

# Annual Report 2018-2019



**CANTABIL**  
International Clothing



**Cantabil Retail India Limited**



**CANTABIL**  
ITALY  
International Clothing



## BOARD OF DIRECTORS

Mr. Vijay Bansal	:	Chairman and Managing Director
Mr. Deepak Bansal	:	Whole Time Director
Mr. Basant Goyal	:	Whole Time Director
Mr. Lalit Kumar	:	Non-Executive Independent Director
Dr. Arun Kumar Roopnwal	:	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.
--------	---

CONTENTS	PAGE NO.
Chairman's Insight.....	2
Notice.....	3
Director's Report.....	16
Corporate Governance Report.....	54
Management Discussion & Analysis Report.....	75
Auditor's Report.....	81
Balance Sheet.....	89
Profit & loss Account.....	91
Cash Flow Statement.....	93
Notes on Financial Statements.....	96

**Chairman's Insight:****Consistent, Stable and Profitable Growth Strategy**

Dear Stakeholders,

It gives me immense pleasure to announce yet another year of healthy growth. FY 19 was a crucial year as we continued to focus on the growth agenda. We closed the fiscal year with an increase of 46.29% in total revenue from Rs.19,723.60 Lakhs in Financial Year 2017-18 to Rs. 28,855.08 Lakhs in Financial Year 2018-19. The EBIDTA has also improved from Rs.2137.58 lakhs to Rs. 3360.35 lakhs thereby recording an improvement in of 57.20 %.

We are continuously expanding our footprints in India. During the year, your Company maintained its robust expansion and added 60 new stores. The Company expanded its retail chain through Company Owned and Operated stores (COCO). The asset light, Franchise Operated stores has also shown a positive response encouraging your Company to venture into new territories. Having presence across several geographical locations gives our Company an enormous customer base with different styles and many varied choices to offer. As of now, your company has clocked 270 exclusive brand outlets and is planning to continue the expansion.

We also put in a lot of efforts last year in strengthening the back and front end infrastructure by improving inventory control and building a flexible supply chain. We also improved our front end infrastructure by renovating the stores. We added new visual concepts, window and merchandise display which gives a complete luxurious experience of shopping to the customers. We have created in-house team of visual merchandisers. We believe these efforts will go a long way in scaling up our business in the future.

We continue to take steps towards manufacturing excellence across our production units. We have been improving productivity and reducing manufacturing cost, year on year, with the help of world class manufacturing concepts. Last year was no exception, during the year we installed new wrinkle free machines with high technology wherein we were able to manage our manufacturing expenses extremely well, while maintaining our high standards of quality and manpower engagement.

Trust in the brand is essential for its growth and your company has continued its effort to adapt its product portfolio with evolving consumer needs and trends. During the year we added two new feathers in our cap by launching kids wear in apparel category and Deodorant in accessories category.

Kid's wear has come up with an additional advantage for our Company keeping in mind the non- existence of much established brands in kids wear market, to make Cantabil as complete Family wear. However, this opportunity must be catered to with a combination of good quality, latest fashion, and affordable products. Diversity in our product offerings will enable our Company to reach out to different geographical locations having diverse cultures and preferences.

Our Company now has a complete one stop shop for family wear under one umbrella of 'Cantabil' which offers a diverse range of products for category of Men's, Women's, Kid's and Accessories.

Your Company has firm belief and commitment towards the collective development of all the stakeholders especially people at the bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Thus, CSR is not just compliance for the Company but its an opportunity to contribute towards nation building through well-defined professional approach. During the year, the Company contributed in CSR projects of promoting health care including preventive health care, basic education and slum area development and chief minister's relief fund, Kerla.

We value our people too and have been strengthening their bond with us through long term incentive plans as well as providing them with periodic trainings.

At last, I would like to thank all are stakeholders, customers, business partners, Board of Directors, Bankers all our employees for believing in our Company's values and supporting us throughout our journey. I sincerely thank all of you and am pleased to share the success that Cantabil has achieved during the last year.

## 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 31<sup>st</sup> (Thirty-first) Annual General Meeting (“Meeting”) of the member(s) of **CANTABIL RETAIL INDIA LIMITED** (“Company”) will be held on Thursday, 26<sup>th</sup> day of September 2019 at 11:00 A.M. at Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi- 110036 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, 2019 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Bansal (DIN: 01111104), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. Re-appointment of Mr. Basant Goyal as a Whole Time Director (DIN: 07659491) of the Company w.e.f. December 01, 2019.

