Board

Date: August 28, 2020  
Place: New Delhi

Sd/-  
**VIJAY BANSAL**  
(Chairman and Managing Director)

**ANNEXURE – 4****Form No. AOC-2**

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

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

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

S.No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first provision to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
All transactions are made at Arm's Length Basis								

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

S.No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Mrs. Megha Bansal  Relation: Wife of Mr. Deepak Bansal (Director),  Daughter-in law of Mr. Vijay Bansal (Managing Director)	Salary	5 (Five) Years	- Gross Pay is increased to Rs. 1,00,000 per month Designation : appointed as Deputy General Manager - Finance  - she is also entitled to allowances & perquisites  - shall also be entitled to a gratuity for half month's salary for each completed year.	09/08/2019	NIL

2.	M/s Global Textiles  Relation: Mr. Basant Goyal Director of the Company is Proprietor	Purchase of fabrics	1 Year	M/s Global Textiles is in supplying the fabric to the Company. Company is entitled to reject the supply if it is not as per the specifications as given by the Company. 90 days credit period is given to the Company for payment after the delivery of the fabric.	07/11/2019	NIL
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For and on behalf of the Board

Date: August 28, 2020  
Place: New Delhi

Sd/-  
**VIJAY BANSAL**  
(Chairman and Managing Director)

**ANNEXURE – 5****PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

(₹ in Lakhs)

Name of the entity	Nature of Transaction	(Amount In Lakhs)	Rate of Interest	Purpose for which the loan, guarantee and Investment are Proposed to be utilized
Nova Iron & Steel Company Limited	Investment in Equity	0.04	No Specific time Limit	Investment in Equity
HDFC Equity Fund-Growth	Mutual Fund	3.82	No Specific time Limit	Investment in Equity Funds
Bahadurgarh Footwear Development Services Private Limited	Investment in Equity	11.90	No Specific time Limit	Investment in Equity
Aamor Inox Limited	Inter-Corporate loan	400.00	14%	For furthering the business interest of the company

**For and on behalf of the Board**

**Date: August 28, 2020**  
**Place: New Delhi**

**Sd/-**  
**VIJAY BANSAL**  
**(Chairman and Managing Director)**

## ANNEXURE – 6

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as below:

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

In Rupees			
Directors	Remuneration of Director (in Rs.)	Median Salary of Employee (in Rs.)	Ratio to Median Remuneration
Vijay Bansal	6,93,300	14,000	49.52
Deepak Bansal	6,93,300	14,000	49.52
Basant Goyal	2,01,407	14,000	14.39

- (b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year

(₹ in Lakhs)

In Rupees (Average Per Month Salary)					
Directors Chief Financial Officer, Company Secretary	Designation	Remuneration (F.Y. 2019-20) (in Rs.)	Remuneration (F.Y. 2018-19) (in Rs.)	Increase in Remuneration (in Rs.)	Percentage increase in remuneration (%)
Vijay Bansal	Managing Director	6,93,300	6,93,300	-	-
Deepak Bansal	Whole Time Director	6,93,300	6,93,300	-	-
Basant Goyal	Additional Director	2,01,407	2,00,000	1,407	-
Poonam Chahal	Company Secretary	1,36,973	1,24,495	12,478	10.02
Shivendra Nigam	Chief Financial Officer	2,66,497	2,37,763	28,734	12.09

- (c) The percentage increase in the median remuneration of employees in the financial year:

Particulars	March, 2020	March, 2019	Increase in Value Terms	Increase in % Terms
No. of Employee	2,225	2,178	47	2.16
Median of Remuneration of employee	14,000	14,000	-	3.02

- (d) The number of permanent employees on the rolls of Company: 2,225
- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	F.Y. 2019-20 (in Rupees)	F.Y. 2018-19 (in Rupees)	Increase in Value Terms (in Rupees)	% Increase in Terms Remuneration
Average Salary of employee other than managerial personnel	16,968	15,184	1,784	11.75
Average salary of managerial personnel	398,295	38,97,716	8,524	2.19



**(f) Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that remuneration is as per the remuneration policy of the Company.

- (i) The names of the top ten employees in terms of remuneration drawn and the name of every employee, who employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;

None.....

- (ii) The names of the top ten employees in terms of remuneration drawn and the name of every employee, who if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month

None.....

- (iii) The names of the top ten employees in terms of remuneration drawn and the name of every employee, who if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

None.....

For and on behalf of the Board

Date: August 28, 2020  
Place: New Delhi

Sd/-  
VIJAY BANSAL  
(Chairman and Managing Director)

## ANNEXURE – 7

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company

(Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1989PLC034995
2.	Registration Date	09/02/1989
3.	Name of the Company	<b>CANTABIL RETAIL INDIA LIMITED</b>
4.	Category/Sub-category of the Company	Company Limited By Shares/ Non-govt company
5.	Address of the Registered office & contact details	Address : B-16, Ground Floor, Industrial Area, Lawrence Road, Delhi - 110035 Contact Details : Tel. No. - 011-27156381/82 E-mail - poonam@cantabilinternational.com Website - www.cantabilinternational.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name : M/s Beetal Financial & Computer Services (P.) Ltd. Address : Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi-110062. Contact Details: Tel. No. - 011-29961281 E-mail ID - beetalrta@gmail.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):

S. No.	Name and Description of main products / services	NIC Code of the Product/service	%to total turnover of the company
1	Retail sale of manufactured textile garments and clothing accessories	<b>14101</b>	<b>58.00%</b>
2	Retail sale of readymade garments, hosiery goods, other articles of clothing and clothing accessories such as gloves, ties, braces etc	<b>47711</b>	<b>42.00%</b>

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/Associate	% of shares held	Applicable section
N.A.					

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

Shareholding Pattern Is Attached As Annexure 5A.

**B) Shareholding of Promoter -**

(₹ in Lakhs)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged encumbered to total Shares	
1	SWATI GUPTA	160	0.00	0.00	160	0.00	0.00	0.00
2	MEGHABANSAL	213733	1.31	0.00	213733	1.31	0.00	0.00
3	VIJAY BANSALHUF	413385	2.53	0.00	413385	2.53	0.00	0.00
4	DEEPAK BANSAL	2567436	15.72	0.00	2567436	15.72	0.00	0.00
5	SUSHILABANSAL	2811674	17.22	0.00	2811674	17.22	0.00	0.00
6	VIJAY BANSAL	6112801	37.44	0.00	6112801	37.44	0.00	0.00

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reason
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Swati Gupta At the beginning of the year Bought during the year Sold during the year At the end of the year	160 - - 160	0 - - 0	160 - - 160	0 - - 0	No Change
2	Megha Bansal At the beginning of the year Bought during the year Sold during the year At the end of the year	213733 - - 213700	1.31 - - 1.31	213733 - - 213700	0 - - 0	No Change
3	Vijay Bansal – HUF At the beginning of the year Bought during the year Sold during the year At the end of the year	413385 - - 413385	2.53 - - 2.53	413385 - - 413385	2.53 - - 2.53	No Change
4	Deepak Bansal At the beginning of the year Bought during the year Sold during the year At the end of the year	2567436 - - 2567436	15.72 - - 15.72	2567436 - - 2567436	15.72 - - 15.72	No Change
5	Sushila Bansal At the beginning of the year Bought during the year Sold during the year At the end of the year	2811674 - - 2811674	17.22 - - 17.22	2811674 - - 2811674	17.22 - - 7.22	No Change
6	Vijay Bansal At the beginning of the year Bought during the year Sold during the year At the end of the year	6112801 - - 6112801	37.44 - - 37.44	6112801 - - 6112801	37.44 - - 37.44	No Change

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

(₹ in Lakhs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year		
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company	
1	Satya Narain Goel	289004	1.77	30-Mar-19				0	
				0	10-May-19	8000	Purchase	297004	1.819
				0	12-Jul-19	22500	Purchase	319504	1.9568
				0	08-Nov-19	2040	Purchase	321544	1.9693
				0	29-Nov-19	2000	Purchase	323544	1.9816
				0	27-Dec-19	5964	Purchase	329508	2.0181
				0	10-Jan-20	2000	Purchase	331508	2.0304
				0	17-Jan-20	3500	Purchase	335008	2.0518
				0	24-Jan-20	4600	Purchase	339608	2.08
				0	31-Jan-20	2432	Purchase	342040	2.0949
				0	28-Feb-20	500	Purchase	342540	2.0979
				0	31-Mar-20	3000	Purchase	345540	2.1163
					At the end of year	345540	2.1163	31-Mar-20	
2	Ravinder Kumar Jindal	233000	1.427	30-Mar-19		Nil	233000	1.427	
						Movement During The Year			
	At the end of year	233000	1.427	31-Mar-20			233000	1.427	
3	Globe Capital Market Ltd	215639	1.3207	30-Mar-19				0	
				0	05-Apr-19	150	Purchase	215789	1.3216
				0	12-Apr-19	-50	Sell	215739	1.3213
				0	19-Apr-19	2360	Purchase	218099	1.3358
				0	26-Apr-19	-16700	Sell	201399	1.2335
				0	03-May-19	7005	Purchase	208404	1.2764
				0	10-May-19	-8361	Sell	200043	1.2252
				0	17-May-19	-12000	Sell	188043	1.1517
				0	24-May-19	413	Purchase	188456	1.1542
				0	31-May-19	-227	Sell	188229	1.1528
				0	07-Jun-19	-8313	Sell	179916	1.1019
				0	14-Jun-19	50	Purchase	179966	1.1022
				0	21-Jun-19	200786	Purchase	380752	2.332
				0	28-Jun-19	-226667	Sell	154085	0.9437
				0	12-Jul-19	-3665	Sell	150420	0.9213
				0	19-Jul-19	-2400	Sell	148020	0.9066
				0	26-Jul-19	55469	Purchase	203489	1.2463
				0	02-Aug-19	-64	Sell	203425	1.2459
				0	09-Aug-19	-2172	Sell	201253	1.2326
				0	23-Aug-19	1400	Purchase	202653	1.2412
0	20-Sep-19	-514	Sell	202139	1.238				
0	27-Sep-19	-304	Sell	201835	1.2362				
0	04-Oct-19	-1466	Sell	200369	1.2272				
0	11-Oct-19	1072	Purchase	201441	1.2337				
0	18-Oct-19	5053	Purchase	206494	1.2647				
0	25-Oct-19	5000	Purchase	211494	1.2953				
0	01-Nov-19	-931	Sell	210563	1.2896				
0	08-Nov-19	193	Purchase	210756	1.2908				

(₹ in Lakhs)

			0	15-Nov-19	-14236	Sell	196520	1.2036
			0	22-Nov-19	-30058	Sell	166462	1.0195
			0	29-Nov-19	-10517	Sell	155945	0.9551
			0	06-Dec-19	-5653	Sell	150292	0.9205
			0	13-Dec-19	-26874	Sell	123418	0.7559
			0	20-Dec-19	-16571	Sell	106847	0.6544
			0	27-Dec-19	-1000	Sell	105847	0.6483
			0	03-Jan-20	-176	Sell	105671	0.6472
			0	24-Jan-20	-5000	Sell	100671	0.6166
			0	07-Feb-20	-1500	Sell	99171	0.6074
			0	21-Feb-20	10249	Purchase	109420	0.6702
			0	28-Feb-20	-12194	Sell	97226	0.5955
			0	06-Mar-20	68360	Purchase	165586	1.0141
			0	13-Mar-20	10455	Purchase	176041	1.0782
			0	20-Mar-20	-35	Sell	176006	1.078
	At the end of year	<b>176006</b>	<b>1.078</b>	<b>31-Mar-20</b>			<b>176006</b>	<b>1.078</b>
4	VLS Finance Ltd	<b>175000</b>	<b>1.0718</b>	<b>30-Mar-19</b>		<b>Nil</b>	<b>175000</b>	<b>1.0718</b>
						Movement During The Year		
	At the end of year	<b>175000</b>	<b>1.0718</b>	<b>31-Mar-20</b>			<b>175000</b>	<b>1.0718</b>
5	Ss Corporate Securities Limited	<b>100000</b>	<b>0.6125</b>	<b>30-Mar-19</b>				<b>0</b>
			0	05-Apr-19	447	Purchase	100447	0.6152
			0	12-Apr-19	1321	Purchase	101768	0.6233
			0	19-Apr-19	-6873	Sell	94895	0.5812
			0	26-Apr-19	-61124	Sell	33771	0.2068
			0	03-May-19	5429	Purchase	39200	0.2401
			0	10-May-19	-22254	Sell	16946	0.1038
			0	17-May-19	-1816	Sell	15130	0.0927
			0	24-May-19	8703	Purchase	23833	0.146
			0	31-May-19	-11877	Sell	11956	0.0732
			0	07-Jun-19	3959	Purchase	15915	0.0975
			0	14-Jun-19	30956	Purchase	46871	0.2871
			0	21-Jun-19	7278	Purchase	54149	0.3316
			0	28-Jun-19	-23976	Sell	30173	0.1848
			0	05-Jul-19	-28986	Sell	1187	0.0073
			0	12-Jul-19	-1187	Sell	0	0
			0	19-Jul-19	4582	Purchase	4582	0.0281
			0	26-Jul-19	514	Purchase	5096	0.0312
			0	09-Aug-19	1190	Purchase	6286	0.0385
			0	16-Aug-19	-3700	Sell	2586	0.0158
			0	23-Aug-19	-2585	Sell	1	0
			0	30-Aug-19	2902	Purchase	2903	0.0178
			0	06-Sep-19	5357	Purchase	8260	0.0506
			0	13-Sep-19	-172	Sell	8088	0.0495
			0	27-Sep-19	-5709	Sell	2379	0.0146
			0	11-Oct-19	-2379	Sell	0	0
			0	08-Nov-19	4459	Purchase	4459	0.0273
			0	15-Nov-19	-1223	Sell	3236	0.0198
			0	22-Nov-19	-3236	Sell	0	0
			0	29-Nov-19	4835	Purchase	4835	0.0296
			0	06-Dec-19	-4810	Sell	25	0.0002
			0	13-Dec-19	8950	Purchase	8975	0.055
			0	20-Dec-19	-8975	Sell	0	0

(₹ in Lakhs)

			0	10-Jan-20	300	Purchase	300	0.0018
			0	17-Jan-20	-300	Sell	0	0
			0	24-Jan-20	8031	Purchase	8031	0.0492
			0	31-Jan-20	-7098	Sell	933	0.0057
			0	07-Feb-20	67	Purchase	1000	0.0061
			0	14-Feb-20	-800	Sell	200	0.0012
			0	21-Feb-20	3858	Purchase	4058	0.0249
			0	28-Feb-20	16697	Purchase	20755	0.1271
			0	06-Mar-20	-20755	Sell	0	0
			0	13-Mar-20	60000	Purchase	60000	0.3675
			0	20-Mar-20	-10000	Sell	50000	0.3062
			0	27-Mar-20	100000	Purchase	150000	0.9187
	At the end of year	<b>150000</b>	<b>0.9187</b>	<b>31-Mar-20</b>			<b>150000</b>	<b>0.9187</b>
6	Dharam Pal Aggarwal	<b>80000</b>	<b>0.49</b>	<b>28-Feb-20</b>				<b>0</b>
			0	06-Mar-20	70000	Purchase	150000	0.9187
	At the end of year	<b>150000</b>	<b>0.9187</b>	<b>31-Mar-20</b>			<b>150000</b>	<b>0.9187</b>
7	Pritam Kumar Gupta	<b>124000</b>	<b>0.7594</b>	<b>30-Mar-19</b>		<b>NIL</b>	<b>124000</b>	<b>0.7594</b>
						Movement During The Year		
	At the end of year	<b>124000</b>	<b>0.7594</b>	<b>31-Mar-20</b>			<b>124000</b>	<b>0.7594</b>
8	Marwadi Shares And Finance Ltd.	<b>2606</b>	<b>0.016</b>	<b>30-Mar-19</b>				<b>0</b>
			0	05-Apr-19	59	Purchase	2665	0.0163
			0	12-Apr-19	-54	Sell	2611	0.016
			0	19-Apr-19	45	Purchase	2656	0.0163
			0	26-Apr-19	-127	Sell	2529	0.0155
			0	10-May-19	-35	Sell	2494	0.0153
			0	24-May-19	96	Purchase	2590	0.0159
			0	31-May-19	-81	Sell	2509	0.0154
			0	07-Jun-19	100	Purchase	2609	0.016
			0	14-Jun-19	-69	Sell	2540	0.0156
			0	21-Jun-19	-42	Sell	2498	0.0153
			0	28-Jun-19	-1352	Sell	1146	0.007
			0	05-Jul-19	-18	Sell	1128	0.0069
			0	12-Jul-19	19	Purchase	1147	0.007
			0	19-Jul-19	-19	Sell	1128	0.0069
			0	26-Jul-19	23	Purchase	1151	0.007
			0	02-Aug-19	824	Purchase	1975	0.0121
			0	09-Aug-19	-847	Sell	1128	0.0069
			0	23-Aug-19	1099	Purchase	2227	0.0136
			0	06-Sep-19	-1041	Sell	1186	0.0073
			0	13-Sep-19	-131	Sell	1055	0.0065
			0	20-Sep-19	-62	Sell	993	0.0061
			0	27-Sep-19	-3	Sell	990	0.0061
			0	04-Oct-19	19900	Purchase	20890	0.1279
			0	11-Oct-19	-19709	Sell	1181	0.0072
			0	18-Oct-19	-200	Sell	981	0.006
			0	25-Oct-19	-138	Sell	843	0.0052
			0	15-Nov-19	-138	Sell	705	0.0043
			0	29-Nov-19	-202	Sell	503	0.0031
			0	06-Dec-19	363	Purchase	866	0.0053
			0	13-Dec-19	-161	Sell	705	0.0043
			0	20-Dec-19	-605	Sell	100	0.0006
			0	03-Jan-20	-21	Sell	79	0.0005

(₹ in Lakhs)

			0	10-Jan-20	500	Purchase	579	0.0035
			0	17-Jan-20	-500	Sell	79	0.0005
			0	14-Feb-20	371	Purchase	450	0.0028
			0	21-Feb-20	1130	Purchase	1580	0.0097
			0	28-Feb-20	-3	Sell	1577	0.0097
			0	06-Mar-20	-489	Sell	1088	0.0067
			0	13-Mar-20	-1087	Sell	1	0
			0	20-Mar-20	106136	Purchase	106137	0.65
			0	27-Mar-20	-1039	Sell	105098	0.6437
			0	31-Mar-20	-9459	Sell	95639	0.5858
	At the end of year	<b>95639</b>	<b>0.5858</b>	<b>31-Mar-20</b>			<b>95639</b>	<b>0.5858</b>
9	Phillipcapital (India) Private Limited	6	0	05-Apr-19				0
			0	06-Sep-19	4	Purchase	10	0.0001
			0	24-Jan-20	92990	Purchase	93000	0.5696
	At the end of year	<b>93000</b>	<b>0.5696</b>	<b>31-Mar-20</b>			<b>93000</b>	<b>0.5696</b>
10	ALKA GUPTA	10000	0.0612	26-Apr-19				0
			0	14-Jun-19	16631	Purchase	26631	0.1631
			0	21-Jun-19	624	Purchase	27255	0.1669
			0	28-Jun-19	29014	Purchase	56269	0.3446
			0	05-Jul-19	30173	Purchase	86442	0.5294
			0	09-Aug-19	1672	Purchase	88114	0.5397
			0	30-Aug-19	8	Purchase	88122	0.5397
			0	27-Sep-19	692	Purchase	88814	0.5439
	At the end of year	<b>88814</b>	<b>0.5439</b>	<b>31-Mar-20</b>			<b>88814</b>	<b>0.5439</b>

## E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reason
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1.	Vijay Bansal					
	At the beginning of the year	6112801	37.44	6112801	37.44	No Transaction
	Bought during the year:	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	6112801	37.44	6112801	37.44	
2.	Deepak Bansal					
	At the beginning of the year	2567436	15.72	2567436	15.72	No Transaction
	Bought during the year:	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	2567436	15.72	2567436	15.72	
3.	Lalit Kumar					
	At the beginning of the year	-	-	-	-	Nil Holding
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	-	-	-	-	
4.	Arun Kumar Roopanwal					
	At the beginning of the year	-	-	-	-	Nil Holding
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	-	-	-	-	
5.	Renu Jagdish					
	At the beginning of the year	-	-	-	-	Nil Holding
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	-	-	-	-	

(₹ in Lakhs)

6.	Rajeev Sharma At the beginning of the year Bought during the year Sold during the year At the end of the year	- - - -	- - - -	- - - -	- - - -	Nil Holding
7.	Balvinder Singh Ahluwalia At the beginning of the year Bought during the year Sold during the year At the end of the year	- - - -	- - - -	- - - -	- - - -	Nil Holding
8.	Basant Goyal At the beginning of the year Bought during the year Sold during the year At the end of the year	- - - -	- - - -	- - - -	- - - -	Nil Holding
9.	Poonam Chahal At the beginning of the year Bought during the year Sold during the year At the end of the year	- - 6574 -	- - 0.040 -	- - 6574 -	- - 0.040 -	No Transaction
10.	Shivendra Nigam At the beginning of the year Sold during the year Bought during the year At the end of the year	100 6474 - 3652 -	0.040 0.039 - 0.022 -	100 6474 - 3652 -	0.040 0.039 - 0.022 -	No Transaction

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Principal Amount	4,152.42			4,152.42
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>4,152.42</b>			<b>4,152.42</b>
Change in Indebtedness during the financial year				
Addition *	233.92			170.00
Reduction *	(603.02)			(603.02)
<b>Net Change</b>	<b>(170.9)</b>			<b>(433.02)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	3779.02	-	-	3779.02
ii) Interest due but not paid	4.30	-	-	4.30
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,783.32</b>			<b>3,783.32</b>



## VI) REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Vijay Bansal Managing Director	Mr. Deepak Bansal Whole Time Director	** Mr. Basant Goyal Whole Time Director	
1.	Gross Salary	83.20	83.20	24.17	190.57
	a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	82.80	82.80	24.17	189.77
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40	—	0.79
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	—	—	—
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- As % of profit	Nil	Nil	Nil	Nil
	- Others (specify)	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>83.20</b>	<b>83.20</b>	<b>24.17</b>	<b>190.57</b>
	<b>Ceiling as per the Act</b>				

## B. REMUNERATION TO OTHER DIRECTORS

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Independent Directors					Total Amount
		Mr. Lalit Kumar	Dr. Arun Kumar Roopanwal	Mrs. Renu Jagdish	Mr. Rajeev Sharma	Mr. Balvinder Singh Ahluwalia	
1	Independent Directors						
	Fee for attending board committee meetings	1.20	1.20	2.60	1.20	0.60	6.80
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>1.20</b>	<b>1.20</b>	<b>2.60</b>	<b>1.20</b>	<b>0.60</b>	<b>6.80</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1.20</b>	<b>1.20</b>	<b>2.60</b>	<b>1.20</b>	<b>0.60</b>	<b>6.80</b>
	<b>Total Managerial Remuneration</b>	<b>1.20</b>	<b>1.20</b>	<b>2.60</b>	<b>1.20</b>	<b>0.60</b>	<b>6.80</b>

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CS Mrs. Poonam Chahal	CFO Mr. Shivendra Nigam	
1.	Gross Salary	14.44	31.90	<b>48.34</b>
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	14.44	31.90	<b>48.34</b>
	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	Nil	Nil	Nil
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	- as % of profit	—	—	—
	- Others, specify	—	—	—
5.	Others	—	—	—
	<b>Total (A)</b>	<b>16.44</b>	<b>31.90</b>	<b>48.34</b>

**VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

(₹ in Lakhs)

Sl. No.	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.</b>	<b>COMPANY</b>					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board

Sd/-

**VIJAY BANSAL**

(Chairman and Managing Director)

Date: August 28, 2020

Place: New Delhi

## ANNEXURE – 8

Information in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo :

### A. CONSERVATION OF ENERGY

The Company in line with its philosophy of energy conservation continues with the use of high yield low energy consuming LED light fittings in its shop floors, translucent roofing panels in the factory resulting in nearly negating the requirement of artificial lighting during the day time and maintains low electricity consumption. The operations of your Company are not energy intensive. However, wherever possible your company strives to curtail the consumption of energy on a continued basis by using energy-efficient equipment. As energy costs comprise a very small part of your Company's total expenses, the financial implications of these measures are not material. Details of the same are as under:

#### (a) Conservation of energy -

- (i) the steps taken or impact on conservation of energy :
- (ii) the steps taken by the company for utilising alternate sources of energy: None
- (iii) the capital investment on energy conservation equipments: NIL

### B. TECHNOLOGY ABSORPTION AND INNOVATION

- (i) Efforts in brief made towards technology absorption:  
The Company continues to use the latest technologies for improving productivity and quality of its products
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution. NIL
- (iii) In case of imported technology (imported during the last three financial year reckoned from the beginning of the financial year)
  - (a) Technology Imported: NIL
  - (b) Year of Import: NIL
  - (c) Whether the technology has fully been absorbed: NIL
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof: NIL
- (iv) Expenditure incurred on Research and Development: NIL

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Earning and outgo:

a)	Imports on CIF basis	
	1. Import of Machinery	22.92
	2. Import of Spare Parts	4.21
	3. Import of Finished Goods	NIL
b)	Expenditure in Foreign Currency	
	1. Fee for Software License for access to Fashion Website	6.95
	2. Directors Foreign Tour & Travelling	3.38
c)	Earning in Foreign Currency	113.43

**For and on behalf of the Board**

**Date: August 28, 2020**  
**Place: New Delhi**

**Sd/-**  
**VIJAY BANSAL**  
**(Chairman and Managing Director)**

## ANNEXURE – 9

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of

**CANTABIL RETAIL INDIA LIMITED**

**B-16, GROUND FLOOR INDUSTRIAL AREA,**

**LAWRENCE ROAD, NORTH DELHI-110035**

1. That Cantabil Retail India Limited (CIN: L74899DL1989PLC034995) is having its registered office at B-16, Ground Floor Industrial Area, Lawrence Road Delhi, North Delhi -110035 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. I have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr. Vijay Bansal	01110877	09/02/1989
2.	Mr. Deepak Bansal	01111104	01/10/2006
3.	Ms. Renu Jagdish	06971367	30/09/2014
4.	Mr. Basant Goyal	07659491	01/12/2016
5.	Mr. Balvinder Singh Ahluwalia	08522327	09/08/2019
6.	Mr. Rajeev Sharma	08528048	09/08/2019

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

**Devesh Kumar Vasisht**

**CP No.:13700**

**FCS No. F8488**

**UDIN.: F008488B000624391**

**Date: August 27, 2020**

**Place: New Delhi**

## MANAGEMENT DISCUSSION AND ANALYSIS

### STATEMENT

*Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.*

*The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.*

*The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Cantabil" are to Cantabil Retail India.*

### ECONOMIC OVERVIEW

#### Global Industry

The Retail Industry was valued at USD 23,460 billion in 2017 and is expected to register a CAGR of 5.3% during the forecast period (2018-2023), to reach USD 31,880.8 billion by 2023. The retail market is mature and highly competitive in the developed economies of Europe and North America. On the other hand, the developing economies of Asia-Pacific, Middle East, and Latin America have been instrumental in driving the market growth. Consumer spending, which typically accounts for around two-thirds of the GDP, has been a key indicator of the health of the retail market. Moreover, the increasing strength of online shopping has been a major driver. Apart from this, the growing smartphone penetration across countries is driving the e-commerce channel.

Asia is the new frontier for retailing. Given the vast potential in terms of population and economic growth, Asia is set to become the backbone of the world's economy. The region will emerge as the global leader in production with 50% of the world's production output originating in the region by 2025, according to Euromonitor International.

With these favorable factors, Asia Pacific will be driving the global retailing industry's growth through 2023 and beyond. China and India are the standout performers. According to Euromonitor International, China will account for 25% of the industry's sales growth over the next five years followed by the US (21%) and India (10%), respectively. For context, South Korea will be the fourth fastest growing country, but with only 4% of growth.

Predictably, 2019 was a year in transition. There was stability in the positioning of the top five retailers and a few notable bankruptcies. The emphasis on understanding what consumers really want continued to expand the gap between the leaders and everyone else who followed. For retailers, understanding how consumer expectations are evolving has never been more important, especially with the convergence of supply chain, digital technologies, and other innovations.

The world has changed dramatically in the last few months. The COVID-19 pandemic and subsequent lockdown that the world has seen has put pressure on all economies. According to the International Monetary Fund (IMF), there is huge uncertainty about 2020 growth prospects. Alongside, with lock-downs in place and many stores shuttered, ecommerce has surged. Adoption has accelerated from previously uninitiated users as well.

Source: <https://www.businesswire.com/news/home/20190102005213/en/Global-31.88-Billion-Retail-Industry-Analysis-Outlook>  
<https://www.forbes.com/sites/michellegrant/2019/01/24/four-megatrends-reshaping-the-global-retailing-industry/#7e6012098c3a>  
<https://www2.deloitte.com/us/en/pages/consumer-business/articles/retail-distribution-industry-outlook.html>

## Indian Industry

E-commerce has been growing and expanding steadily across India. Customers now have 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. It is projected that by 2021 traditional retail will hold a major share of 75 per cent, organized retail share will reach 18 per cent and e-commerce retail share will reach 7 per cent of the total retail market. Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favourable demographics, entry of foreign players, and increasing urbanization.

India's apparel market is expected to be worth \$59.3 billion in 2022, making it the sixth largest in the world, comparable to the United Kingdom's (\$65 billion) and Germany's (\$63.1 billion), according to data from McKinsey's FashionScope. The aggregate income of the addressable population (individuals with more than \$9,500 in annual income) is expected to triple between now and 2025. India remains a complex market that presents challenges as well as opportunities. The apparel business is still largely unorganized, with formal retail accounting for just 35 percent of sales in 2016. Its share is likely to reach around 45 percent by 2025 still a relatively low proportion. E-commerce leaders are moving to solutions based on artificial intelligence.

With the outbreak of COVID-19, the overall growth projections for India have consequently changed. It could significantly alter new store roll out strategy for the industry. Several retail businesses are witnessing extended store closures, lower footfalls and lean demand. Industry growth for the next few years will therefore depend on the severity of the pandemic in the country. In FY 2020, the country has grown at a rate of 4.2% (Source: International Monetary Fund). E-Commerce has always been a focus area in the industry. The COVID-19 situation has further amplified the growing importance of this channel. Overall, the retail sector faces key threats in the form of economic headwinds such as GDP slowdown due to COVID-19, decreased rural spending and rising commodity prices as well as e-tailing, which have affected the growth of the brick and mortar businesses. Unexpected yet unavoidable situations such as the recent pandemic have also impacted the performance of the retail industry, as people remain indoors and mostly consume essential goods and services. Organisations serving in the industry thus will need to remain agile and adaptable to identify these threats and work towards their effective mitigation.

However, post the announcement of the nationwide lockdown and closure of 'non-essential' operations, the retail sector has been severely affected. Even as businesses open up in the green zones, social distancing will restrict footfalls and sales at stores and malls in the ensuing months. The retail industry is estimated to require 9-12 months to recover amid the pandemic. The demand for non-essential retail is projected to open with 40% of the value noted in pre-COVID-19 times. The cost of business across non-essential sectors is likely to increase by 30-35% post lockdown. Moreover, the non-essential industry is hit hard, especially due to the overlap of the lockdown with the peak season from March to May.

The situation is still evolving, and uncertainties continue for all businesses and economy. The short-term outlook remains unpredictable as the spread of the pandemic is still being evaluated in the country, and next steps are being charted out as the situation progresses. However, the strong enablers that characterise the Indian economy – a young working population, a stable government, rising competitiveness and improving index of ease of doing business – are expected to re-conform the country's long-term growth trajectory.

### India's Demographic Dividend

The demographic dividend of India is tilted in favor of the consuming age group. In contrast to the increasingly aged populations in the West, Japan, and even China, India is expected to become the world's youngest emerging economy by 2020, with around 64% of its population in the working age group. This young consuming class has new aspirations and is more open to experimenting with fashion brands and modern designs. In addition to such a favorable age group, the Indian fashion retail market is expected to deal with a heterogeneous consumer group. The Indian fashion consumer has been traditionally heterogeneous as a result of income disparities, the influence of ethnic clothing, regional preferences, etc. But in recent times, heterogeneity in taste, choice, and preferences has increased substantially even within consumers in the same region and same ethnic group, belonging to the same income level and age range. The Indian consumer is now conscious about his/her personality and selects such fashion products as might suit his/her personality the best. As a consequence, exclusive ethnic wear brands are multiplying in a market which is also accepting western wear fashion items more readily.

Source: <https://www.ibef.org/industry/retail-india.aspx>

<https://www.mckinsey.com/industries/retail/our-insights/how-indias-ascent-could-change-the-fashion-industry>

<http://www.technopak.com/Files/fashion-retail-scenario-in-india.pdf>

### About Cantabil Retail India

Established in 1989, Cantabil Retail India Ltd. is in the business of designing, manufacturing, branding and retailing of apparels and accessories. The Company started its garment manufacturing and retailing business in the year 2000 and opened the first Cantabil store in September 2000 in New Delhi.

Over the years, Company has established 1,50,000 sq. ft. state of art manufacturing facility in Bahadurgarh, Haryana with a capacity to produce 10.00 Lakh garment pcs. /p.a that makes Casual trousers, Formal trousers, Suits & jackets and Shirts. Along with this, the Company also has two dedicated production units and two warehouses to ensure seamless & timely Logistics of quality products. The production facilities are equipped with high quality machines from reputed companies like JUKI, Durkopp, Brother, Ngai Shing, Kansai, Pfaff, Maier, Siruba, Sako and latest finishing equipment using hot and cold steam foam finishers from Veit and Macpi.

The Company sells its products under the brands- Cantabil, Kaneston, Crozo and Lil Potatoes through 302 Exclusive Brand Outlets (EBOs) in 16 states which are either Company owned / lease and Franchisee managed, or Franchisee owned, and Franchisee managed. The Company believes in building strong client relationships by effectively delivering good quality products and acknowledging the changing customer demands.

### FINANCIAL OVERVIEW

The performance of the Company for the financial year ended March 31st, 2020, is as follows:

Performance Highlights with IND-AS 116 for the full year ended March 31st, 2020:

Revenue from operations was at Rs. 338.04 crore in FY20 as against Rs. 288.55 crore in FY19 YoY growth of 17.15% mainly driven by sales from existing stores as well as addition of 61 stores on a net basis

- EBITDA (excluding other income) stood at Rs. 84.85 crore
- EBITDA Margin was 25.10%
- Profit After Tax was at Rs. 16.43 crore
- PAT Margin was 4.86%
- Basic EPS stood at Rs. 10.06

Performance Highlights W/O IND-AS 116 for the full year ended March 31st, 2020:

EBITDA (excluding other income) stood at Rs. 46.37 crore in FY20 as against Rs. 29.61 crore in the FY19 YoY growth of nearly 56.63% mainly on account of higher sales and better operational efficiencies

- EBITDA Margin was 13.72% in FY20 as against 10.26% in FY19, a jump of 346 bps
- Profit After Tax was at Rs. 22.88 crore in FY20 as against Rs. 12.50 crore in FY19 YoY growth of nearly 83.01% mainly on account of better EBITDA and higher operational leverage
- PAT Margin was 6.77% in FY20 as against 4.33% in FY19, a jump of 244 bps
- EPS stood at Rs. 14.01 in FY20 as against Rs. 7.66 for the corresponding previous year, YoY growth of 82.90%

### RESOURCES AND LIQUIDITY

As on March 31, 2020, the net worth stood at Rs. 118.07 crore and the debt was at Rs. 35.99 crore.

The cash and cash equivalents at the end of March 31, 2020 were Rs. 4.05 crore.

The net debt to equity ratio of the Company stood at 0.27 as on March 31, 2020.

Over the years we have seen steady growth in the number of stores and consequently our retail business area.

Financial Year	No. of Stores
FY 2019-20	302
FY 2018-19	241
FY 2017-18	184
FY 2016-17	168
FY 2015-16	154

### Segment wise Business Performance

The Company is operating in three broad segments i.e., Men's wear, Women's Wear and Kids Wear. The Company is into manufacturing of shirts, denims, trousers, business and party wear suits, t-shirts, woollen jackets, pullovers, shorts, jeggings, kurtis and accessories for men and women.

Revenue share of four broad segments are stated below:

Name and Description of main products / services	% to total turnover of the Company
Men's Wear	85%
Women's Wear	11%
Kids Wear	1%
Accessories	3%

### RISKS AND CONCERNS

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

#### Credit Risk

To manage its credit exposure, Cantabil has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

#### Interest Rate Risk

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to reduce the overall interest cost.

#### Competition Risk

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiations in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. A strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

#### Input Cost Risk

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of the risks that are potentially significant in nature and need careful monitoring are Raw Materials prices, availability of Power etc.

#### Liability Risk

This risk refers to our liability arising from any damage to equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

#### Real Estate Risk

There is risk in effective management of store expansion and operations in newer locations/cities/states. Availability of commercially viable real estate properties at suitable locations for new stores, timely execution of sale deeds and license registrations and getting regulatory approvals for these properties.



## OPPORTUNITIES

Changing consumer preferences and growing Industrial base

- With ever changing consumer needs and demands, today consumers are looking for a complete package with good quality product and design.
- With rising income and urbanization, consumer's purchasing power.

Partner with Retail Outlets

- Partner with established retail outlets like Shopper's Stop, Lifestyle, Central, etc.

## THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Company also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 2013, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. A qualified and independent Audit Committee of the Board of Directors also reviews the internal control system and its impacts on improvement of overall performance of the Company.

The Company has put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organization and ensuring reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the Board of Directors.

Similarly, the Company maintains a system of monthly review of the business as a key operational control, wherein the performance of units is reviewed and corrective action is initiated. The Company also have in place a capital expenditure control system for authorising spend on new assets and projects. Accountability is established for implementing the projects on time and within the approved budget.

The Audit Committee and the Senior Management Team are regularly apprised of the internal audit findings and regular updates are provided of the action taken on the internal audit reports. The Audit Committee reviews the quarterly, half yearly and the annual financial statements of the Company. A detailed note on the functioning of the Audit Committee and of the other committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year, the Company carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and Standard Operating Procedures (SOPs) continue to be updated where required, to keep pace with business requirements.

## HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity; to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2020, Company is giving employment to 2225 permanent employees and 625 contractual employees. Industrial relations are cordial and satisfactory.

Employees are critical to our business. The Company internally assess its employees to periodically identify competency gaps and use development inputs (such as skill up gradation training) to address these gaps. The Company has implemented staff training policies and assessment procedures and intend to continue placing emphasis on attracting and retaining motivated employees.

The Company also plan to continue investing in training programmes and other resources that enhance employees' skills and productivity which will continue to help our employees develop understanding of the customer-oriented corporate culture and service quality standards to enable them to continue to meet the customers' changing needs and preferences.

### **Information Technology**

Our deep understanding of local needs and our ability to adapt quickly to changing consumer preferences has helped our performance driven growth. Our robust IT systems have significantly aided this growth by simplifying complex processes throughout our operations.

Our IT systems are equipped with an array of data management tools specific to our business needs and support key aspects of our business. IT has enabled our cash management systems, in-store systems, logistics systems, human resources, project management, maintenance and other administrative functions. This implementation has contributed positively towards minimizing product shortage, pilferage, out of stock situations etc. and has increased overall operational efficiency.

### **Impact of COVID-19**

#### **COVID-19 PERSPECTIVE: CONSUMER TRENDS**

- Discretionary spends witnessing either cutbacks or postponement of demand
- Health and wellness, at-home entertainment and 'essential' categories witnessing most traction
- Spends in categories like beverages and food delivery witnessing mixed performance
- Panic buying inducing a 'stocking up' and 'savings-first' mind set
- E-commerce witnessing a clear surge, even in traditional categories

#### **COVID-19 PERSPECTIVE: SUPPLY CHAIN IMPERATIVES**

- Understand changing customer needs
- Focus product and service offerings ensuring alignment with key customers
- Divert resources to newer channels, products and services appropriately
- Actively communicate with suppliers, manufacturing partners and logistics vendors to minimize business disruption
- Implement product/service allocation processes to reduce constraints in the supply chain
- Understand liquidity and business position of key suppliers
- Assess viability of current investment roadmap and ensure cost discipline

#### **COVID-19 PERSPECTIVE: STEPPING UP**

Disruptions in supply chains and stringent social distancing norms have led retail businesses to rethink their ways of working and unravelling new opportunities. Stakeholders and the society at large will remember a company's behavior during the crisis. Businesses that demonstrate responsibility will establish trust and a truly differentiated position. Companies have stepped up to mitigate the impact of the crisis, while preparing for the post-COVID-19 new normal, in primarily three ways:

- Mobilising emergency response teams and ensuring business continuity through digital tools and omni-channel
- Prioritising employee health and welfare and utilising the downtime for up skilling and re-skilling
- Expediting collections and lowering discretionary spends and non-key short-term costs

The future of retail, thus, will involve a combination of human and digital. The convenience of ordering online in a safe and secure environment of 'your home' and of setting up safe delivery systems will play equally important roles. Investments in omni-channel capabilities will be accorded high priority. Online consultations will hold greater appeal as customers will be able to connect with personal shoppers and stylists through simple video calls. Overall, the definition of usual in 'shopping as usual' will see a lasting change.

*Source: BostonConsulting Group research; CT Group research*

During the last quarter of FY 2020, COVID-19 spread globally and in India. This had an impact on the business operations of the Company. The Company started preparations to respond to this crisis and implemented various precautionary measures at each workplace to ensure personal safety and business continuity such as temperature monitoring, frequent use of hand sanitisers, use of face masks, frequent sanitation of frequently touched surfaces etc. Corporate Office switched to working with much lower attendance and also enabled more than 50% key employees across the Company to a Work from Home set-up. This ensured continuity and constant ability to support the business.

The Company has not announced any lay-offs or salary cuts for our employees and provided Emergency Leaves to employees to take care of any health issues that they may face. The business also rapidly adopted the new guidelines announced by the Central Government and the local authorities that enabled shopping with adequate social distancing and other safety measures. The establishment of online platforms is expected to become indispensable for offline stores and onlineoffline service integration is expected to increase. Omni-channel will be the way to go with customer convenience becoming a top priority and key differentiator.

Our business operations faced several challenges including:

- Temporary store closure for operations due to local restrictions.
- Significantly reduced footfall at operational stores
- Reduced employee attendance due to local transport restrictions
- Temporary stoppage of all manufacturing activities
- Disruption in Supply Chain due to restricted manpower, transportation and material unavailability

## OUTLOOK

India is increasingly becoming a focal point for the fashion industry, reflecting a rapidly growing middle class and an increasingly powerful manufacturing sector. These forces, together with growing tech savviness, makes India too important for the fashion business and industry. Ten years ago, technology was for the few, with just five million smartphones in a country of 1.2 billion people and only 45 million Internet users. These figures have since increased to 355 million and 460 million, respectively, in 2018, and they are expected to double by 2021, when more than 900 million Indian consumers will be online.

The Company has entered the e-commerce segment as well which forms to be an essential and integral part to sustain and maintain its position in this industry. The Company has registered and associated with most of the renowned and eminent portals like Myntra, Jabong, Amazon etc. and is looking forward to create better brand visibility through these portals and further add up to the topline to achieve the Company's goal to become a recognized and well-known Company in the industry.

To build momentum around conventional stores, Indian players are innovating: retailers are leveraging on technology to enhance the in-store experience with digital marketing displays and improved checkout. Cantabil has also done restructuring and renovations of all the old format stores to match the current experience expected by the customers. Along with this, the Company is also enhancing its brand image by providing value for money products with increased focus on high quality. The Company intends to focus on building strong customer relationships to generate more and more repeat customers and has been working towards it by propagating new launches, seasonal collection and offers through social media. The Company also emphasizes on training and development of the store staff as to provide customers with superior experience.

The kids wear market in urban areas is gaining momentum and expected to grow progressively over the coming years. Cantabil's kids wear brand Lil Potato is also anticipated to grow gradually year on year and targets to become one of the well-established brands in kids wear in India.

With developing business opportunity, the Company intends to open over 70 stores throughout the year and over 200 stores in the following three years. The Company is very much suited to take into account the foreseen growth and trends of the market.

## CORPORATE GOVERNANCE REPORT

In accordance with requirement under Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”), the report containing the details of corporate governance systems and processes at Cantabil Retail India Limited is as follows:

### 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At Cantabil Retail India Limited, Corporate Governance has been an integral part of the way we have been doing our business since inception. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. At Cantabil Retail India Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business as demonstrated in the words above.

Our actions are governed by our values and principles which are reinforced at all levels within the Company. At Cantabil Retail India Limited, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles ('the Code') is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

Statement on Company's philosophy on Code of Governance:

**“We will pursue our business with honor, fairness, and respect for the individual and the public at large . . . ever mindful that there is no right way to do a wrong thing.”**

**Vijay Bansal**  
**(Chairman and Managing Director)**  
**Cantabil Retail India Limited**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, awards and recognitions, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors and Board Committees, Compliance & Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Above all, we feel honored to be integral to India's social development. Details of several such initiatives are available in the Report on Corporate Social Responsibility.

### 2. BOARD OF DIRECTORS

#### Board Leadership

At Cantabil Retail India limited, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Board is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and Committees. These guidelines seek to systematize the decision-making process at the meetings of the Board and Committees in an informed and efficient manner.

### Board Composition and Category of Directors

As on March 31, 2020, the Company had Six Directors. Of the Six Directors, three are Executive and three Non- Executive Independent Directors. The Chairman is an Executive Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed there under. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

### Composition and Directorship(s) / Committee Membership (s)/Chairmanship(s) as on 31st March, 2020

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations. The same has been given below;

Name of the Director	Director Identification Number (DIN)	Designation	Category	No. of other Directorships*	Committee Positions held**	
					Chairman	Member
Mr. Vijay Bansal	01110877	Chairman and Managing Director	Promoter & Executive	Nil	Nil	2
Mr. Deepak Bansal	01111104	Whole Time Director	Promoter & Executive	Nil	Nil	Nil
Mr. Lalit Kumar***	00025150	Director	Non-Executive Independent	2	2	0
Dr. Arun Kumar Roopanwal***	00406817	Director	Non-Executive Independent	Nil	Nil	2
Mrs. Renu Jagdish@	06971367	Director	Non-Executive Independent	Nil	2	0
Mr. Basant Goyal#	07659491	Whole Time Director	Executive	Nil	Nil	Nil
Mr. Balvinder Singh Ahluwalia****	08522327	Director	Non-Executive Independent	NIL	NIL	1
Mr. Rajeev Sharma****	08528048	Director	Non-Executive Independent	NIL	NIL	1

\* Other Directorships under Companies incorporated under section 8 and Foreign Companies are not included in above list.

\*\* The disclosure includes membership/ chair person ship of the Audit Committee and Stakeholder's Relationship Committee in Indian public companies (listed and unlisted).

\*\*\* Ceased to be Director of the Company w.e.f 29 September 2019 upon the Completion of term as an Independent Director

\*\*\*\* Appointed as an Independent Director w.e.f 9th August, 2019

@ Re-appointed for a period of five years w.e.f 29th September, 2019

# Re-appointed for a period of three years w.e.f 1st December, 2019

Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name of Director	Designation	Number of Equity Shares held
Mr. Vijay Bansal	Chairman and Managing Director	6112801
Mr. Deepak Bansal	Whole Time Director	2567436
Mr. Balvinder Singh Ahluwalia	Independent Director	NIL
Mr. Rajeev Sharma	Independent Director	NIL
Mrs. Renu Jagdish	Independent Director	NIL
Mr. Basant Goyal	Whole Time Director	NIL

**The names of listed/unlisted entities where the director is directors as on 31.03.2020:**

Name of Director	Name of listed entity	Category of directorship
Mr. Vijay Bansal	NIL	-
Mr. Deepak Bansal	NIL	-
Mr. Balvinder Singh Ahluwalia	NIL	-
Mr. Rajeev Sharma	NIL	-
Mrs. Renu Jagdish	NIL	-
Mr. Basant Goyal	NIL	-

S. No.	Name of the Director	Dates of Meetings Held					Last AGM Held
		May 23, 2019	August 9, 2019	November 07, 2019	January 16, 2020	February 14, 2020	
1	Mr. Vijay Bansal	P	P	P	P	P	P
2	Mr. Deepak Bansal	P	P	P	P	P	P
3	Mr. Lalit Kumar*	P	P	-	-	-	P
4	Dr. Arun Kumar Roopanwal*	P	P	-	-	-	P
5	Mrs. Renu Jagdish	P	P	P	P	P	P
6	Mr. Basant Goyal	P	P	P	P	P	P
7	Mr. Balvinder Singh Ahluwalia**	-	-	P	A	A	-
8	Mr. Rajeev Sharma**	-	-	P	A	P	-

**P: Present; A: Absent**

\* Ceased to be Director of the Company w.e.f 29 September 2019 upon the Completion of term as an Independent Director

\*\*Appointed as an Independent Director w.e.f 9th August, 2019

**Board Meetings**

During the year ended March 31, 2020 Five (5) meetings of the Board of Directors were held on the following dates and were attended by all directors:

- (i) May 23, 2019; (ii) August 09, 2018 ;(iii) November 07, 2019; (iv) January 16, 2020; (iv) February 14, 2020;

**Inter-se Relationship between Directors**

Name of Director	Relationship with Directors	Type of Relation
Mr. Vijay Bansal	Deepak Bansal (Whole Time Director)	Vijay Bansal is Father of Deepak Bansal
Mr. Deepak Bansal	Vijay Bansal (Chairman and Managing Director)	Deepak Bansal is Son of Vijay Bansal
Mr. Rajeev Sharma	Not related	-
Balvinder Singh Ahluwalia	Not related	-
Mrs. Renu Jagdish	Not related	-
Mr. Basant Goyal	Not related	-

**Number of shares and convertible instruments held by non-executive directors**

Not Applicable

**Separate Meeting of Independent Directors:**

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of Listing Regulations and Section 149(6) of the Companies Act.

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent directors were held on 7th November, 2019 for:-

- Reviewing the performance of Non-Independent Directors (including the Chairman) and the Board as a whole;
- Reviewing the performance of the Chairperson of the company taking into account the views of Executive Directors and Non-Executive Directors;
- Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
- Scrutinizing the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Ascertaining and ensuring that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- Determining appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management

The meeting was attended by all independent directors.

#### **Familiarisation Programme for Independent Director**

Familiarization programmes for Independent Directors were done with respect to their roles, rights and responsibilities in the Company under the Companies Act, 2013 and the Listing Regulations with the Stock Exchanges.

Pursuant to Regulation 25 of the Listing Regulations, the Company has conducted Familiarization Programmes for its Independent Directors to enable them to understand the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Presentations from various departmental heads have been made for the Independent Directors to make them aware of the business model and its working. Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/ re-appointment. Further, presentations are also made from time to time at the Board and its Committee meetings on quarterly basis covering the business & financial performance of the Company quarterly/ annual financial results, review of Internal Audit findings etc.

Details on familiarization programme for independent directors are uploaded on company's website and can be accessed through [http://www.cantabilinternational.com/invstr\\_pdf/Familiarization-Programme.pdf](http://www.cantabilinternational.com/invstr_pdf/Familiarization-Programme.pdf)

In terms of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as 'Listing Regulations') the Company has received declaration from independent directors confirming their independence from the Management. Also, the Board has evaluated the independence of directors and opines that the independent directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

#### **A Chart or a Matrix Setting out the Skills/Expertise/Competence of the Board of Directors is as follows**

In the opinion of the Board, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

<b>Skills/Area of Expertise/Competencies</b>	<b>Names of Board members</b>
He has been instrumental in strategic planning and business development of the Company including establishment of our Brand. He is responsible for the overall management and supervision of the business of Company.	Mr Vijay Bansal
Administration and Project management	Mr. Basant Goyal
Marketing strategy and advertisements for our products	Mr. Deepak bansal
Audit & Accounts and Company Law matters, taxation etc	Mrs Renu Jagdish
Reatil, Textile and Export Sectors etc	Mr. Balvinder Singh Ahluwalia
Administrative Department of Agriculture's, Tourism and Hospitality, Cooperation, Education, Information & Culture Affairs, Social welfare etc	Mr. Rajeev Sharma

### 3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board as a part of good governance practice. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

During the Year the Board has reconstituted its composition of committees w.e.f October 9, 2019 by way of resolution by circulation.

The following are committees of the Board:

#### i) **Audit Committee**

The Audit Committee comprises Mrs. Renu Jagdish as the Chairman and Mr. Vijay Bansal, Managing Director as member and Mr. Balvinder Singh Ahluwalia, Independent Directors as members of the Committee. Mr. Lalit Kumar and Mr Arun Kumar Roopanwal ceased to be a member of the Committee with effect from 29th September, 2019. Mrs Renu Jagdish was appointed as a Chairman of the Committee and Mr. Balvinder Singh Ahluwalia was appointed as member of the Committee with effect from October 9, 2019. All the members of the Committee have relevant experience in financial matters.

The Audit Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The functioning and terms of reference of the Audit Committee including the roles, powers and duties, quorum for meeting and frequency of meetings etc., have been devised keeping in view the requirements of the Companies Act, 2013 and the Listing Regulations.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter-alia, performs the following functions:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; it has to be changed as we don't have any depositor debenture holder or shareholder in case of dividend
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

#### Composition, Meetings and Attendance during the Year

As on March 31, 2020, the Audit Committee was comprised of 3 (three) members out of which two are Non- Executive Independent Directors and one Executive Director. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee possess financial/ accounting expertise / exposure. Ms. Poonam Chahal, Company Secretary acts as the Secretary of the Committee.

During the year under review, four meetings of the Audit Committee were held on-

**(i) May 23, 2019; (ii) August 09, 2019 ;(iii) November 07, 2019; (iv) February 14, 2020;**

The details of the composition, meetings & attendance of the Audit Committee are given below:

Name of the Member	Designation	Category	Audit Committee Meetings	Attended Meetings
Mrs Renu Jagdish	Chairman	Non-Executive Independent Director	4	4
Mr. Balvinder Singh Ahluwalia	Member	Non-Executive Independent Director	4	1
Mr Vijay Bansal	Member	Chairman and Managing Director/ Executive Director	4	4
Mr. Lalit Kumar	Chairman	Non-Executive Independent Director	4	2
Dr Arun Kumar Roopanwal	Member	Non-Executive Independent Director	4	2

In addition to the members of the Audit Committee, these meetings were also attended by the Chief Financial Officer, the Internal Auditor and M/s A N S K & Associates, Chartered Accountants, the Statutory Auditors and/or their representatives, wherever necessary for providing inputs to the Committee.

Mr Lalit Kumar, Chairman of the Committee has accounting and financial management expertise and knowledge. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on September 26, 2019.

#### ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Mrs. Renu jagdish as the Chairman and Mr. Rajeev Sharma, Independent Director as member and Mr. Balvinder Singh Ahluwalia, Independent Directors as members of the Committee. Mr. Lalit Kumar and Mr Arun Kumar Roopanwal ceased to be a member of the Committee with effect from

29th September, 2019. Mrs Renu Jagdish was appointed as a Chairman of the Committee, Mr Rajeev Sharma and Mr. Balvinder Singh Ahluwalia was appointed as member of the Committee with effect from October 9, 2019.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter-alia, includes:

The Company complies with the provisions related with Nomination and Remuneration Committee (NRC) in terms of Regulation 19 of the Listing Regulations as well as in terms of the provisions of Section 178 of the Companies Act, 2013.

Terms of Reference of the Nomination and Remuneration Committee are as per the guidelines set out in the Companies Act, 2013 and Listing Regulations that inter alia includes:-

- (a) The formation of policy for determining qualifications, positive attributes and independence of directors and remuneration for the directors, key managerial personnel and other employees and recommending the same to the Board;
- (b) Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria as per the policy approved by the Board; and
- (c) The formulation of the policy of the company to remain competitive in the industry, to attract and retain good talent and appropriately reward the employees and directors for their performance and contribution to the business.

#### **Composition, Meetings & Attendance during the Year**

During the year under review only two (2) meetings of the NRC Committee was held on 23th May, 2019 and 9th August, 2019. The details of the composition, meetings & attendance of the NRC Committee are given below:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>	<b>Audit Committee Meetings</b>	<b>Attended Meetings</b>
Mr. Lalit Kumar	Chairman	Non-Executive Independent Director	2	2
Dr Arun Kumar Roopanwal	Member	Non-Executive Independent Director	2	2
Mrs. Renu Jagdish	Member	Chairman and Managing Director/ Executive Director	2	2
Mr. Balvinder Singh Ahluwalia	Member	Non-Executive Independent Director	2	0
Mr Rajeev Sharma	Member	Non-Executive Independent Director	2	0

Ms. Poonam Chahal, Company Secretary acts as a Secretary to the Committee.

Mr Lalit Kumar, Chairman of the NRC Committee attended the Annual General Meeting (AGM) held on September 29, 2019.

#### **Remuneration Policy**

The terms of reference/ role of the Nomination and Remuneration Committee is to determine the Company's policy on the remuneration package of its Executive Directors and senior management and to determine and approve the terms & conditions and remuneration package of its Executive Directors, including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof. The details of remuneration paid to Executive Directors including criteria of making payments to non-executive directors are available at company's website [www.cantabilinternational.com](http://www.cantabilinternational.com).

All pecuniary relationships or transactions of the Non-Executive Directors with the Company:

There were no pecuniary relationships or transactions held between any of the Non-Executive Directors with the Company during the years ended 31st March 2020

### Performance Evaluation criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated. The evaluation of Independent Directors were based on criteria such as acting objectively and constructively while exercising their duties, exercise their responsibilities in a bona fide manner in the interest of the company etc.

Further, the performance evaluation of the committees of the Board was undertaken on various parameters relating to discharge of its functions & duties as per their respective terms of reference, process & procedure followed for discharging its functions, effectiveness of suggestions & recommendations received, size, structure & expertise of the committees of the Board and conduct of its meetings and procedure followed in this regard.

### Director's Remuneration

The details of the remuneration of Directors during financial year 2019-20 are given below:

Particulars of remuneration	Mr. Vijay Bansal	Mr. Deepak Bansal	Mr. Basant Goyal	Mr. Lalit Kumar	Dr Arun Kumar Roopanwal	Mrs Renu Jagdish	Mr. Rajeev Sharma	Mr. Balvinder Singh Ahluwalia
<b>Service Term</b>	01.04.2018-31.03.2021	01.04.2018-31.03.2021	01.12.2019-30.11.2019	30.09.2014-29.09.2019	30.09.2014-29.09.2019	29.09.2019-29.09.2024	09.08.2019-26.09.2024	09.08.2019-26.09.2024
<b>No. of Shares Held</b>	6112801	2567436	-	-	-	-	-	-
<b>Sitting Fees</b>	-	-	-	1.20	1.20	2.60	1.20	0.60
<b>Salary</b>	82.80	82.80	24.17	N.A	N.A	N.A	N.A	N.A
<b>Benefits (Perquisites)</b>	0.40	0.40	N.A	N.A	N.A	N.A	N.A	N.A
<b>Commission</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Performance Incentive/ special payments</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Bonus</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Retirals</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Notice period</b>	90	90	90	N.A	N.A	N.A	N.A	N.A
<b>Pension</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>Stock options granted (in numbers)</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>TOTAL</b>	83.20	83.20	24.17	1.20	1.20	2.60	1.20	0.60

### Other Terms

1. Remuneration as defined under Schedule V of the Companies Act, 2013 does not include retirement benefits.
2. The appointment of executive directors may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end.

### iii) Stakeholders' Relationship Committee

The Stakeholders Relationship Committee comprises Mrs. Renu Jagdish as the Chairman and Mr. Rajeev Sharma, Independent Director as member and Mr. Vijay Bansal, managing Directors as members of the Committee. Mr. Lalit Kumar and Mr Arun Kumar Roopanwal ceased to be a member of the Committee with effect from 29th September, 2019. Mrs Renu Jagdish was appointed as a Chairman of the Committee, Mr Rajeev Sharma was appointed as member of the Committee with effect from October 9, 2019.

The Board has Stakeholder's Relationship Committee (SRC) pursuant to section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations to look into the redressal of grievances of shareholders and other security holders, if any. The Committee considers and resolves the grievances of Security holders of the Company including complaints related to transfer of shares, non-receipt of annual report etc.

Terms of Reference of the Stakeholders Relationship Committee has been revised as per the guidelines set out in the Listing Regulations and the Companies Act, 2013 which inter alia include looking into the security holders' grievance, issue of duplicate shares, exchange of new share certificates, recording dematerialization/ re-materialization of shares and related matters.

#### Composition, Meetings & Attendance during the Year

During the year under review, Four meetings of the SRC were held ((i) May 23, 2019; (ii) August 09, 2019 ;(iii) November 07, 2019 (iv) February 14, 2020;. The details of the composition, meetings & attendance of the SRC meetings are given below:

Name of the Member	Designation	Category	Audit Committee Meetings	Attended Meetings
Mr. Lalit Kumar	Chairman	Non-Executive Independent Director	4	2
Mr. Vijay Bansal	Member	Chairman and Managing Director	4	4
Dr Arun Kumar Roopanwal	Member	Non-Executive Independent Director	4	2
Mr. Rajeev Sharma	Member	Non-Executive Independent Director	4	2
Mrs Renu Jagdish	Chairman/ Member	Non-Executive Independent Director	4	2

Ms Poonam Chahal, Company Secretary of the Company is the Compliance Officer of the Company.

The Company attends to the investors' grievances/ correspondence expeditiously except in the cases that are constrained by disputes or legal impediments:

a. No. of shareholders complaints received during the year	Nil
b. No. of complaints not resolved to the satisfaction of the shareholders	Nil
c. No. of pending complaints	Nil
d. No. of pending share transfers as on March 31, 2020.	Nil

#### iv) Corporate Social Responsibility Committee (CSR )

The Stakeholders Relationship Committee comprises Mr. Vijay Bansal as the Chairman and Mrs. Renu Jagdish, Independent Director as member and Mr. Basant Goyal, Whole Time Directors as members of the Committee. Mr. Lalit Kumar ceased to be a member of the Committee with effect from 29th September, 2019. Mrs Renu Jagdish was appointed as a member of the Committee with effect from October 9, 2019.

The CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013.

Name of the Member	Designation	Category	Audit Committee Meetings	Attended Meetings
Mr. Vijay Bansal	Chairman	Chairman and Managing Director	1	1
Mr. Lalit Kumar	Member	Non-Executive Independent Director	1	1
Mr. Basant Goyal	Member	Non-Executive Independent Director	1	1
Mrs Renu Jagdish	Member	Non-Executive Independent Director	1	0

#### Terms of Reference:

- Formulate and recommend to the Board, CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act
- Recommend the amount of expenditure to be incurred on the CSR activities as specified in the Schedule VII of the Act.
- Monitor the CSR policy of the Company from time to time.

**Meetings Held:**

The Corporate Social Responsibility Committee met one (1) time on the following date during the financial year 2018- 19 i.e. on August 09, 2019.

The report on CSR is attached as annexure in the Director Report

**v) Miscellaneous Committee**

Miscellaneous Committee (MC) is a non- statutory committee, constituted by the Board to take decisions on certain matters of routine nature which may require an immediate decision and where the convening of a Board Meeting immediately may not be feasible, in addition to dwell upon and take decisions, on behalf of the Board, in matters as may be specifically delegated by the Board to it.

Composition, Meetings & Attendance during the Year

The Committee comprises of three members. The Committee held a number of meetings during the financial year 2019-2020 as and when required. The details of the composition & attendance of the MC meetings are given below:

Name of the Member	Designation	Category	Audit Committee Meetings	Attended Meetings
Mr. Vijay Bansal	Member	Chairman and Managing Director / Executive Director	6	6
Mr. Deepak Bansal	Member	Whole Time Director	6	6
Mr. Basant Goyal	Member	Whole Time Director	6	6

Ms. Poonam Chahal, Company Secretary acts as a Secretary to the Committee. Brief Description of Terms of Reference

The Terms of Reference of MC include:

- To purchase, acquire and/or take on lease/registration of lease land, building and other movable and immovable properties for the business purpose of the Company.
- To open, close and operate the Bank Accounts held, in the name of the Company.
- To authorize the Officers and/or other person or persons on behalf of the Company to attend court hearing pr present in the court of Law.
- To delegate all its above powers to any of its Officers and/or Employees
- Any other matter of routine nature for attaining operational efficiencies & flexibility in running the day to day affairs of the Company.

**4. GENERAL BODY MEETINGS**

Details of the AGM held in the last three years along with special resolutions passed thereat:

Financial Year	Day and Date	Time	Venue	Any Special Resolutions Passed
2016-17	Thursday, September 28, 2017	11:00 A.M.	Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi-110036	No
2017-18	Friday, September 28, 2018	10:00 A.M	Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi-110036	Yes
2018-19	Thursday, September 26, 2019	11:00 A.M	Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi-110036	Yes

### Postal Ballot

No resolution proposed to be passed in the ensuing annual general meeting is required to be passed by postal Ballot.

Further, no resolution was passed through postal ballot during the year under review

### Disclosures regarding the appointment or reappointment of directors in the ensuing Annual general Meeting

As per the provisions of the Companies Act, 2013, Mr Basant Goyal will retire at the ensuing AGM and being eligible, seeks reappointment. The Board, based on its evaluation, has recommended his reappointment.

Pursuant to the provisions of Section 196, 197, 198, 203, Schedule V as applicable and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s), Mr Vijay Bansal Chairman and Managing Director and Mr Deepak bansal Whole Time Director of the Company will re-appoint for another period of 3 years at the ensuing AGM subject to the approval of members.

## 5. MEANS OF COMMUNICATION

The quarterly and annual results are usually published one in English National daily and one in Hindi daily circulated in Delhi, being the place where registered office of the Company is situated and in all India editions generally in "Business Standard" Newspaper. The information of quarterly results is also sent to the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) to enable them to put it on their web-site and is also uploaded on company's website [www.cantabilinternational.com](http://www.cantabilinternational.com).

The Management Discussion and Analysis Report forms an integral part of the Directors' Report.

The Company is timely submitting the required information, statements and reports on BSE Listing Centre and NSE Electronics Application Processing System.

The Company's website [www.cantabilinternational.com](http://www.cantabilinternational.com) is a comprehensive reference on CANTABIL's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges.

The official news releases and the presentations made to the investors / analysts (if any) are displayed on the Company's website.

## 6. GENERAL SHAREHOLDER INFORMATION

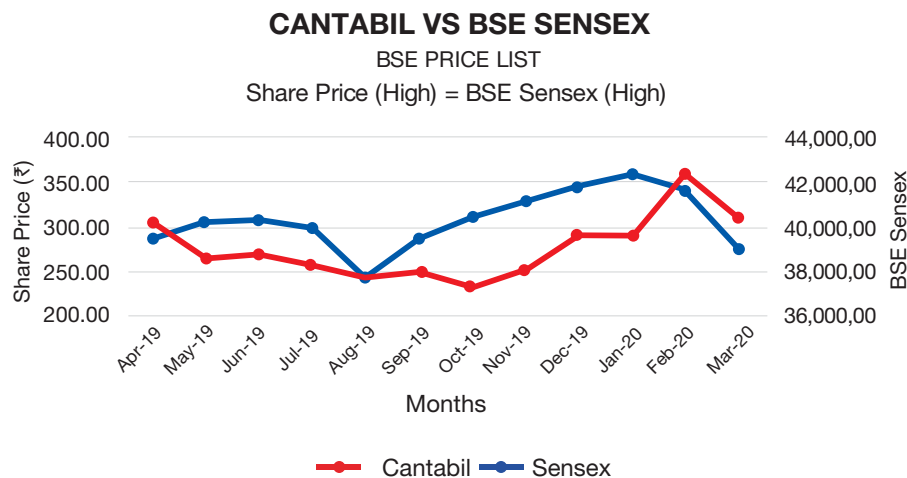
S.NO.	DESCRIPTION			
(a)	CIN : L74899DL1989PLC034995			
(b)	Name of the Company : Cantabil Retail India Limited			
(c)	Website address : <a href="http://www.cantabilinternational.com">www.cantabilinternational.com</a>			
(d)	E-mail address : <a href="mailto:investors@cantabilinternational.com">investors@cantabilinternational.com</a>			
(e)	Annual General Meeting			
	Date	Day	Time	Venue
	25th September, 2020	Friday	11.00 A.M	Via Video Conferencing Mode
(f)	Financial Year : 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020			
(g)	Book Closure Date: 19 <sup>th</sup> September, 2020 to 25 <sup>th</sup> September, 2020			
	Dividend Payment Date: Within 30 days from the date of AGM			
(h)	Dividend of Rs. 1/- (Rupees One only) per share i.e @10% on equity share of face value of Rs. 10/- (Rupees Ten only) each, fully paid up, for the financial year ended on 31 March 2020.			
(i)	Listing on Stock Exchanges& Stock Code			
	Name and address of the stock exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001		National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
	Stock Code	533267		CANTABIL
	ISIN No. for shares in DEMAT form	INE068L01016		

<b>(j)</b>	<b>Listing Fees</b> Company confirms of having paid the annual listing fees for the financial year 2019-2020 to above Stock Exchanges.				
<b>(k)</b>	<b>Registrar &amp; Transfer Agents (For both shares held in physical and electronic mode)</b>				
	<b>Name</b>	<b>Address</b>	<b>Tel. No.</b>	<b>Fax No.</b>	<b>E-Mail</b>
	M/s Beetal Financial & Computer Services (P.) Ltd.	Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062	011-29961281	011-29961284	beetalrta@gmail.com
	<b>Share Transfer System:</b> The Company's Shares are traded compulsorily in demat mode. Shares in physical mode which are lodged for transfer, if any, are processed and returned to the shareholders within 15 days from the date of receipt subject to the documents being valid and complete in all respects. The Company obtains half-yearly Certificate of Compliance in respect of the Share Transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and files a copy of the same with the Stock Exchanges. The Board in order to expedite the share transfer process delegated the power to senior officials of share transfer agent of the company vide Resolution passed at the Miscellaneous Committee Meeting of Board of Directors held on 6th April 2015. The physical share transfer requests valid and complete in all respect are normally processed expeditiously. The Company's shares are in compulsory Demat Mode.				
	<b>Dematerialization of Shares:</b> The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on March 31, 2020, 16326986 equity shares of the Company, forming 99.996% of total shareholding stand dematerialized. International Securities Identification Number: INEO68L01016.				
	<b>Liquidity of Shares:</b> The Equity Shares of the Company are traded at the BSE and the NSE.				
	<b>Plant Locations of the Company</b>				
	<b>S.No</b>	<b>Unit</b>	<b>Location</b>		
	1.	Manufacturing and Warehousing	B-16, Lawrence Road Industrial Area, New Delhi - 110035		
	3.	Warehousing	WZ - 50, Shakurpur, New Delhi - 110034		
	4.	Manufacturing and Warehousing	Plot No. 359, 360 & 361 Phase - IV B, Sector - 17, HSIIDC, Bahadurgarh, Haryana		
	<b>Address for Correspondence</b>				
	The shareholders may address their communications/ suggestions/ grievances/ queries to:				
	Address	B-16, Lawrence Road Industrial Area, Delhi - 110035			
	Phone	+91-11-27156381			
	Fax	+91-11-27156383			
	<b>Commodity price risk or foreign exchange risk and hedging activities:</b> The Company has not undertaken any forex or hedging transaction during the financial year under review.				
	<b>Disclosures with respect to demat suspense account/ unclaimed suspense account:</b> There was nil balance of Equity shares in the unclaimed shares escrow demat account.				

Market Price Data				
Months	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-19	304.70	240	292.95	236.5
May-19	266.55	203.5	263.75	202.25
Jun-19	269.30	153	268.90	165
Jul-19	259.00	216	260.00	260
Aug-19	242.25	207.1	242.10	207.65
Sep-19	250.00	200	278.00	201
Oct-19	234.00	187	236.35	198
Nov-19	250.65	194	251.00	197.55
Dec-19	289.95	239.05	289.00	243
Jan-20	292.00	242.05	297.00	242.15
Feb-20	358.30	230	357.95	230
Mar-20	311.00	201.05	295.90	197.15

**(A) Performance Comparison Performance in comparison to BSE Sensex, i.e.**

Month	Sensex	Cantabil
Apr-19	39,487.45	304.70
May-19	40,124.96	266.55
Jun-19	40,312.07	269.30
Jul-19	40,032.41	259.00
Aug-19	37,807.55	242.25
Sep-19	39,441.12	250.00
Oct-19	40,392.22	234.00
Nov-19	41,163.79	250.65
Dec-19	41,809.96	289.95
Jan-20	42,273.87	292.00
Feb-20	41,709.30	358.30
Mar-20	39,083.17	311.00





<b>(B) CANTABIL Vs. NIFTY Performance in comparison to NSE Nifty, i.e. CANTABIL Vs. NIFTY</b>		
<b>Month</b>	<b>Nifty</b>	<b>Cantabil</b>
Apr-19	11856.15	292.95
May-19	12041.15	263.75
Jun-19	12103.05	268.90
Jul-19	11981.75	260.00
Aug-19	11181.45	242.10
Sep-19	11694.85	278.00
Oct-19	11883.95	236.35
Nov-19	12158.8	251.00
Dec-19	12286.45	289.00
Jan-20	12430.5	297.00
Feb-20	12246.7	357.95
Mar-20	11433	295.90

**CANTABIL VS NIFTY**  
NSE PRICE LIST  
Share Price (High) = Nifty (High)

Share Price (₹)

Months

— Cantabil

— Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20

Nifty

<b>Distribution of Shareholding</b>					
<b>Shareholding of Nominal value of Rs.</b>	<b>Number of Shareholders</b>	<b>%to total</b>	<b>Number of Shares</b>	<b>Amount (in Rs)</b>	<b>% to Total</b>
Upto 5000	4511	93.86	420108	4201080	2.5730
5001 to 10000	121	2.51	95669	956690	0.5859
10001 to 20000	45	0.93	66133	661330	0.4050
20001 to 30000	25	0.52	61345	613450	0.3757
30001 to 40000	9	0.18	32556	325560	0.1994
40001 to 50000	13	0.27	60893	608930	0.3729
50001 to 100000	21	0.43	153328	1533280	0.9391
100001 and above	61	1.26	15437576	154375760	94.5489
<b>Total</b>	<b>4806</b>	<b>100.00</b>	<b>16327608</b>	<b>163276080</b>	<b>100.0000</b>

**Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity**  
NIL

**list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

Credit Rating Agency i.e ICRA limited revised the exiting rating of the Company-

**{ICRA}BBB+ (pronounced ICRA triple B) and a short term rating of {ICRA}A2 (pronounced ICRA A two) to the Rs 60.00 crore**

## 7. Other Disclosures

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

There were no transactions of significant material nature by Company that have a potential conflict with the interest of Company at large.

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year, were in the ordinary course of business on an arms' length basis and approved by the Audit Committee of the Company.

The required statements / disclosures, with respect to the related party transactions are placed before the Audit Committee of the Company in terms of the Listing Regulations and the Act and other applicable laws for approval / ratification/ information.

The Company has entered into related party transaction pursuant to the provisions of section 188 of the Companies Act, 2013, is attached as Annexure 4 in the Director's report.

The Board has approved policy for related party transactions which is available on company's website at <http://cantabilinternational.com/Related-party-transaction-policy.pdf> and further, details of general related party transactions are given in the Balance Sheet.

During the year, no material transaction has been entered into by the Company with the senior management personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company.

- b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the Board or any statutory authority on any matter related to capital markets during the last three years:**

During the last three years there has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

- c) **Details of establishment of vigil mechanism, whistleblower policy and affirmation that no personnel has been denied access to the Audit Committee;**

### I. Whistle Blower Policy

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and makes protective disclosures about the unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The Whistle Blower Policy is an extension of the CANTABIL Code of Ethics, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames as per CANTABIL's Policy. Under the Policy, each employee of the Company has an assured access to their Supervisor/ Respective HR/ Legal Department. During the year under review, no employee was denied access to the Audit Committee and direct access to the chairperson of the Audit Committee was provided in appropriate or exceptional cases.

The policy also provides adequate safeguards against victimisation of persons who use such mechanism. No personnel has been denied access to the Chairman of Audit Committee. The employees/ directors of the Company have the right / option to report their concern / grievance to the Chairman of the Audit Committee.

The said policy is uploaded on the website of the Company and can be accessed through following link:[http://www.cantabilinternational.com/policesVIGIL\\_MECHANISM\\_OR\\_WHISTLE\\_BLOWER\\_POLICY.pdf](http://www.cantabilinternational.com/policesVIGIL_MECHANISM_OR_WHISTLE_BLOWER_POLICY.pdf)

### II. Policy against Sexual Harassment at Workplace

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has constituted the Committee and put in place a policy on redressal of Sexual Harassment and a

Policy on redressal of Workplace Harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Sexual Harassment Act”). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. Details of the Complaint as follows:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
NIL	NIL	NIL

### III. Insider Trading

During the year, the Company has amended the Insider Trading Policy and Corporate Policy Statement on Investor Relations in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Company has established systems and procedures to prohibit insider trading activity and has formulated and adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Fair Disclosure Code”) and Code of Conduct for Prevention of Insider Trading (“Insider Code”). These codes apply to all Directors, employees of the Company, Designated Persons and connected persons who may have access to unpublished price sensitive information relating to the Company. The Insider Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares. The Company Secretary of the Company is Compliance Officer for the purpose of Insider Code.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company for gain / personal benefit or to provide benefit to any third party.

#### d) Details of compliance with mandatory requirements under SEBI (Listing Regulations & Disclosure Requirements), Regulations, 2015

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (the SEBI) or any other statutory authorities relating to the above during the financial year.

The Company has defined and adopted a Risk Management Process, and has also set up a core group of leadership team, which assesses the risks and lays down the procedure for minimization of the risks as an ongoing process integrated with operations. The above will facilitate not only in risk assessment and timely rectification but also help in minimization of risk associated with respective business operations and periodic reporting to Board as and when required.

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The Code has been circulated to all employees and also posted on Company's website [www.cantabilinternational.com](http://www.cantabilinternational.com). All Board members and senior personnel have affirmed compliance with the code.

A certificate from Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board.

#### e) Web link where policy for determining 'material' subsidiaries is disclosed;

The Company does not have any material non-listed Indian Subsidiary Company in terms of Regulation 16 of the Listing Regulations, hence no disclosure is required to be reported under this heading.

#### f) Web link where policy on dealing with related party transactions;

[http://www.cantabilinternational.com/investor\\_policies.html](http://www.cantabilinternational.com/investor_policies.html)

#### g) Commodity price risk or foreign exchange risk and hedging activities

The Company has not undertaken any forex or hedging transaction during the Financial year under review.

#### h) Certificate from a Company Secretary

The Company has received certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Such certificate is attached as Annexure. 9

#### i) Details of Utilization of funds raised through preferential allotment

There was no Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during FY 2019-2020

#### j) It is confirmed that there was no instance during FY 2019-2020 when the Board had not accepted any recommendation of any committee of the Board

### 8. Non-compliance of any requirement of Corporate Governance Report of sub paras (2) to (10) above, with reasons thereof shall be disclosed:

The Company is fully compliant with all the requirements of Corporate Governance Report as stated in sub paras (2) to (10) of Schedule V of Listing Regulations.

**9. Compliance of discretionary requirements as specified in Part E of Schedule II**

The Company is fully compliant with all the requirements as specified in Part E of Schedule II

**10. Disclosures of the compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:**

Particulars	Regulation Number	Compliance Status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management Committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	N.A.
Composition of Board of Directors of unlisted material Subsidiary	24(1)	N.A.
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	N.A.
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management 26(2) & 26(5)	Yes	
Quarterly compliance report on corporate governance	27(2)(a)	Yes
Details of all material transactions with related parties	27(2)(b)	N.A.

**By Order of the Board For  
Cantabil Retail India Limited**

**Date: August 28, 2020  
Place: New Delhi**

**Sd/-  
VIJAY BANSAL  
(Chairman and Managing Director)**

**CERTIFICATE BY MANAGING DIRECTOR AND CFO****(PURSUANT TO REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 S)**

Pursuant to Regulation 17(8) read with Part B of Schedule II of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Vijay Bansal, Chairman and Managing Director and Shivendra Nigam, Chief Financial Officer of the Company do hereby certify that

- A.** We have reviewed Audited Financial Results for the year ending 31st March, 2020 and to the best of our knowledge and belief, we state that:
- (1) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These results present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee :
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) There is no significant changes in accounting policies during the year; and
  - (3) No instances of significant fraud found during the year.

**Date: August 28, 2020**  
**Place: New Delhi**

**Vijay Bansal**  
**(Chairman-and-Managing Director)**

**Shivendra Nigam**  
**(Chief Financial Officer)**

## CORPORATE GOVERNANCE CERTIFICATE

To

**The Members**  
**Cantabil Retail India Limited**

We have examined the compliance of conditions of Corporate Governance by Cantabil Retail India Limited (“the Company”), for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

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

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

**Date: August 28, 2020**  
**Place : New Delhi**

**Devesh Kumar Vasisht**  
**Practicing Company Secretary**  
**F8488/CP No.: 13700**  
**UDIN: F008488B000615105**

## DECLARATION FOR CODE OF CONDUCT

### Affirmation of Compliance with the Code of Conduct

To

The Compliance Officer  
Cantabil Retail India Limited  
B-16, Lawrence Road Industrial Area  
New Delhi-110035

#### AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT (PURSUANT TO REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to confirm and certify that the Company has adopted/laid down a Code of Conduct for all Board Members and Senior Management Personnel of the company. The Code of Conduct is available on the Company's website viz. [www.cantabilinternational.com](http://www.cantabilinternational.com). I hereby further confirm that the Company has in respect of the Financial Year ended March 31, 2020, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Date: August 28, 2020

Place: New Delhi

Sd/-

**VIJAY BANSAL**

(Chairman and Managing Director)

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Cantabil Retail India Limited  
Report on the Standalone Ind AS financial Statements**

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Cantabil Retail India Limited (“the Company”) which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

**(i) Adoption of Ind AS 116 Leases**

(Described in note no. 55 of the standalone Ind AS financial statements)

On 30 March 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. IndAS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.

Application of Ind AS 116, requires significant judgement and estimate in determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.

The Company has applied the Modified retrospective approach given to ongoing leases as of April 01, 2019. The

Our audit procedures on adoption of Ind AS 116 include:

- Assessed the Company's accounting policies with respect to recognition of leases and for assessing compliance with Ind AS 116. Accounting policy on Ind AS 116 “Leases” is mentioned in Note No. 2.28 of the financial statements.
- Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);
- Assessed the company' evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- Upon transition as at April 01, 2019:
  - Evaluated the method of transition and related adjustments;
  - Tested completeness of the lease data by reconciling the company's operating lease commitments to data used in computing ROU asset and the lease liabilities.



<p>adoption of Ind AS 116 resulted in transitional impact amounting to ₹1,260.32 lacs (net of deferred tax amounting to ₹517.78 lacs) in retained earnings. As at March 31, 2020, the Company has ₹19,811.50 lacs of Right of use assets and ₹ 22,499.22 lacs of Lease liabilities.</p>	<ul style="list-style-type: none"> <li>• On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>– Assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>– Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term.</li> </ul> </li> <li>• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>
<p><b>(ii) Contingent Liability under Tax Laws</b> (As described in note 58 of the standalone Ind AS financial statements)</p>	
<p>As at March 31, 2020, there is a contingent liability in respect of denial of CENVAT of service tax under Central Excise Act, 1944 for the financial year 2012-13 amounting to ₹110.39 lakhs which are pending adjudication with Hon'ble High Court of Delhi.</p>	<ul style="list-style-type: none"> <li>• Read and analysed selected key correspondences, external legal opinions/ consultations obtained by the company for Key Tax Matters.</li> <li>• Assessed and challenged the company's estimate of the possible outcome of the disputed cases by considering legal precedence; and</li> <li>• Assessed and tested the presentation and disclosures relating to taxes.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### Information Other than the Standalone Ind AS financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management Responsibility for the Standalone Ind AS financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Standalone Ind AS financial Statement**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial controls over financial reporting.
  - g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements Refer Note 58 to the Standalone Ind AS financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For ANSK & Associates**  
**Chartered Accountants**  
**(Firm's Registration No. 026177N)**

**Date: June 29, 2020**  
**Place: New Delhi**

**CA Akhil Mittal**  
**Partner**  
**(Membership No. 517856)**

## Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2020, we report that:

- i.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b) The Company has a regular program of physical verification of its fixed assets by which property, plant and equipments are verified in a phased manner. In accordance with this program, certain property, plant and equipments were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties included in property, plant and equipment are held in the name of the company.
- ii.
  - a) The management of the Company has conducted the physical verification of inventory at reasonable intervals during the year.
  - b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) The Company has maintained the proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore provisions of clause 3(a), (b) and (c) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.
- vi. To the best of our knowledge and as explained the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii.
  - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, employees' state insurance, goods and service tax, cess and other statutory dues applicable to it with a slight delay in few cases. The provisions relating to duty of excise are not applicable to the Company.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, employees' state insurance, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
  - c) According to the records of the company, the dues outstanding of provident fund, income-tax, employees' state insurance, goods and service tax, cess and other statutory dues ,on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Denial of CENVAT credit of Service Tax	86.35 lakhs	September, 2012 to February, 2013	Hon'ble High court of Delhi
Central Excise Act, 1944	Denial of CENVAT credit of Service Tax	24.04 lakhs	March, 2012	Hon'ble High court of Delhi
Income Tax Act	TDS Demand u/s 201(1) & 201 (1A)	5.56 lakhs	FY 2010-11	Office of the Commissioner of Income Tax (Appeals)-2

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government.

- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year. In our opinion no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and the explanations given to us and based on examination of records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. In our opinion and according to the information and the explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where ever applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and the explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of the Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For ANSK & Associates**  
**Chartered Accountants**  
**(Firm's Registration No. 026177N)**

**Date: June 29, 2020**  
**Place: New Delhi**

**CA Akhil Mittal**  
**Partner**  
**(Membership No. 517856)**

## **Annexure - B to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Cantabil Retail India Limited**

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

We have audited the internal financial controls over financial reporting of Cantabil Retail India Limited ('the company') as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ANSK & Associates  
Chartered Accountants  
(Firm's Registration No. 026177N)**

**Date: June 29, 2020  
Place: New Delhi**

**CA Akhil Mittal  
Partner  
(Membership No. 517856)**

**BALANCE SHEET AS AT MARCH 31, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>A ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	3	6,026.42	5,935.69
b) Capital Work-in-Progress	3	70.82	33.64
c) Investment Property	4	364.24	370.15
d) Right of Use Asset	5	19,811.50	-
e) Other Intangible Assets	6	35.37	36.12
f) Financial Assets			
(i) Investments	7	11.91	15.24
(ii) Loans	8	828.81	667.43
(iii) Other Financial Assets	9	72.24	13.16
g) Deferred Tax Assets (Net)	10	1,892.22	1,689.70
h) Other Non-Current Assets	11	795.17	713.70
<b>Total Non Current Assets</b>		<b>29,908.69</b>	<b>9,474.84</b>
<b>Current Assets</b>			
a) Inventories	12	12,805.01	9,689.69
b) Financial Assets			
(i) Investments	13	3.85	6.09
(ii) Trade Receivables	14	452.34	1,844.99
(iii) Cash & Cash Equivalents	15	405.35	257.04
(iv) Loans	16	76.28	55.88
(v) Other Financial Assets	17	427.46	417.78
c) Current Tax Assets (Net)	18	110.07	22.55
d) Other Current Assets	19	752.24	744.27
<b>Total Current Assets</b>		<b>15,032.61</b>	<b>13,038.28</b>
<b>Total Assets</b>		<b>44,941.30</b>	<b>22,513.12</b>
<b>B EQUITY AND LIABILITIES</b>			
Equity			
a) Equity Share Capital	20	1,632.76	1,632.76
b) Other Equity	21	10,174.12	9,797.46
<b>Total Equity</b>		<b>11,806.88</b>	<b>11,430.23</b>
<b>Liabilities</b>			
<b>Non- Current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	22	238.94	428.57
(ii) Lease Liability	23	20,680.46	-
(iii) Other Financial Liabilities	24	955.60	552.13
b) Provisions	25	369.75	276.59
c) Other Non Current liabilities	26	433.33	273.40
<b>Total Non Current Liabilities</b>		<b>22,678.09</b>	<b>1,530.69</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	27	3,359.89	3,455.93
(ii) Trade Payables	28		
(a) Total Outstanding Dues of Micro & Small Enterprises		478.58	782.98
(b) Total Outstanding Dues Other than Micro & Small Enterprises		3,367.46	4,130.26
(iii) Lease Liability	29	1,818.75	-
(iv) Other Financial Liabilities	30	851.95	753.35
b) Other Current Liabilities	31	277.03	194.06
c) Provisions	32	302.67	235.63
<b>Total Current Liabilities</b>		<b>10,456.33</b>	<b>9,552.20</b>
<b>Total Equity &amp; Liabilities</b>		<b>44,941.30</b>	<b>22,513.12</b>

Accompanying Notes 1 to 64 form an integral part of these Financial Statements

As per our attached report of even date

for ANSK &amp; Associates

Chartered Accountants

FRN: 026177N

(CA Akhil Mittal)

Partner

M.No. 517856

Date: June 29, 2020

Place: New Delhi

For and on behalf of the Board of Directors

(Vijay Bansal)

Chairman &amp; Managing Director

DIN : 01110877

(CA Shivendra Nigam)

Chief Financial Officer

(Deepak Bansal)

Director

DIN : 01111104

(CS Poonam Chahal)

Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income</b>			
<b>I Revenue From Operations</b>	33	<b>33,803.65</b>	28,855.08
<b>II Other Income</b>	34	<b>405.66</b>	399.83
<b>III Total Income (I + II)</b>		<b><u>34,209.31</u></b>	<b><u>29,254.91</u></b>
<b>IV Expenses</b>			
Cost of Materials Consumed	35	<b>8,273.19</b>	5,251.08
Purchase of Stock-in-Trade	36	<b>6,648.60</b>	9,856.44
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	37	<b>(3,015.77)</b>	(1,481.87)
Employee Benefits Expense	38	<b>5,994.41</b>	5,146.98
Finance Costs	39	<b>2,071.00</b>	851.85
Depreciation and Amortisation Expense	40	<b>4,419.18</b>	889.24
Other Expenses	41	<b>7,418.09</b>	7,121.94
<b>Total Expenses</b>		<b><u>31,808.70</u></b>	<b><u>27,635.66</u></b>
<b>V Profit before Exceptional Items and Tax (III-IV)</b>		<b>2,400.61</b>	1,619.25
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Tax (V+VI)</b>		<b><u>2,400.61</u></b>	<b><u>1,619.25</u></b>
<b>VIII Tax Expense:</b>	42		
Current Tax		<b>418.54</b>	349.88
Current Tax - MAT Entitlement / (Credit)		<b>71.08</b>	(349.88)
Deferred Tax (Assets) /Liability		<b>268.04</b>	369.26
Total Tax Expense		<b><u>757.67</u></b>	<b><u>369.26</u></b>
<b>IX Profit for the Year (VII-VIII)</b>		<b><u>1,642.94</u></b>	<b><u>1,249.99</u></b>
<b>X Other Comprehensive Income (OCI)</b>	43		
Items that will not be reclassified to Profit or Loss			
- Re-measurement Gains/(Losses) on Defined Benefit Plans		<b>(8.41)</b>	99.34
- Income Tax Charge on Above Items		<b>2.45</b>	(28.93)
<b>Total Other Comprehensive Income for the Year</b>		<b><u>(5.96)</u></b>	<b><u>70.41</u></b>
<b>Total Comprehensive Income for the Year (IX+X)</b>		<b><u>1,636.98</u></b>	<b><u>1,320.41</u></b>
<b>XI Earnings per Equity Share</b>	44		
Basic ( in ₹ )		<b>10.06</b>	7.66
Diluted ( in ₹ )		<b>10.06</b>	7.66

Accompanying Notes 1 to 64 form an integral part of these Financial Statements

As per our attached report of even date  
for ANSK & Associates  
Chartered Accountants  
FRN: 026177N

(CA Akhil Mittal)  
Partner  
M.No. 517856

Date: June 29, 2020  
Place: New Delhi

For and on behalf of the Board of Directors

(Vijay Bansal)  
Chairman & Managing Director  
DIN : 01110877

(Deepak Bansal)  
Director  
DIN : 01111104

(CA Shivendra Nigam)  
Chief Financial Officer

(CS Poonam Chahal)  
Company Secretary

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2020**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash Flow From Operating Activities :</b>		
<b>Net Profit Before Tax</b>	<b>2,400.61</b>	1,619.25
<i>Adjustments for :</i>		
Depreciation and Amortisation	4,419.18	889.24
(Profit)\Loss on Sale of PPE	11.00	0.64
Finance Costs	1,961.37	666.57
Rent Expense (application of Ind AS 116 "Leases")	(3,497.18)	(262.98)
Commission Expense (application of Ind AS 116 "Leases")	(238.69)	
Expenses/(Gains) on Account of Re-measurement of Defined Benefit Plans	(8.41)	99.34
Interest Expense : Net (Impact of Ind AS 109 "Financial Instruments")	(12.59)	162.74
Deferred Income	(83.77)	(186.68)
(Gain)/Loss on Fair value of Investments	5.47	(5.92)
Government Grant Income	(4.19)	(6.60)
Capital Assets Written Off	13.29	1.17
Interest Income	(59.32)	(57.74)
<b>Operating profit / (loss) before working capital changes</b>	<b>4,906.77</b>	<b>2,919.03</b>
<i>Movements in Working Capital :</i>		
Inventories	(3,115.32)	(1,583.69)
Trade Receivables	1,392.65	(795.35)
Financial Assets & Other Assets	(270.82)	(620.38)
Trade Payables	(1,067.21)	2,295.23
Other Financial Liabilities	717.66	338.12
Other Current Liabilities	83.84	63.35
Provisions, Current Tax Assets/Liabilities	160.21	94.95
<b>Cash Generated From Operations</b>	<b>2,807.79</b>	<b>2,711.26</b>
Income Tax Paid (Net of Refunds)	(418.54)	(337.26)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>2,389.25</b>	<b>2,373.99</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets, including Capital Work in Progress & Capital Advances	(1,280.91)	(1,357.31)
Proceeds from Sale of Fixed Assets	3.33	0.64
Proceeds from Investment Property	-	-
Investments in Fixed Deposits	(59.08)	(2.37)
Interest Received	46.72	45.14
<b>Net Cash Flow From / (Used in) Investing Activities (B)</b>	<b>(1,289.94)</b>	<b>(1,313.90)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Long-Term Borrowings	-	170.00
Prepayment of Long-Term Borrowings	-	(170.00)
Repayment of Long-Term Borrowings	(273.07)	(219.55)
Proceeds/(Repayments) in Short Term Borrowings	(96.04)	(175.84)
Finance Cost	(581.89)	(666.57)
<b>Net Cash Flow From / (Used In) Financing Activities (C)</b>	<b>(950.99)</b>	<b>(1,061.96)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	148.32	(1.87)
Cash and Cash Equivalents at the Beginning of the Year	257.04	258.91
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>405.35</b>	<b>257.04</b>

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2020**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Components of Cash &amp; Cash Equivalents (Refer Note No. 15)</b>		
Cash in Hand	62.04	96.48
Fixed Deposits with Bank	7.47	7.94
Balances with Banks	335.85	152.62
<b>Cash &amp; Cash Equivalents in Cash Flow Statement</b>	<b>405.35</b>	<b>257.04</b>

**Disclosure as referred in Ind AS 7 ' Statement of Cash flows'**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Term loan	Working Capital Loan	Term loan	Working Capital Loan
<b>Carrying amount of debt at the beginning of the period*</b>	696.50	3,455.93	916.05	3,631.77
Additional borrowings during the period	-	-	170.00	(175.84)
Repayments/prepayments during the period	(273.07)	(96.04)	(389.55)	-
<b>Carrying amount of debt at the end of the period*</b>	<b>423.43</b>	<b>3,359.89</b>	<b>696.50</b>	<b>3,455.93</b>

**\*Includes current maturities of long term borrowings**

Accompanying Notes 1 to 64 form an integral part of these Financial Statements

As per our attached report of even date

for ANSK &amp; Associates

Chartered Accountants

FRN: 026177N

(CA Akhil Mittal)  
Partner  
M.No. 517856Date: June 29, 2020  
Place: Delhi

For and on behalf of the Board of Directors

(Vijay Bansal)  
Chairman & Managing Director  
DIN : 011110877(CA Shivendra Nigam)  
Chief Financial Officer(Deepak Bansal)  
Director  
DIN : 01111104(CS Poonam Chahal)  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**
**(A) Equity Share Capital**

(₹ in Lakhs)

Particulars	Amount
<b>As at April 1, 2018</b>	<b>1,632.76</b>
Changes in Share capital during the period	-
<b>As at March 31, 2019</b>	<b>1,632.76</b>
Changes in Share capital during the period	-
<b>As at March 31, 2020</b>	<b>1,632.76</b>

**(B) Other Equity**

(₹ in Lakhs)

Particulars	Reserves & Surplus		Amount
	Securities Premium	Retained Earnings	
<b>As at April 1, 2018</b>	8,756.10	(279.04)	8,477.06
Remeasurement of post employment benefit obligation (net of tax)	-	70.41	70.41
Profit for the year	-	1,249.99	1,249.99
<b>As at March 31, 2019</b>	<b>8,756.10</b>	<b>1,041.36</b>	<b>9,797.46</b>
Remeasurement of post employment benefit obligation (net of tax)	-	(5.96)	(5.96)
Impact of Ind AS 116 "Leases"	-	(1,778.11)	(1,778.11)
Deferred tax on above	-	517.78	517.78
Profit for the year	-	1,642.94	1,642.94
<b>As at March 31, 2020</b>	<b>8,756.10</b>	<b>1,418.02</b>	<b>10,174.12</b>

Accompanying Notes 1 to 64 form an integral part of these Financial Statements

As per our attached report of even date

for ANSK &amp; Associates

Chartered Accountants

FRN: 026177N

(CA Akhil Mittal)

Partner

M.No. 517856

Date: June 29, 2020

Place: New Delhi

For and on behalf of the Board of Directors

(Vijay Bansal)

Chairman &amp; Managing Director

DIN : 01110877

(CA Shivendra Nigam)

Chief Financial Officer

(Deepak Bansal)

Director

DIN : 01111104

(CS Poonam Chahal)

Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

#### 1 Company Overview

Cantabil Retail India Limited ('the company') is a public limited company domiciled in India and incorporated on February 9, 1989 under the provisions of the Companies Act applicable in India having corporate identification number L74899DL1989PLC034995. The company is engaged in the business of designing, manufacturing, branding and retailing of apparel and apparel accessories through chain of retail store under the brand name "Cantabil", "Crozo", "Kaneston" & "Lil Potatoes". Registered office of company is situated in Delhi, India. The Company has its primary listings on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

#### 2 Significant Accounting Policies

##### 2.01 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS").

##### 2.02 Overall Consideration

These financial statements have been prepared on going concern basis using the significant accounting policies and measurement basis summarised below: These accounting policies have been used throughout all periods presented in financial statements.

##### 2.03 Basis of Measurement

The financial statements are prepared on Historical Cost basis except financial assets and liabilities that are measured at fair value (Refer accounting policy regarding Financial Instruments). The accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles. All income and expenditure are being accounted for on accrual basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### 2.04 Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

##### 2.05 Use of Estimates

In preparing Company's financial statements in conformity with Ind AS, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and underlying assumption are renewed at each balance sheet date. Any revision to accounting estimates is recognized in the period in which the same is determined.

##### 2.06 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions as and when they occur.

#### (i) Estimation of defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### (ii) Estimation of current tax and deferred tax

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in these financial statements.

#### (iii) Useful lives of depreciable/amortizable assets

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain property, plant and equipment.

#### (iv) Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

#### (v) Fair value measurement

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 49).

(vi) Evaluation of indicators for impairment of assets The evaluation of applicability of indicators of impairment of assets is based on assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

## 2.07 Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Current assets include current portion of non-current of financial assets.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Current Liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 2.08 Operating Expenses

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred.

## 2.09 Equity, Reserves and Dividend Payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

## 2.10 Property Plant & Equipment

### i) Initial Recognition and Measurement

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful life, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

Property, Plant and Equipments which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital Work-In-Progress'.

### ii) Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

### iii) De-recognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

### iv) Depreciation/amortization

Depreciation is recognized in profit or loss on a written down value over the estimated useful life of each item of Property, Plant and Equipment.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Depreciation on property, plant and equipment is provided on their estimated useful life as prescribed by Schedule II of The Companies Act, 2013 as follows:

1) Buildings	30 years
2) Plant & Machinery	15 years
3) Furniture & Fixtures	10 years
4) Vehicles	08 years
5) Office Equipments	05 years
6) Electrical Installation	10 years
7) Computer	03 years
8) Leasehold Improvements	Over the period of lease

The residual value, useful life and methods of PPE are reviewed at each financial year end and adjusted prospectively.

### 2.11 Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials & direct labour, borrowing costs, any other costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

### 2.12 Other Intangible Assets

#### i) Initial Recognition and Measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

#### ii) Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### iii) De-Recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

#### iv) Amortization

Intangible assets having definite life are amortized on straight line method in their useful life.

### 2.13 Impairment of Property, Plant and Equipment, Other Intangible Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.



## 2.14 Investment Property

Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013.

## 2.15 Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Consumable Spares are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
- Work in progress: cost includes raw material costs plus conversion costs depending upon the stage of completion.
- Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

All other inventories of stores, consumables, packing material at site are valued at cost. The stock of waste is valued at estimated net realisable value.

## 2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

## 2.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i) Financial Assets:** Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

**a) Initial Recognition and Measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**b) Subsequent Measurement**

Financial assets are subsequently classified and measured at:

- Financial assets at amortised cost
- Financial assets at fair value through profit and loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI).

**c) Equity Instruments:**

All investments in equity instruments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments if held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment as the company transfers cumulative gain or loss within the equity.

Equity instruments if classified as FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**d) De-Recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its contractual rights to receive cash flows from the asset.

**e) Impairment of Financial Asset**

Expected credit losses are recognized for all financial assets subsequent to initial recognition in Statement of Profit and loss.

For recognition of impairment loss on financial assets other than Trade receivables, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide impairment loss. However, If credit risk is increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves to such extent that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12- Month ECL.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**ii) Financial Liabilities**

**a) Initial Recognition and Measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b) Subsequent Measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. Trade and other payables maturing within one year from the balance sheet date are carried at transaction value and the carrying amounts approximate fair value due to the short maturity of these instruments. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**c) De-Recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**2.18 Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**2.19 Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or Indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

## 2.20 Impairment of Financial Assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the company is required to consider

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## 2.21 Provisions, Contingent Liabilities and Contingent Assets

Provision are measured at the Present value of the management's best estimate (these estimated are reviewed at each reporting date and adjusted to reflect the current best estimate) of the expenditure required to settle the present obligation at the end of reporting period. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. "Contingent liabilities are disclosed only when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which is not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or estimate of the amount cannot be measured reliably.

No contingent asset is recognized but disclosed by way of notes to accounts only when its recognition is virtually certain.

## 2.22 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Amount of sales are net of goods and service tax, sale returns, trade allowances and discounts but inclusive of excise duty.

To determine whether to recognize revenue, the company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The company considers the terms of the contract and its customary business practice to determine the transaction price.

In all cases, the total transaction price is allocated amongst the various performance obligations based on their relative standalone selling price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers.

For each performance obligation identified the company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at point in time. If any entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

A receivable is recognised where the company's right to consideration is unconditional (i.e. any passage of time is required before payment if the consideration is due).

When either party to a contract has performed, an entity shall present the contract in the balance sheet as contract asset or contract liability, depending on the relationship between the entity's performance and the customer's payment.

While this represents significant new guidance, the implementation of this new guidance had no impact on the timing or amount of revenue recognised by the company in any year.

Company continues to account for export benefits on accrual basis.

#### Other Income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

#### Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

#### Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the company's right to receive is established.

### **2.23 Foreign Currency Conversions/Transactions**

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payments or realisations as the case may be. Monetary assets and liabilities denominated in foreign currency as on Balance Sheet date are translated into functional currency at the exchange rates prevailing on that date and Exchange differences arising out of such conversion are recognised in the Statement of Profit and Loss.

### **2.24 Income Taxes**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to any business combination or to an item which is recognised directly in equity or in other comprehensive income.

**a) Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable company Group and the same taxation authority.

**c) Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset.

The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**2.25 Employee Benefits****i) Short Term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably."

**ii) Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). Company has identified two types of post employment benefits:

**a) Defined Contribution Plans**

Defined contribution plans are those plans in which the company pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation beyond the monthly contributions and are recognised as an expenses in Statement of Profit & Loss.

**b) Defined Benefit Plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit to employees is discounted to determine its present value.

The calculation is performed annually by a qualified actuary using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Any actuarial gains or losses pertaining to components of re-measurements of net defined benefit liability/(asset) are recognized in OCI in the period in which they arise.

**2.26 Borrowing Cost**

Borrowing cost include interest calculated using the effective interest method, amortization of ancillary costs and other costs the company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

**2.27 Earning Per Share**

Basic Earning Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

**2.28 Leases**

**Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

**Right of Use Assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

**Lease Liability**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short Term Lease & Leases of Low Value Assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**2.29 Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the Indirect method prescribed in Ind AS-7 'Statement of Cash Flows'.

**2.30 Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, ultimate collection of the grant/subsidy is reasonably certain and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**2.31 Segment Reporting**

The company is engaged in "the business of designing, manufacturing, branding and retailing of apparel and apparel accessories" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment and the Executive Management Committee does not monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

(₹ in Lakhs)

**3. Property, Plant and Equipment**

Particulars	Land	Buildings*	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation and Equipments	Computers	Total	Capital Work in Progress
<b>Gross Block :</b>										
<b>As at April 1, 2018</b>	624.30	3,094.95	1,508.52	1,439.36	53.75	108.90	43.60	89.01	6,962.40	15.56
Additions	-	257.42	276.87	717.34	-	72.28	-	30.06	1,353.97	33.64
Disposals/Transfer	-	-	0.71	13.32	-	0.04	-	0.29	14.36	15.56
Adjustments**	218.12	(218.12)	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>842.42</b>	<b>3,134.24</b>	<b>1,784.68</b>	<b>2,143.38</b>	<b>53.75</b>	<b>181.13</b>	<b>43.60</b>	<b>118.79</b>	<b>8,302.00</b>	<b>33.64</b>
Additions	-	241.21	223.88	579.71	-	63.60	-	28.25	1,136.65	70.82
Disposals/Transfer	-	-	21.05	32.35	-	0.88	0.53	-	54.80	33.64
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>842.42</b>	<b>3,375.46</b>	<b>1,987.50</b>	<b>2,690.85</b>	<b>53.75</b>	<b>243.86</b>	<b>43.07</b>	<b>147.04</b>	<b>9,363.85</b>	<b>70.82</b>
<b>Accumulated Depreciation :</b>										
<b>As at April 1, 2018</b>	-	516.71	405.43	432.11	25.95	48.47	19.35	59.90	1,507.92	-
Depreciation	-	243.23	236.09	357.31	8.02	45.55	6.28	26.98	923.46	-
Disposals	-	-	0.53	11.09	-	0.04	-	0.27	11.92	-
Adjustments**	-	(53.16)	-	-	-	-	-	-	(53.16)	-
<b>As at March 31, 2019</b>	-	<b>706.79</b>	<b>641.00</b>	<b>778.33</b>	<b>33.97</b>	<b>93.98</b>	<b>25.63</b>	<b>86.61</b>	<b>2,366.31</b>	-
Depreciation	-	254.93	230.07	439.81	5.51	55.08	4.62	27.93	1,017.94	-
Disposals	-	-	9.49	16.49	-	0.56	0.28	-	26.82	-
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	-	<b>961.72</b>	<b>861.57</b>	<b>1,201.65</b>	<b>39.48</b>	<b>148.51</b>	<b>29.97</b>	<b>114.54</b>	<b>3,357.43</b>	-
<b>Net Book Value :</b>										
<b>As at March 31, 2020</b>	<b>842.42</b>	<b>2,413.74</b>	<b>1,125.93</b>	<b>1,489.10</b>	<b>14.27</b>	<b>95.35</b>	<b>13.10</b>	<b>32.50</b>	<b>6,026.42</b>	<b>70.82</b>
<b>As at March 31, 2019</b>	<b>842.42</b>	<b>2,427.45</b>	<b>1,143.68</b>	<b>1,365.06</b>	<b>19.78</b>	<b>87.15</b>	<b>17.97</b>	<b>32.17</b>	<b>5,935.69</b>	<b>33.64</b>

Refer Note No. 52 for the assets pledged with banks, financial institutions and government authorities.

\* Buildings includes leasehold improvements

\*\* Land has been reclassified from Buildings and accordingly depreciation has been adjusted.



**4 Investment Property**

(₹ in Lakhs)

Particulars	Land	Apartment	Total
<b>Gross Block</b>			
<b>As at March 31, 2018</b>	<b>248.70</b>	<b>141.08</b>	<b>389.78</b>
Additions	-	-	-
Disposal	-	-	-
<b>As at March 31, 2019</b>	<b>248.70</b>	<b>141.08</b>	<b>389.78</b>
Additions	-	-	-
Disposal	-	-	-
<b>As at March 31, 2020</b>	<b>248.70</b>	<b>141.08</b>	<b>389.78</b>
Accumulated Depreciation and Impairment			
<b>As at April 1, 2018</b>	-	<b>13.41</b>	<b>13.41</b>
Depreciation	-	<b>6.22</b>	6.22
<b>As at March 31, 2019</b>	-	<b>19.62</b>	<b>19.62</b>
Depreciation	-	<b>5.92</b>	5.92
<b>As at March 31, 2020</b>	-	<b>25.54</b>	<b>25.54</b>
Net Block			
<b>As at March 31, 2020</b>	<b>248.70</b>	<b>115.54</b>	<b>364.24</b>
<b>As at March 31, 2019</b>	<b>248.70</b>	<b>121.45</b>	<b>370.15</b>

**Information regarding Income and Expenditure of Investment Property**

Particulars	As at March 31, 2020	As at March 31, 2019
Rental income derived from investment properties	<b>12.56</b>	11.33
Direct operating expenses (including repairs and maintenance) generating rental income	<b>(0.79)</b>	(0.79)
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>11.77</b>	10.54
Depreciation	<b>(5.92)</b>	(6.22)
<b>Profit arising from investment properties before indirect expenses</b>	<b>5.86</b>	4.33

**Fair Value****₹ in Lakhs****As at March 31, 2020****420.00**

As at March 31, 2019

420.00

This valuation is based on circle rate notified by the government. The fair value measurement is categorised in level 2- fair value hierarchy

**Premises given on operating lease:**

The Company has given investment property (building) on operating lease for 11 months and is renewable for further period on mutually agreeable terms.

**5 Right of Use Asset**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Right of Use Asset (Refer Note No. 55)	19,811.50	—
<b>Total</b>	<b>19,811.50</b>	<b>—</b>

**6 Other Intangible Assets**

(₹ in Lakhs)

Particulars	Computer Software	Brands / Trademarks	Total
<b>Gross Block :</b>			
<b>As at March 31, 2018</b>	49.34	2.62	51.96
Additions	14.30	2.12	16.41
Disposals/Transfer	-	-	-
Adjustments	-	-	-
<b>As at March 31, 2019</b>	<b>63.64</b>	<b>4.74</b>	<b>68.37</b>
Additions	16.42	-	16.42
Disposals/Transfer	-	-	-
<b>As at March 31, 2020</b>	<b>80.06</b>	<b>4.74</b>	<b>84.79</b>
<b>Amortisation :</b>			
<b>As at April 1, 2018</b>	18.50	1.03	19.53
Amortisation	12.36	0.36	12.72
Disposals	-	-	-
<b>As at March 31, 2019</b>	<b>30.86</b>	<b>1.39</b>	<b>32.25</b>
Amortisation	16.51	0.67	17.18
Disposals	-	-	-
<b>As at March 31, 2020</b>	<b>47.37</b>	<b>2.06</b>	<b>49.43</b>
<b>Net Book Value :</b>			
<b>As at March 31, 2020</b>	<b>32.69</b>	<b>2.68</b>	<b>35.37</b>
<b>As at March 31, 2019</b>	<b>32.77</b>	<b>3.35</b>	<b>36.12</b>

**7 Investments**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investments</b>		
<b>Long Term, Unquoted, fully paid equity shares at Fair Value through Profit &amp; Loss- Non Trade</b>		
20 Equity Shares of Bahadurgarh Footwear Development Services Private Limited of ₹50,000/- each (PY 20 equity shares @ ₹50,000/- each)	11.91	15.24
<b>Total</b>	<b>11.91</b>	<b>15.24</b>
Aggregate book value of above investments	10.00	10.00
Aggregate fair value of above investments	11.91	15.24

**8 Loans**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Security Deposits	828.81	667.43
<b>Total</b>	<b>828.81</b>	<b>667.43</b>

**9 Other Financial Assets (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with Banks* (remaining maturity more than 12 months)	72.24	13.16
<b>Total</b>	<b>72.24</b>	<b>13.16</b>

\* Pledged with Government Authorities

**10 Deferred Tax Assets (Net)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Tax effect of items constituting deferred tax asset</u></b>		
Accelerated Depreciation	313.31	241.94
Compensated Absences Payable	17.64	13.25
Provision for Doubtful Debts	17.00	0.76
Bonus Payable	73.15	57.55
Gratuity Payable	76.42	47.31
Unused Tax losses	-	672.09
<b>Total (a)</b>	<b>497.53</b>	<b>1,032.91</b>
<b><u>Tax effect of items constituting deferred tax liability</u></b>		
Ind AS 116 "Leases" - Opening Balance	517.78	-
Ind AS 116 "Leases" - During the year	264.88	-
Impact of other Ind AS	(0.15)	(5.06)
<b>Total (b)</b>	<b>782.51</b>	<b>(5.06)</b>
<b><u>Tax credits</u></b>		
MAT Credit Entitlement	612.18	661.85
<b>Total (c)</b>	<b>612.18</b>	<b>661.85</b>
<b>Total Deferred Tax Assets/ (Liability) (a)+(b)+(c)</b>	<b>1,892.22</b>	<b>1,689.70</b>

**Reconciliation of Deferred Tax (Net)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	1,690.04	1,738.01
Tax (income)/expense during the year recognised in profit or loss	(407.55)	(738.75)
Tax (income)/expense during the year recognised in OCI	(2.45)	28.93
MAT Credit Entitlement	612.18	661.85
<b>Closing Balance of Deferred Tax</b>	<b>1,892.22</b>	<b>1,690.04</b>

**11 Other Non Current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances (Unsecured, considered good)	473.93	377.67
Prepaid Expenses	321.24	336.03
<b>Total</b>	<b>795.17</b>	<b>713.70</b>

**12 Inventories**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Inventories</b>		
(Valued at lower of cost or net realisable value on FIFO basis)		
<b>Raw Materials</b>		
In hand	667.00	601.31
In transit	-	-
<b>Work in Progress *</b>	1,516.25	1,244.64
<b>Finished Goods</b>		
In hand	6,067.12	4,136.78
In transit	435.61	0.45
<b>Stock in Trade</b>		
In hand	3,550.77	3,706.16
In transit	568.25	0.33
<b>Total</b>	<b>12,805.01</b>	<b>9,689.69</b>

\* Work in Progress includes material lying at Job-worker's premises amounting to ₹1,072.89 lacs (PY 825.44 lacs)

**13 Investments**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investments at Fair Value through Profit &amp; Loss Account</b>		
<b>In Quoted Equity Shares</b>		
1,600 Equity shares of Nova Iron & Steel Co. Ltd face value @ ₹10 each (PY 1,600 Shares face value @ ₹10 each)	0.04	0.08
<b>In Quoted Mutual Funds</b>		
833.903 Units of HDFC Equity Fund (G) NAV @ ₹681.21 each (PY 833.903 units NAV @ ₹591.57 each)	3.82	5.68
IDFC Imperial Equity Fund- Plan A (G) (PY 910.61 units NAV @ ₹40.40 each) -		0.33
<b>Total</b>	<b>3.85</b>	<b>6.09</b>
<b>Aggregate book value of quoted investments</b>	<b>1.64</b>	<b>1.64</b>
<b>Aggregate market value of quoted investments</b>	<b>3.85</b>	<b>6.09</b>

**14 Trade Receivables**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Considered Good- Unsecured	452.34	1,844.99
Credit Impaired	58.40	34.56
Allowance for Expected Credit Loss	(58.40)	(34.56)
<b>Total</b>	<b>452.34</b>	<b>1,844.99</b>

**15 Cash and Cash Equivalents**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances with Banks	335.85	152.62
Cash in Hand	62.04	96.48
Deposits with Banks-FDR (Under lien as margin money with banks)	7.47	7.94
<b>Total</b>	<b>405.35</b>	<b>257.04</b>

**16 Loans**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Security Deposits (Unsecured, Considered Good)	76.28	55.88
Security Deposits (Unsecured, Considered Doubtful)	6.87	-
Allowance for Expected Credit Loss	(6.87)	-
<b>Total</b>	<b>76.28</b>	<b>55.88</b>

**17 Other Financial Assets (Current)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Unsecured, Considered Good</b>		
Inter Corporate Loan to Related Party (Refer Note No. 53)	412.60	412.60
<b>Other Receivables</b>	14.86	5.18
<b>Total</b>	<b>427.46</b>	<b>417.78</b>

**18 Current Tax Assets (Net)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Income Tax Recoverable (earlier years)	45.95	49.81
<b>Total (a)</b>	<b>45.95</b>	<b>49.81</b>
<b>Tax Payable/Refundable</b>		
Advance Tax	475.00	310.00
TDS Receivable	7.67	12.62
Less: Provision For Income Tax/MAT	(418.54)	(349.88)
<b>Total (b)</b>	<b>64.13</b>	<b>(27.26)</b>
<b>Total (a) + (b)</b>	<b>110.07</b>	<b>22.55</b>

**19 Other Current Assets**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Advances Receivable in Cash or Kind</b>		
Advances to Suppliers	94.93	203.68
Advances to Staff	7.03	7.56
Prepaid Expenses	79.33	83.74
Advance for Skill Development Program under DDU-GKY (Refer Note No. 60)	120.56	-
Deposit and Balances with Government Authorities	450.40	449.28
<b>Total</b>	<b>752.24</b>	<b>744.27</b>

**20 Equity Share Capital**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised Share Capital</b>		
170,00,000 shares (March 31, 2019 - 170,00,000)		
Equity Shares of ₹ 10/- each	<b>1,700.00</b>	1,700.00
<b>Issued Equity Share Capital:</b>		
1,63,27,608 shares (March 31, 2019 - 1,63,27,608)		
Equity Shares of ₹ 10/- each	<b>1,632.76</b>	1,632.76
<b>Subscribed and fully paid up:</b>		
1,63,27,608 shares (March 31, 2019 - 1,63,27,608)		
Equity Shares of ₹ 10/- each	<b>1,632.76</b>	1,632.76
	<b>1,632.76</b>	1,632.76

**(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Numbers of shares	₹ in Lakhs	Numbers of shares	₹ in Lakhs
Balance at the beginning of the period	<b>1,63,27,608</b>	<b>1,632.76</b>	1,63,27,608	1,632.76
Change in equity share capital during the period	-	-	-	-
Balance at the end of reporting period	<b>1,63,27,608</b>	<b>1,632.76</b>	1,63,27,608	1,632.76

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Numbers of shares held	% holding in that class of shares	Numbers of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Vijay Bansal	<b>61,12,801</b>	<b>37.44%</b>	61,12,801	37.44%
Mrs. Sushila Bansal	<b>28,11,674</b>	<b>17.22%</b>	28,11,674	17.22%
Mr. Deepak Bansal	<b>25,67,436</b>	<b>15.72%</b>	25,67,436	15.72%

**(iii) Terms / rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital. The Company declares and pay dividend in Indian rupees.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iv) No shares have been issued by the company for consideration other than cash, during the period of five years immediately preceding the reporting periods. Further, no shares which are reissued for use under options and contracts or commitment for sale of shares or disinvestment.**

**21 Other Equity**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Securities Premium:</b>		
Balance at the beginning of the reporting period	8,756.10	8,756.10
Add : Premium on issue of equity share	-	-
<b>Balance at the end of the reporting period</b>	<b>8,756.10</b>	8,756.10
<b>Retained Earnings:</b>		
Balance at the beginning of the reporting period	1,041.36	(279.04)
Impact of Ind AS 116 (Leases) (Refer Note No. 55)	(1,778.11)	-
Deferred tax on above	517.78	-
Profit/(Loss) for the year	1,642.94	1,249.99
Remeasurement of gains/(losses) of defined benefit obligation (net of tax)	(5.96)	70.41
<b>Balance at the end of the reporting period</b>	<b>1,418.02</b>	1,041.36
<b>Total Other Equity</b>	<b>10,174.12</b>	9,797.46

**Nature and Purpose of Other Reserves****Securities Premium**

Securities Premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of The Companies Act, 2013.

**Retained Earnings**

All the profits or losses made by the Company are transferred to retained earnings from statement of profit and loss.

**22 Borrowings (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Borrowings-Term loans - Secured</b>		
a. From Banks	-	169.67
b. From Non banking Financial Institutions	238.94	258.91
<b>Total</b>	<b>238.94</b>	428.57

**Disclosure of Repayment Terms**

Particulars	As at March 31, 2020	As at March 31, 2019
1. State Bank of India	-	15.57
2. ICICI Bank Limited	-	154.10
3. Punjab National Bank Housing Finance Limited	238.94	258.91
<b>Total</b>	<b>238.94</b>	428.57

**1 State Bank of India - Term Loan**

Original Term Loan of ₹170.00 lakhs, payable monthly as proportionate principal and actual interest @ 3M MCLR +1.25% p.a., secured against the hypothecation of Plant & Machinery at HSIIDC Bahadurgarh (Haryana). 2 current EMI's pending shown under current maturities of long term borrowings in Note No. 30 amounting to ₹10.43 lacs.

**2 ICICI Bank Limited - Term Loan**

Original Term Loan of ₹ 436.60 lakhs, payable monthly @ 1 Year MCLR is 8.80% p.a. and spread is 0.70% p.a. repayable over the period June, 2018 to March, 2021 secured by way of company's movable Fixed Assets including Plant & Machinery and Furniture & Fixtures. Personal Guarantees which should necessarily include the guarantees of Mrs. Sushila Bansal, Mr. Deepak Bansal & Mr. Vijay Bansal. 12 current installments pending shown under current maturities of long term borrowings in Note No. 30 amounting to ₹154.10 lacs.

**3 Punjab National Bank Housing Finance Limited - Loan Against Property**

(a) Original Loan against property of ₹119.50 lakhs, Original Tenure- 120 months by equated monthly installment (EMI) of ₹1,54,730/- Interest payable @ 10.75% p.a. repayable over the period December 10, 2017 to September 10, 2028 against mortgage of Shop No GF SR 20, Ansal Plaza, Vaishali, village Hasanpur, Ghaziabad, Uttar Pradesh and Shop No. F07 and F08, Mittal Mall Sector 25 Part II, Panipat, Haryana-132103. 102 installments pending amounting to ₹102.71 lacs including current installments pending shown under current maturities of long term borrowings in Note No. 30 amounting to ₹7.91 lacs.

(b) Original Loan against property of ₹181.50 lakhs, Original Tenure- 120 months by equated monthly installment (EMI) of ₹2,38,689/- Interest payable @ 11.00% p.a. repayable over the period December 10, 2017 to August 10, 2028. Floating against mortgage of Plot No. J 27, Mayfield Garden, Sector 51, Gurgaon Haryana - 122001. 101 installments pending amounting to ₹156.19 lacs including current installments pending shown under current maturities of long term borrowings in Note No. 30 amounting to ₹12.06 lacs.

**23 Lease Liability (Non Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability (Refer Note No. 55)	20,680.46	-
<b>Total</b>	<b>20,680.46</b>	<b>-</b>

**24 Other Financial Liabilities (Non Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit Received	955.60	552.13
<b>Total</b>	<b>955.60</b>	<b>552.13</b>

**25 Provisions (Non Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity*	320.94	241.93
Provision for Leave Encashment*	48.81	34.66
<b>Total</b>	<b>369.75</b>	<b>276.59</b>

Refer Note No. 47

**26 Other Non Current Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income (Refer Note No. 62)	433.33	273.40
<b>Total</b>	<b>433.33</b>	<b>273.40</b>

**27 Borrowings (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Borrowings</b>		
From Banks (Secured)	3,359.89	3,455.93
<b>Total</b>	<b>3,359.89</b>	<b>3,455.93</b>



**Details of Security and Repayment Terms for the Secured Short-Term Borrowings:**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans Repayable on Demand From Banks</b>		
(i) ICICI Bank Ltd.	1,006.90	1,188.08
(ii) Standard Chartered Bank	852.27	815.98
(iii) Standard Chartered Bank	0.00	73.09
(iv) State Bank of India	1,266.80	1,378.79
(v) HDFC Bank Ltd.	233.92	-
<b>TOTAL</b>	<b>3,359.89</b>	<b>3,455.93</b>

- (i) Interest payable @ MCLR - 6 months + spread is 0.70% and WCDL Interest payable @ MCLR 3M + spread is 0.55% to be applied on daily balances of the Facility. Pari passu charge by way of hypothecation on company entire stock of Raw Materials, Processed Stock, Finished Goods, Consumable Stores and Spares situated at present and future premises of the company and such other movables including Book-debts, Bills whether documentary or clean, outstanding monies, receivables, both and future in a form and manner satisfactory to the Bank .Pari passu charge by way of equitable mortgage on residential property located at 28, Road no. 78, Punjabi Bagh (West), New Delhi, owned by Deepak Bansal. Personal Guarantees which include the guarantees of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).
- (ii) Interest payable @ one month MCLR + 0.70 % p.a. (variable) to be applied on daily balances on the Overdraft Facility. Interest, commission and other charges as appropriate, will be levied as stated in sanction. Secured against hypothecation on present and future current assets of the company. CRR on stocks and book debts post deduction on charge on current assets for ICICI Bank Ltd and State Bank of India. Mortgage on residential property located at 28, Road no. 78, Punjabi Bagh (West), New Delhi, owned by Deepak Bansal. Value considered post deduction of pari passu charge on the property by ICICI Bank Ltd. and Personal Guarantees which include the guarantees of of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).
- (iii) Commission payable @ 2% p.a. Commission and other charges as appropriate, will be levied as stated in sanction. Secured against hypothecation on present and future current assets of the company. CRR on stocks and book debts post deduction on charge on current assets for ICICI Bank Ltd. and State Bank of India. Mortgage on residential property located at 28, Road no. 78, Punjabi Bagh (West), New Delhi, owned by Deepak Bansal. Value considered post deduction of pari passu charge on the property by ICICI Bank Ltd. and Personal Guarantees which include the guarantees of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).
- (iv) Interest payable @ 3 months MCLR + 1.25% p.a. chargeable on monthly rests, Secured Against hypothecation of stocks of Raw Material, Stock-in-Process, Finished Goods, Stores & Spares of garment manufacturing unit and receivables on pari-passu basis with ICICI Bank Ltd. and Standard Chartered Bank. Further secured against Equitable/Registered Mortgage of immovable properties of the company's land alongwith Building at Plot No. 359, 360 & 361 Phase 4B, HSIIDC Industrial Estate, Bahadurgarh (Haryana) total Plot area 12150 Sq. mtr., Plant & Machinerics and Personal Guarantee of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).
- (v) Interest payable @ 1 Year MCLR + 0.55% p.a. chargeable on monthly rests, Secured against hypothecation of current assets including card receivable on pari-passu basis with State Bank of India, ICICI Bank Ltd. and Standard Chartered Bank. Further secured against Equitable/Registered Mortgage of immovable properties of the company's Land alongwith Building at Plot No. 359, 360 & 361 Phase 4B, HSIIDC Industrial Estate, Bahadurgarh (Haryana) total Plot area 12150 Sq. mtr., Plant & Machinerics and Personal Guarantee of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).

**28 Trade Payables**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Outstanding Dues to Micro & Small Enterprises (Refer Note No. 61)	478.58	782.98
Total Outstanding Dues Other than Micro, & Small Enterprises	3,367.46	4,130.26
<b>Total</b>	<b>3,846.03</b>	<b>4,913.24</b>

**29 Lease Liability (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability (Refer Note No. 55)	1,818.75	-
<b>Total</b>	<b>1,818.75</b>	<b>-</b>

**30 Other Financial Liabilities (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Borrowings (Refer Note No. 22)	184.49	267.92
Security Deposit Received	42.85	66.50
<b>Other Payables</b>		
Salary & Wages Payable	341.60	334.58
Expenses Payable	283.00	84.36
<b>Total</b>	<b>851.95</b>	<b>753.35</b>

**31 Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	115.46	145.94
Advances From Customers	9.80	14.95
Liability towards advance received for Skill Development Program under DDU-GKY (Refer Note No. 60)	119.46	-
Deferred Income (Refer Note No.62)	32.30	33.17
<b>Total</b>	<b>277.03</b>	<b>194.06</b>

**32 Provisions (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity*	39.71	27.14
Provision for Leave encashment*	11.76	10.84
Provision for Bonus	251.20	197.65
<b>Total</b>	<b>302.67</b>	<b>235.63</b>

\* Refer Note No. 47

**33 Revenue From Operations**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products	33,797.78	28,772.23
Sale of Services	1.84	74.64
Other Operating Revenues	4.04	8.22
<b>Total</b>	<b>33,803.65</b>	<b>28,855.08</b>

\* Refer Note No. 54

**34 Other Income**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income	59.32	57.74
Unwinding of Interest Income on Security Deposits	122.21	22.55
Security Deposits Income	81.32	208.33
Gain on Fair value of Investments	-	5.92
Government Grant	4.19	6.60
Rental Income	15.01	11.68
Recoveries from Late Deliveries	104.99	49.98
Other Non Operating Income	18.62	37.04
<b>Total</b>	<b>405.66</b>	<b>399.83</b>

**35 Cost of Materials Consumed**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventory at the beginning of the year	601.31	499.50
Purchases	8,319.40	5,328.46
Cartage Inward	19.47	24.44
<b>Sub Total</b>	<b>8,940.18</b>	<b>5,852.40</b>
Less: Inventory at the end of the year	667.00	601.31
<b>Total</b>	<b>8,273.19</b>	<b>5,251.08</b>

**36 Purchase of Stock in Trade**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Traded Goods	6,648.60	9,856.44
<b>Total</b>	<b>6,648.60</b>	<b>9,856.44</b>

**37 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Inventories at the end of the year:</b>		
Finished Goods	6,502.73	4,137.24
Work-in-Progress (including Job work)	1,516.25	1,244.64
Stock in Trade	4,085.16	3,706.49
<b>Total (a)</b>	<b>12,104.14</b>	<b>9,088.37</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	4,137.24	5,238.50
Work-in-Progress (including Job work)	1,244.64	873.82
Stock in Trade	3,706.49	1,494.18
<b>Total (b)</b>	<b>9,088.37</b>	<b>7,606.50</b>
<b>Net (Increase) / Decrease</b>	<b>(3,015.77)</b>	<b>(1,481.87)</b>

**38 Employee Benefits Expense**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries and Wages	5,659.09	4,868.56
Contributions to Provident and Other Funds	268.39	225.86
Staff Welfare Expenses	66.93	52.55
<b>Total</b>	<b>5,994.41</b>	<b>5,146.98</b>

**39 Finance Costs**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Interest</b>		
Interest on Term Loans	58.12	80.01
Interest on Working Capital Loans	288.84	327.46
<b>Other Interest</b>		
Interest on Security Deposits	13.73	15.51
Interest on dues to MSME (Refer Note No. 61)	-	20.77
Interest on Lease Liability (Refer Note No. 55)	1,379.49	-
Unwinding of Interest Costs on Security Deposits	109.62	185.28
<b>Other Borrowing Costs</b>		
Bank and Other Financial Charges	221.19	222.81
<b>Total</b>	<b>2,071.00</b>	<b>851.85</b>

**40 Depreciation and Amortisation Expense**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant & Equipment	1,017.94	870.30
Depreciation on Right of Use Asset (Refer Note No. 55)	3,378.14	-
Depreciation on Investment Property	5.92	6.22
Amortisation of Intangible Assets	17.18	12.72
<b>Total</b>	<b>4,419.18</b>	<b>889.24</b>

**41 Other Expenses**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year Ended March 31, 2020</b>	<b>Year Ended March 31, 2019</b>
Consumption of Consumables	24.61	23.66
Job Work Charges	2,894.51	1,018.20
Electricity and Fuel Expenses	663.65	517.58
Rent (Refer Note No. 55)	145.34	2,730.67
Repairs and Maintenance - Plant & Machinery	54.53	40.88
Repairs and Maintenance - Building & Others	91.41	83.36
Insurance	32.82	38.01
Rates and Taxes	38.59	33.64
Communication	48.63	41.06
Travelling and Conveyance	153.74	147.01
Printing and Stationery	68.83	56.66
Freight and Forwarding	226.14	170.91
Commission (Refer Note No. 55)	1,576.48	1,020.59
Consumption of Carry Bags	100.74	197.00
Store Maintenance & Running Expenses	468.34	374.12
Security Expenses	59.16	53.84
Festival Expenses	41.91	40.00
Business Promotion	46.55	10.45
Advertisement & Publicity Expenses	348.93	316.40
Legal and Professional Charges	225.89	159.96
CSR Expenditure (Refer Note No. 45)	19.50	12.50
Payments to Auditors (Refer Note No. 46)	10.20	10.20
Fair Value Loss on Investments	5.47	-
Property Plant & Equipments Written Off	13.34	1.44
Allowances for Expected Credit Loss	30.71	2.63
Miscellaneous Expenses	28.07	21.20
<b>Total</b>	<b>7,418.09</b>	<b>7,121.94</b>

**42 Tax Expense****a) Tax Expense**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year Ended March 31, 2020</b>	<b>Year Ended March 31, 2019</b>
Current Tax	418.54	349.88
Current Tax - MAT Entitlement / (Credit)	71.08	(349.88)
Deferred Tax Reversal/ (Charge)	268.04	369.26
<b>Total Tax Expense Recognised in Statement of Profit &amp; Loss</b>	<b>757.67</b>	<b>369.26</b>

**b) Tax Expense Recognised in Other Comprehensive Income**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year Ended March 31, 2020</b>	<b>Year Ended March 31, 2019</b>
Tax on Re-measurement Losses on Defined Benefit Plans	(2.45)	28.93
<b>Total</b>	<b>(2.45)</b>	<b>28.93</b>

**c) Reconciliation of Effective Tax Rate**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit Before Tax	2,400.61	1,619.25
Enacted Tax Rate in India	29.12%	29.12%
Expected Tax Expenses	699.06	471.53
Additional Deduction under Income Tax Act, 1961	(1,489.10)	(445.46)
Expenses Disallowed under Income Tax Act, 1961	1,897.87	420.94
Set off of Carried Forward Losses under Income Tax Act, 1961	(618.20)	(447.01)
Deferred Tax Reversal/(Charge)	268.04	369.26
<b>Reported Tax Expense</b>	<b>757.67</b>	<b>369.26</b>

**d) Reconciliation of Unutilised Tax Credit Under MAT**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Balance	661.85	311.97
Tax Credit for Current year	-	349.88
Tax Credit Utilised during the year	(71.08)	-
Unrecognised Tax credit for earlier years	21.41	-
<b>Closing Balance</b>	<b>612.18</b>	<b>661.85</b>

**43 Other Comprehensive Income (OCI)**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
The Disaggregation of changes to OCI by each type of reserve in equity is :		
Re-measurement Gains (losses) on Defined Benefit Plans	(8.41)	99.34
Deferred Tax (Charge)/Reversal	2.45	(28.93)
<b>Total</b>	<b>(5.96)</b>	<b>70.41</b>

**44 Earnings Per Equity Share**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Equity Share of Face Value of ₹ 10 each		
Profit Attributable to Equity Share Holders	1,642.94	1,249.99
Weighted Number of Equity Shares Outstanding During the Year (Number in lakhs)	163.28	163.28
Par Value Per Share ( in ₹ )	10.00	10.00
EPS :	-	-
Basic ( in ₹ )	10.06	7.66
Diluted ( in ₹ )	10.06	7.66

**45 Details of CSR Expenditure as per Section 135 of The Companies Act, 2013:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Gross Amount Required to be Spent during the year	19.50	12.09
b) Amount Spent during the year:		
i) Construction/Acquisition of any Asset	-	-
ii) On Purposes other than (i) above	19.50	12.50

**46 Payments to the Auditors Comprise of:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Statutory Audit Fees	9.00	9.00
Limited Review	1.20	1.20
<b>Total</b>	<b>10.20</b>	<b>10.20</b>

**47 Employee Benefit Obligations**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity	39.71	320.94	27.14	241.93
Leave Encashment	11.76	48.81	10.84	34.66
<b>Total</b>	<b>51.47</b>	<b>369.75</b>	<b>37.98</b>	<b>276.59</b>

**A Disclosure of Gratuity****(i) Amount Recognised in the Statement of Profit and Loss is as under:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	97.61	61.52
Net Interest Cost (Income)	19.91	16.28
<b>Net Impact on Profit (Before Tax)</b>	<b>117.52</b>	<b>77.81</b>
Actuarial Loss/(Gain) Recognised during the Year	(8.41)	(15.87)
<b>Total</b>	<b>109.12</b>	<b>61.94</b>

**(ii) Change in the Present Value of Obligation:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Present Value of Defined Benefit Obligation as at the Beginning of the Year</b>	<b>269.07</b>	<b>223.08</b>
Current Service Cost	97.61	61.52
Interest Cost	19.91	16.28
Benefits Paid	(17.53)	(15.95)
Actuarial Loss/(Gain)	(8.41)	(15.87)
Past Service Cost	-	-
<b>Present Value of Defined Benefit Obligation at the End of the Year</b>	<b>360.65</b>	<b>269.07</b>

**(iii) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets:** (₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Present Value of Funded Obligation as at the End of the Year	360.65	269.07
Fair Value of Plan Assets as at the End of the Period Funded Status	(360.65)	(269.07)
<b>Unfunded/Funded Net Liability Recognized in Balance Sheet</b>	<b>360.65</b>	<b>269.07</b>

**(iv) Breakup of Actuarial (Gain)/Loss:** (₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Actuarial (Gain)/Loss from Change in Demographic Assumption	46.85	-
Actuarial (Gain)/Loss From Change in Financial Assumption	22.89	(1.74)
Actuarial (Gain)/Loss From Experience Adjustment	(78.15)	(14.13)
<b>Total Actuarial (Gain)/Loss</b>	<b>(8.41)</b>	<b>(15.87)</b>

**(v) Actuarial Assumptions** (₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Discount Rate	6.20%	7.40%
Rate of Increase in Compensation Levels	7.00%	10.00%
Retirement Age	60 Yrs.	60 Yrs.

**Notes:**

- 1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**(vi) Sensitivity Analysis for Gratuity Liability** (₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Impact of Change in Discount Rate</b>		
Present Value of Obligation at the End of the Year		
- Decrease due to Increase of 1 %	37.90	16.32
- Increase' due to Decrease of 1 %	41.89	18.41
<b>Impact of Change in Salary Increase</b>		
Present Value of Obligation at the End of the Year		
- Increase due to Increase of 1 %	40.26	17.59
- Decrease due to Decrease of 1 %	36.79	16.01

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.



**(vii) Maturity Profile of Defined Benefit Obligation**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Within next 12 Months	39.71	27.14
Between 1-5 Years	142.96	103.27
Beyond 5 Years	177.99	138.66

**B. Leave Encashment****Amount Recognised in the Statement of Profit and Loss is as under:**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	18.27	23.22
Interest Cost	3.37	2.68
Actuarial Loss/(Gain) Recognised during the Year	86.00	54.52
<b>Total</b>	<b>107.64</b>	<b>80.41</b>

**C. Defined Contribution Plan**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Contribution to Provident and Other Funds	268.39	225.86
<b>Total</b>	<b>268.39</b>	<b>225.86</b>

**48 Related Party Disclosure**

- i) The related parties as per terms of Ind AS-24, "Related Party Disclosure", (specified under section 133 of The Companies Act, 2013, read with rule 7 of (Accounts) Rule, 2015) and Section 188 of The Companies Act, 2013 are disclosed below :-  
Related Parties with whom Transactions have taken place during the year :

<b>(i) Directors (A)</b>	<b>(ii) Enterprises in which Directors' relative are Interested (B)</b>
Mr. Vijay Bansal (CMD)	Aamor Inox Limited
Mr. Deepak Bansal (WTD)	Mahalaxmi Castles & Villas Private Limited
Mr. Basant Goyal (WTD)	
Mr. Arun Kumar Roopanwal* (Independent Director)	
Mrs. Renu Jagdish (Independent Director)	
Mr. Lalit Kumar* (Independent Director)	
Mr. Rajeev Sharma (Independent Director)	
Mr. Balvinder Singh Ahluwalia (Independent Director)	
<b>(iii) Key Management Personnel's relative (C)</b>	<b>(iv) Key Management Personnel (D)</b>
Mr. Mukesh Hooda	Mr. Shivendra Nigam (CFO)
Mr. Mukesh Hooda (HUF)	Ms. Poonam Chahal ( CS )
Ms. Murti Devi	
Mr. Bhim Singh	
<b>v) Enterprises in which Directors are Interested (E)</b>	<b>(vi) Director's relative (F)</b>
Global Textiles	Ms. Megha Bansal

\* Vacated office as Independent Director due to completion of tenure w.e.f. close of business hours on September 29, 2019

**iii. Transaction with Related Parties**

(₹ in Lakhs)

Particulars	Director (A)		Enterprises in which Directors' relative are Interested (B)		Key Management Personnel's relative (C)		Key Management Personnel (D)		Enterprises in which Directors are Interested (E)		Director's relative (F)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>A) Transaction</b>												
<b>Director's Remuneration &amp; Perquisites</b>												
Mr. Vijay Bansal	83.20	83.20	-	-	-	-	-	-	-	-	-	-
Mr. Deepak Bansal	83.20	83.20	-	-	-	-	-	-	-	-	-	-
Mr. Basant Goyal	24.17	24.00	-	-	-	-	-	-	-	-	-	-
<b>Director's Sitting Fees</b>												
Mr. Arun Kumar Roopanwal*	1.20	2.40	-	-	-	-	-	-	-	-	-	-
Mrs. Renu Jagdish	2.60	2.40	-	-	-	-	-	-	-	-	-	-
Mr. Lalit Kumar*	1.20	2.40	-	-	-	-	-	-	-	-	-	-
Mr. Rajeev Sharma	1.20	-	-	-	-	-	-	-	-	-	-	-
Mr. Balvinder Singh Ahluwalia	0.60	-	-	-	-	-	-	-	-	-	-	-
<b>Remuneration to Key Management Personnel</b>												
Mr. Shivendra Nigam	-	-	-	-	-	-	31.90	28.53	-	-	-	-
Ms. Poonam Chahal	-	-	-	-	-	-	16.44	14.94	-	-	-	-
<b>Remuneration Director's relative</b>												
Ms. Megha Bansal	-	-	-	-	-	-	-	-	-	-	12.00	12.00
<b>Purchase of Fabric</b>												
Global Textiles	-	-	-	-	-	-	-	-	1,677.69	1,533.35	-	-
<b>Commission</b>												
Mr. Bhim Singh	-	-	-	-	0.11	3.72	-	-	-	-	-	-
Mr. Mukesh Hooda	-	-	-	-	10.62	10.62	-	-	-	-	-	-
Mukesh Hooda HUF	-	-	-	-	5.15	-	-	-	-	-	-	-
Ms. Murti Devi	-	-	-	-	14.91	3.72	-	-	-	-	-	-
<b>Meeting &amp; Conference</b>												
Mahalaxmi Castles & Villas Pvt Ltd	-	-	1.00	1.48	-	-	-	-	-	-	-	-
<b>Interest Received</b>												
Aamor Inox Limited	-	-	56.00	56.00	-	-	-	-	-	-	-	-
<b>Sale of Garments</b>												
Mahalaxmi Castles & Villas Pvt Ltd	-	-	-	0.10	-	-	-	-	-	-	-	-
<b>Security Deposit Received</b>												
Mukesh Hooda HUF	-	-	-	-	25.00	-	-	-	-	-	-	-
<b>Security Deposit Repaid</b>												
Mr. Bhim Singh	-	-	-	-	25.00	-	-	-	-	-	-	-

\* Vacated office as Independent Director due to completion of tenure w.e.f. close of business hours on September 29, 2019

## Transaction with Related parties Cont...

Particulars	Director (A)		Enterprises in which Directors' relative are Interested (B)		Key Management Personnel's relative (C)		Key Management Personnel (D)		Enterprises in which Directors are Interested (E)		Director's relative (F)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	₹ in Lakhs)											
<b>(B) Balance outstanding as at the end of the year</b>												
<b>Inter Corporate Deposit Given</b>												
Aamor Inox Limited	-	-	412.60	412.60	-	-	-	-	-	-	-	-
<b>Payable for Remuneration</b>												
Mr. Vijay Bansal	4.74	4.66	-	-	-	-	-	-	-	-	-	-
Mr. Deepak Bansal	4.70	4.66	-	-	-	-	-	-	-	-	-	-
Mr. Basant Goyal	2.35	1.81	-	-	-	-	-	-	-	-	-	-
Mr. Shivendra Nigam	-	-	-	-	-	-	2.62	2.41	-	-	-	-
Ms. Poonam Chahal	-	-	-	-	-	-	1.06	1.08	-	-	-	-
Ms. Megha Bansal	-	-	-	-	-	-	-	-	-	-	1.00	0.99
<b>Payable for Creditors</b>												
Global Textiles	-	-	-	-	-	-	-	-	585.22	521.79	-	-
<b>Payable for Security Deposit</b>												
Mr. Bhim Singh	-	-	-	-	10.00	25.00	-	-	-	-	-	-
Mr. Mukesh Hooda	-	-	-	-	50.00	50.00	-	-	-	-	-	-
Mukesh Hooda HUF	-	-	-	-	25.00	-	-	-	-	-	-	-
Ms. Murti Devi	-	-	-	-	10.00	10.00	-	-	-	-	-	-
<b>Payable for Commission</b>												
Mr. Bhim Singh	-	-	-	-	-	0.30	-	-	-	-	-	-
Mr. Mukesh Hooda	-	-	-	-	0.85	0.85	-	-	-	-	-	-
Mukesh Hooda HUF	-	-	-	-	0.42	-	-	-	-	-	-	-
Ms. Murti Devi	-	-	-	-	1.37	0.30	-	-	-	-	-	-

As the liabilities for gratuity and leave encashment are provided on actuarial basis for the company as a whole, the amount pertaining to key management personnel are not included in above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

**49 Fair Value Disclosures**
**i) Fair Values Hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements**

As at March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Assets At Fair Value</b>				
<b>Investments Measured At Fair Value</b>				
Through Other Comprehensive Income	-	-	-	-
Investments Measured At Fair Value Through Profit And Loss	3.85	11.91	-	15.76
<b>Total</b>	<b>3.85</b>	<b>11.91</b>	<b>-</b>	<b>15.76</b>
<b>As at March 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Assets at Fair Value				
Investments Measured At Fair Value Through Other Comprehensive Income	-	-	-	-
Investments Measured At Fair Value Through Profit And Loss	6.09	15.24	-	21.33
<b>Total</b>	<b>6.09</b>	<b>15.24</b>	<b>-</b>	<b>21.33</b>

**Valuation Process and Technique used to Determine Fair Value**

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**(ii) Fair Value of Instruments Measured at Amortised Cost**

Particulars	Level	As at March 31, 2020		As at March 31, 2019	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial Assets</b>					
Loans	Level 3	905.09	905.09	723.30	723.30
Trade Receivables	Level 3	452.34	452.34	1,844.99	1,844.99
Cash & Cash Equivalents	Level 3	405.35	405.35	257.04	257.04
Other Financial Assets	Level 3	499.70	499.70	430.94	430.94
<b>Total Financial Assets</b>		<b>2,262.47</b>	<b>2,262.47</b>	<b>3,256.27</b>	<b>3,256.27</b>

Particulars	Level	As at March 31, 2020		As at March 31, 2019	
		Carrying value	Fair value	Carrying value	Fair value
Borrowings	Level 3	3,598.83	3,598.83	3,884.50	3,884.50
Trade Payables	Level 3	3,846.03	3,846.03	4,913.24	4,913.24
Lease Liability	Level 3	22,499.22	22,499.22	-	-
Other Financial Liabilities	Level 3	1,807.55	1,807.55	1,305.49	1,305.49
<b>Total Financial Liabilities</b>		<b>31,751.63</b>	<b>31,751.63</b>	<b>10,103.23</b>	<b>10,103.23</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables, short term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

All long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

## 50 Financial Risk Management

### i) Financial Instruments By Category

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial Assets</b>						
Investments	15.76	-	-	21.33	-	-
Other Financial Assets	-	-	499.70	-	-	430.94
Trade Receivables	-	-	452.34	-	-	1,844.99
Cash And Cash Equivalents	-	-	405.35	-	-	257.04
Loan	-	-	905.09	-	-	723.30
<b>Total</b>	<b>15.76</b>	<b>-</b>	<b>2,262.47</b>	<b>21.33</b>	<b>-</b>	<b>3,256.27</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	3,598.83	-	-	3,884.50
Trade Payables	-	-	3,846.03	-	-	4,913.24
Lease Liability	-	-	22,499.22	-	-	-
Other Financial Liabilities	-	-	1,807.55	-	-	1,305.49
<b>Total</b>	<b>-</b>	<b>-</b>	<b>31,751.63</b>	<b>-</b>	<b>-</b>	<b>10,103.23</b>

### ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit Risk	Cash And Cash Equivalents, Trade Receivables, Financial Assets Measured At Amortised Cost	Ageing Analysis
Liquidity Risk	Borrowings And Other Liabilities	Rolling Cash Flow Forecasts
Market Risk - Interest Rate	Borrowings At Variable Rates	Sensitivity Analysis

### A) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks.

#### a) Credit Risk Management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this

information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(a) Low Credit Risk                      (b) Moderate Credit Risk                      (c) High Credit Risk

**Assets under Credit Risk –**

Credit Rating	Particulars	As at March 31, 2020	As at March 31, 2019
A: Low	Investments	15.76	21.33
	Other Financial Assets	499.70	430.94
	Cash and Cash Equivalents	405.35	257.04
	Trade Receivables	452.34	1,844.99
	Loans	905.09	723.30

Cash & Cash Equivalents And Bank Deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade Receivables And Other Financial Assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected Credit Loss For Trade Receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), is ₹ Nil (31 March 2019: ₹ Nil).

Loan & Other financial assets measured at amortised cost includes security deposits, fixed deposits loan to related parties and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**i) Provision For Expected Credit Losses**

As at March 31, 2020	Estimated Gross Carrying Amount At Default	Expected Credit Losses	Carrying Amount Net Of Impairment Provision
Cash And Cash Equivalents	405.35	-	405.35
Loans	905.09	-	905.09
Trade Receivables	510.73	58.40	452.34
Other Financial Assets	506.57	6.87	499.70

As at March 31, 2019	Estimated Gross Carrying Amount At Default	Expected Credit Losses	Carrying Amount Net Of Impairment Provision
Cash And Cash Equivalents	257.04	-	257.04
Loans	723.30	-	723.30
Trade Receivables	1,879.55	34.56	1,844.99
Other Financial Assets	430.94	-	430.94

**B) Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

**a) Financing Arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

<b>Floating Rate</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
- Expiring within one year (cash credit and other facilities- fixed rate)	-	-
- Expiring beyond one year (bank loans - floating rate)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**b) Maturities of Financial Liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity. Company's based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>As at March 31, 2020</b>	<b>Less than 1 year</b>	<b>1-3 year</b>	<b>3-5 year</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	3,359.89	47.06	58.31	133.57	3,598.83
Trade Payable	3,846.03	-	-	-	3,846.03
Lease Liability	1,818.75	5,699.12	6,941.97	8,039.37	22,499.22
Other Financial Liabilities	667.46	955.60	-	-	1,623.06
<b>Total</b>	<b>9,692.14</b>	<b>6,701.78</b>	<b>7,000.28</b>	<b>8,172.94</b>	<b>31,567.14</b>

<b>As at March 31, 2020</b>	<b>Less than 1 year</b>	<b>1-3 year</b>	<b>3-5 year</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	3,455.93	42.22	52.30	334.06	3,884.50
Trade Payable	4,913.24	-	-	-	4,913.24
Other Financial Liabilities	485.43	552.13	-	-	1,037.57
<b>Total</b>	<b>8,854.60</b>	<b>594.35</b>	<b>52.30</b>	<b>334.06</b>	<b>9,835.31</b>

**C) Market Risk****a) Interest Rate Risk****i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest Rate Risk Exposure

Below is the overall exposure of the Company to interest rate risk:

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Variable Rate Borrowing	<b>3,783.32</b>	4,152.42
Fixed Rate Borrowing	-	-
<b>Total Borrowings</b>	<b>3,783.32</b>	4,152.42
Amount Disclosed under Other Current Financial Liabilities	<b>184.49</b>	267.92
Amount Disclosed Under Borrowings (Non Current)	<b>3,598.83</b>	3,884.50

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Interest sensitivity*</b>		
Interest rates – decrease by 100 bps*	<b>(37.83)</b>	(41.52)
Interest rates – increase by 100 bps*	<b>37.83</b>	41.52

\* Holding all other variables constant

#### D) Foreign Currency Risk

There is no foreign currency risk during the year as there are minimal transactions.

#### E) Competition and Price Risk

The Company faces competition from competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

### 51 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing term loans and working capital borrowings.

#### (a) Debt Equity Ratio

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Net Debt</b>	<b>3,783.32</b>	4,152.42
Total Equity	<b>11,806.88</b>	11,430.23
Net Debt to Equity Ratio	<b>0.32</b>	0.36

### 52 Assets Pledged as Security

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Inventories	<b>12,805.01</b>	9,689.69
Trade Receivables	<b>452.34</b>	1,844.99
<b>Total Current Assets Pledged as Security</b>	<b>13,257.35</b>	11,534.68
<b>Non-Current</b>		
Property, Plant and Equipment	<b>4,054.02</b>	4,042.15
Investment Property	<b>364.24</b>	370.15
Fixed Deposits	<b>72.24</b>	13.16
<b>Total Non-Current Assets Pledged as Security</b>	<b>4,490.49</b>	4,425.46
<b>Total Assets Pledged as Security</b>	<b>17,747.84</b>	15,960.13

### 53 Disclosure Pursuant to Section 186(4) of The Companies Act, 2013

- (a) Refer Note No. 7 & Note No. 13 for details of Investments made  
 (b) Details of Loan are given below:



Particulars	As at March 31, 2020	As at March 31, 2019
<b>Aamor Inox Limited</b>		
Outstanding as at the Beginning of Year	412.60	412.25
Given during the year	-	-
Interest Charged during the year	56.00	56.00
Interest Received during the year	56.00	55.65
Repaid during the year	-	-
Outstanding as at the End of year	412.60	412.60
Maximum Balance Outstanding during the year	412.60	413.61

#### 54 Revenue Related Disclosures

Disclosure of Revenue as required by Ind AS 115 "Revenue From Contracts with Customers"

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Revenue From Contracts With Customers</b>		
<b>(I) Sale Of Products*</b>		
(A) Sale Of Products	33,797.78	28,772.23
(B) Sale Of Services	1.84	74.64
<b>(II) Other Operating Income</b>	4.04	8.22
<b>Total Revenue Covered Under Ind As 115</b>	<b>33,803.65</b>	<b>28,855.08</b>

#### A Contract Balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Contract Liabilities</b>		
Advance Received From Customers	9.80	14.95
<b>Total Contract Liabilities</b>	<b>9.80</b>	<b>14.95</b>
<b>Receivables</b>		
Trade Receivables	452.34	1,844.99
<b>Total Receivables</b>	<b>452.34</b>	<b>1,844.99</b>

Receivable is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

#### B Significant Changes In The Contract Liabilities Balances During The Year Are As Follows:

##### Advances from Customers

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening Balance</b>	<b>14.95</b>	31.91
Addition during the year	323.58	6.97
Revenue Recognised during the year	(318.44)	(23.93)
<b>Closing Balance</b>	<b>9.80</b>	14.95

#### 55 Leases in compliance with IndAS 116

##### Company as Lessee

The Company has entered into certain lease arrangements in the form of finance leases for its company owned retail outlets. Also the company pays non-lease payments to its franchisee owned outlets which includes embedded lease payments. As per the terms, the Company's obligation could be fixed or purely variable or variable with minimum guarantee payment for use of property.

The Company also has certain leases of offices, store premises and warehouses with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets'

recognition exemptions for these leases. The lease payments for such leases is being recognised on actual basis by applying paragraph 6 of Ind AS 116.

#### Impact on Financial Statements as on 31st March 2020

The company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the company has not restated the comparative information, instead the cumulative effects of initially applying the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognising (including reclassification from other assets) a "Right of Use Asset" of ₹18,546.19 lakhs and a corresponding "Lease liability" of ₹20,324.30 Lakhs by adjusting retained earnings of ₹1,778.11 lakhs ("Deferred Tax Asset" created for ₹517.78 lakhs thereon) as at April 1, 2019.

#### Carrying Amount of respective items is as follows:

As at 31st March, 2020	Right of Use Asset	Lease Liability
Created on Leases executed before April 01, 2019	18,546.19	20,324.30
Addition for Leases entered during the year	4,643.45	4,643.45
Interest Cost on Lease Liability	-	1,379.49
Lease Payments (normal and embedded) during the year	-	3,848.03
Depreciation for the year	3,378.14	-
<b>Balance as on March 31, 2020</b>	<b>19,811.50</b>	<b>22,499.22</b>
<b>Non-Current Portion</b>	<b>19,811.50</b>	<b>20,680.46</b>
<b>Current Portion</b>	<b>-</b>	<b>1,818.75</b>

The effective interest rate for lease liability is weighted average borrowing rate for the company.

#### Impact on Statement of Profit and Loss for year ending March 2020

Consequently in the statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from "Rent" in previous period to "Depreciation and amortisation expenses" for the "Right of Use Assets" and "Finance Cost" for interest accrued on lease liability. As a result the "Rent", "Depreciation and amortisation expense" and "Finance Cost" of the current period is not comparable to the earlier periods.

Adjustments to Increase /(Decrease) in Net profit	Year Ended March 31, 2020 Comparable basis	Changes due to IND AS 116 Increase/ (Decrease)	Year Ended March 31, 2020 as reported
Rent	3,754.67	(3,609.34)	145.34
Commission	1,805.33	(228.85)	1,576.48
Other Expenses	2,811.61	(9.84)	2,801.76
Finance Cost	691.51	1,379.49	2,071.00
Depreciation and Amortisation Expense	1,041.03	3,378.14	4,419.18
Profit before Tax	3,310.21	(909.61)	2,400.61
Tax expenses	(489.62)	-	(489.62)
Deferred Tax assets /(liability)	(532.92)	264.88	(268.04)
Profit After Tax	2,287.67	(644.73)	1,642.94

Rent recognised in statement of profit and loss account is for short term leases, as per Ind AS 116 "Leases".

Commission recognised in statement of profit and loss account excludes embedded portion of lease payments to its franchisee owned outlets.

The schedule of lease rental payments in respect of leases is set out below:

Particulars	As at March 31, 2020	As at March 31, 2019
Payable not later than 1 year	357.38	313.94
Payable later than 1 year but not later than 5 years	1,711.71	-
Payable later than 5 years	855.51	-

**56 Segment Reporting**

The Company is primarily engaged in the business of "Retail" which constitutes a single reporting segment and the Executive Management Committee does not monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements therefore no additional disclosures are required under Ind AS 108 – "Segment Reporting".

**57 Provisions For Allowances For Expected Credit Loss**

Movement in Each Class of Provision made during the financial year are as under:

<b>(A) Allowances for Expected Credit Loss - Trade Receivables</b>	<b>Amount</b>
<b>As at April 1, 2018</b>	<b>34.56</b>
Additional Provision during the year	-
Amount Used during the period	-
<b>As at March 31, 2019</b>	<b>34.56</b>
Additional Provision during the year	23.83
Amount used during the period	-
<b>As at March 31, 2020</b>	<b>58.40</b>
<b>(B) Allowances for Expected Credit Loss - Other Financial Assets*</b>	<b>Amount</b>
<b>As at April 1, 2018</b>	-
Additional Provision during the year	-
Amount used during the period	-
<b>As at March 31, 2019</b>	-
Additional Provision during the year	6.87
Amount used during the period	-
<b>As at March 31, 2020</b>	<b>6.87</b>

\*Allowance for expected credit loss on Other Financial assets has been created on Security Deposits paid to Landlords which seems to be doubtful.

**58 Contingent Liabilities and Commitments (To The Extent Not Provided For)****(a) Contingent Liabilities**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Claims against the company not acknowledged as debts</b>		
1. Appeals under Tax Laws	<b>115.95</b>	115.95
2. Fees to HSIIDC	<b>18.00</b>	18.00

1(i) The Company is contingently liable under Central Excise Act 1944 amounting to ₹ 110.39 lakhs (previous year ₹ 110.39 lakhs)

Customs Excise and Service Appellate Tribunal has passed the order in favour of the company u/s 35-C(1) of the Central Excise and Salt Act, 1944. However, Principal Commissioner, Central Tax. GST, Delhi North appealed to the Hon'ble High Court of Delhi.

(ii) The Company is contingently liable for demand amounting to ₹ 5.56 lakhs under section 201(1) of The Income Tax Act, 1961 for assessment year 2011-12. (PY ₹ 5.56 lakhs)

2 The Company has applied to HSIIDC for grant of completion certificate of industrial project at Bahadurgarh Industrial Estate and the company has been informed to pay extension fee of approx. ₹ 18.00 Lakhs. The management has represented before HSIIDC that extension fee is not chargeable in the case of the company. However, if this representation is not accepted the said amount shall be required to be paid.

- 3 The Company has gone into appeal to ITAT against order passed by ITO for non-deduction of TDS on discount allowed to outright parties for assessment year 2010-11. ITAT referred the matter back to AO for verification of tax deposited by outright parties. The company may be contingently liable for the same.

Note: It is not possible to predict the outcome of the pending litigation with accuracy, however, the Company believes based on the facts of the cases stated above that it has meritorious defenses to the claims. The management believe that the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the company.

**(b) Estimated Amounts of Contracts remaining to be executed on capital account and not provided for (net of advances)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Capital Commitment:</b>		
Property Plant & Equipment	<b>104.00</b>	215.00
<b>Other Commitment:</b>		
Unexecuted Export Obligations*	<b>220.26</b>	188.85

\* The company has saved custom duty amounting to ₹ 5.23 lakhs (previous year 33.88 lakhs) under zero duty Export Promotion Capital Goods(EPCG) scheme on import of machinery. Under the said scheme the company have to fulfill export obligation amounting to ₹ 220.26 lakhs till July 14th, 2025. Export obligation to be undertaken to the extent unexecuted is ₹ 220.26 lakhs. In case the company fails to fulfill the export obligation then the company shall be liable to pay the custom duty saved along with 15% interest per annum to the customs authority.

**59 Contingent Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Grant on lease retail space	<b>41.72</b>	61.72

The company has dispute with M/s Ambience Infrastructure Private Limited in arbitration regarding grant on lease retail space to the company. The arbitrator has passed an award in favour of company for ₹ 61.72 lakhs. Out of this amount M/s Ambience Infrastructure Private Limited has paid ₹ 20 lakhs to the company on May 09, 2019.

**60 Skill Development Program under DDU-GKY**

The Company has entered into an MOU to execute the Skill Development Training Programs under DDU-GKY (Deen Dayal Upadhyay – Gramin Kaushal Yojna) Project funded by Ministry of Rural Development (MoRD) and Haryana State Rural Livelihood Mission (HSRLM) on No Profit No Loss basis. The Objective of the project is to work for the empowerment of the poor and for reduction in poverty by focusing on livelihoods of the poor and vulnerable sections of the society in rural areas. Total Estimated Cost of the Project is ₹ 483.14 Lacs to be disbursed in four installments and first installment of ₹ 119.46 lacs have been received for execution of the project.

**61 Micro, Small & Medium Enterprises**

The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	<b>478.58</b>	782.98
Principal	<b>478.58</b>	762.21
Interest	-	20.77
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-

**61 Micro, Small & Medium Enterprises (contd...)**

Particulars	As at March 31, 2020	As at March 31, 2019
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-

**62 Deferred Income created :**

Particulars	Non- Current Liabilities	Current Liabilities
1. On Security Deposit Received from franchisees	337.93	25.66
2. On Subsidy Received	41.93	4.19
3. On Duty Saved on import of Machinery	36.71	-
4. On Right to Use of Asset	16.76	2.44
	<b>433.33</b>	<b>32.30</b>

- The Company has received various security deposits from its franchisees. The same has been recognised as deferred income in accordance with the requirements of Ind AS 32 and 107, "Financial Instruments: Presentation and Disclosures".
- The Company was eligible for subsidy for installation and commissioning of machinery under ATUFS (Technology Upgradation Fund Scheme). The same has been recognised as deferred income in accordance with the requirements of Ind AS 20, "Accounting for Government Grants and Disclosure of Government Assistance"
- The Company also saved customs duty on import of machinery, the same has been recognised as deferred income in accordance with the requirements of Ind AS 20, "Accounting for Government Grants and Disclosure of Government Assistance".
- A company owned outlet was given as company's franchisee for which the company has received a lump sum amount towards right to use for a period of 9 years. The same has been recognised as deferred income in accordance with the requirements of Ind AS 116 "Leases".

**63 Coronavirus (COVID-19) Impact on Financial Statements – Year Ending March 31, 2020**

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020, and the Company temporarily suspended the operations in all the units in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruptions, revenue, unavailability of personnel, closure/lock down of production facilities etc. However, production and supply of goods has commenced in phased manner on various dates after obtaining permissions from the appropriate government authorities and revenue is improving with gradual unlock permitted by the government.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets and it has also taken into account the future possible outcomes. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any impairment to these financial and non-financial assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material change to future economic conditions.

**64** Figures in Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and Notes to audited financial statements have been shown in lakhs and rounded off to the nearest thousand and have been expressed in terms of decimals of thousands.

As per our attached report of even date  
for ANSK & Associates  
Chartered Accountants  
FRN: 026177N

(CA Akhil Mittal)  
Partner  
M.No. 517856

Date: June 29, 2020  
Place: New Delhi

For and on behalf of the Board of Directors

(Vijay Bansal)  
Chairman & Managing Director  
DIN : 01110877

(Deepak Bansal)  
Director  
DIN : 01111104

(CA Shivendra Nigam)  
Chief Financial Officer

(CS Poonam Chahal)  
Company Secretary



**CANTABIL**  
International Clothing





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**CANTABIL RETAIL INDIA LIMITED**

CIN : L74899DL1989PLC034995

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