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 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 approvals as may be necessary, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Basant Goyal (DIN: 07659491) as a Director, liable to retire by rotation, and also as Whole Time Director of the Company with effect from 1<sup>st</sup> December, 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 and / or by any applicable statutes, rules, regulations or guidelines, on such remuneration as set out hereunder:

#### **A Basic Salary, Perquisites and Allowance:**

- (i) Salary of Rs 2,50,000/- (Rupees Two Lakhs Fifty Thousand) per month.
- (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.
- (iv) 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. Other Terms:**

- (i) He shall be entitled to reimbursement of 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 promotion as and when required and all expenses incurred during such foreign travel will be governed by the Company’s policy regarding foreign travel.
- (iv) 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.

When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to the Whole Time Director in accordance with the applicable provisions of Schedule V of the Act and subject to the approval of the Central Government, if required.

**RESOLVED FURTHER THAT** the Whole Time Director shall be in charge of general administration of the Company but subject to superintendence, control and direction of the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the aforesaid terms and conditions/or remuneration of Mr. Basant Goyal, Whole Time Director of the Company from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to obtain necessary regulatory approvals ( if applicable), to accept any modification to the aforesaid terms of remuneration of the Whole Time Director, that may be required by the Central Government or other appropriate authority while granting its approval, and to do all such other acts, deeds, matters and things as it may in absolute discretion deem fit for the purpose of giving effect to this resolution including to delegate powers of the Board granted by this resolution to any committee of Directors or any Director or Secretary of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedite or desirable to settle any question that may arise in relation thereto in order to give effect to the foregoing resolution.

**4. Re-appointment of Mrs. Renu Jagdish (DIN: 06971367) as an Independent Non-Executive Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mrs. Renu Jagdish (DIN: 06971367), Independent Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, who is eligible for re-appointment be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 29th September, 2019 up to 29th September, 2024 and whose office shall not be liable to retire by rotation”.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and are hereby authorised to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

**5. Appointment of Mr. Balvinder Singh Ahluwalia (DIN-08522327) as an Independent Non- Executive Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161, Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014, relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and provisions of Article 110 of Articles of Association of the Company, Mr Balvinder Singh Ahluwalia (DIN:08522327) who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from August 09, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2018-2019 should have been held, whichever is earlier, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, , and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to September 26, 2024.”

**6. Appointment of Mr. Rajiv Sharma (DIN-08528048) as an Independent Non- Executive Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014, relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and provisions of Article 110 of Articles of Association of the Company, Mr Rajiv Sharma (DIN:08528048) who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from August 09, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2018-2019 should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company

has received a notice in writing from a member under Section 160(1) of the Act, signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to September 26, 2024.”

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

**Place: New Delhi  
Date : 9<sup>th</sup> August, 2019  
Regd. Office: B-16,  
Lawrence Road Industrial Area  
New Delhi-110035**

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

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

**The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight (48) hours before the commencement of the Annual General Meeting.**

- In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy Form is also annexed to this report.
- Members/Proxies should bring the duly filled Attendance Slip at the Annual General Meeting. Corporate Members, Societies etc. are requested to send a duly certified copy of the Board Resolution, Authority letter authorizing their representative(s) to attend and vote on their behalf at the Annual General meeting.
- The relevant Statement made pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special Business to be transacted at the Annual General Meeting, set out in the Notice, is enclosed hereto and forms part of the Notice
- The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday 19<sup>th</sup> September, 2019 to Thursday 26<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General meeting.
- All documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office as well as the Corporate Office of the Company during normal business hours (10.00 AM to 6.00 PM) on all working days except Saturdays, upto and including the date of the AGM of the Company.
- Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
- Members are requested to intimate change, if any, in their postal addresses immediately to RTA, Beetal Financial and Computers Pvt. Ltd. At Beetal House, 3<sup>rd</sup> floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.
- Members holding shares in electronic form should get their email id's updated with their respective Depository Participants so that they can get the copies of all correspondence sent by the Company via email.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, Register of Member and any other register, if required by law, will be made available for inspection by Members of the Company at the venue of the meeting.
- Green Initiative:**  
In compliance of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company has sent Annual Reports in Electronic Mode to the Members who have registered their E-

mail IDs either with the Registrar and Transfer Agents or with their respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents

13. Electronic copy of the Notice of the 31<sup>st</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email id's are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 31<sup>st</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report will also be available on the Company's website [www.cantabilinternational.com](http://www.cantabilinternational.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office & Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor **email id: [investors@cantabilinternational.com](mailto:investors@cantabilinternational.com)**.
15. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
16. A Member can opt for only one mode of voting i.e., either through remote e-voting or by Ballot Form. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
17. The Company had appointed Mr. Sanjay Grover of M/s Sanjay Grover & Associates, Company Secretaries,, New Delhi (CP No. 3850) as a scrutinizer to scrutinize the voting at the AGM venue and remote e-voting process in a fair and transparent manner.
18. 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.
19. The Chairman or a director authorised by him in writing shall declare the result of voting on or before closing business hours on 27<sup>th</sup> day of September 2019. 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.
20. Members are requested to send their question(s), if any, relating to the financial statements, shareholding, e-voting etc., to Ms. Poonam Chahal, Company Secretary of the Company at the Registered Office of the Company at B-16, Lawrence Road Industrial Area, New Delhi-110035 or at the e-mail address: [Poonam@cantabilinternational.com](mailto:Poonam@cantabilinternational.com) or contact her on Phone No. 91-11-27156381/82 on or before 18<sup>th</sup> September, 2019 so that the answers/details can be provided as soon as possible.
21. Route Map showing directions to reach to the venue of the 31<sup>st</sup> AGM along with prominent land mark is given at the end of the Notice.
22. The relevant details of directors seeking appointment/reappointment above pursuant to Regulation 36 (3) of SEBI Listing Regulations, 2015 & Secretarial Standard-2 issued by ICSI is also given at the end of the Notice.
23. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed there under, 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
24. **Voting through Electronic means:**

<b>Commencement of E-voting</b>	<b>10:00 AM, Monday, 23<sup>th</sup> September, 2019</b>
<b>End of E-voting</b>	<b>5.00 PM, Wednesday 25<sup>th</sup> September, 2019</b>

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.



The e-voting period begins at 10 A.M. on Monday, 23<sup>rd</sup> September, 2019 and ends at 5 P.M. Wednesday, 25<sup>th</sup> September, 2019. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday 20<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**The instructions for shareholders voting electronically are as under:**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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 voting of any company, then your existing password is to be used.
- (vi) 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field Sequence number is printed on the Notice of AGM.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m- Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.  
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 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.
  - Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-Voting.
  - The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting or by Ballot Form shall be able to exercise their right at the meeting. Further, the members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (xix) 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**

**Place: New Delhi  
Date :09<sup>th</sup>August,2019**

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

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

**Item Nos. 3 Re-Appointment of Mr. Basant Goyal as Whole Time Director of the Company.**

Mr. Basant Goyal was appointed as Whole Time Director of the Company for a period of 3 years w.e.f 1<sup>st</sup> December 2016. He has been carrying out various responsibilities of the company as Whole Time Director. In view of the same and to bring his remuneration at par with industry standards, it is proposed to re-appoint him on an increased remuneration for the period effective from December 01, 2019 till the AGM to be held in the year 2022. The Nomination & Remuneration Committee at its meeting held on 9<sup>th</sup> August 2019 approved and recommended the reappointment of Mr. Basant Goyal and the same was duly approved by the Board of Directors. The details of the revised remuneration, payable to Mr. Basant Goyal is given in the resolution set forth at item no 3 of the notice.

In accordance with Section 196, 197 read with Schedule V (as amended) and applicable rules under the Companies Act, 2013, the approval of the members is being sought for the said re-appointment of Mr. Basant Goyal. The remuneration payable falls within the limits specified under Schedule V (as amended).

General information														
1.	Nature of industry	We are in the business of designing, manufacturing, branding and retailing of apparels and wearable accessories.												
2.	Date or expected date of commencement of commercial production	Since Company was incorporated in 1989 and duly commenced its business long ago.												
3.	In case of new companies, date of commencement of activities as per project approved by financial institutions	Not applicable												
4.	Financial performance based on given indicators	<p>As on 31<sup>st</sup> March, 2019 : (In Lakhs)</p> <table border="1"> <tr> <td>Total Income</td> <td>29254.91</td> </tr> <tr> <td>Profit before Tax &amp; Depreciation</td> <td>2508.49</td> </tr> <tr> <td>Profit before Tax</td> <td>1619.25</td> </tr> <tr> <td>Provisions for Deferred Tax Liability/ (Assets)</td> <td>(311.97)</td> </tr> <tr> <td>Profit after Tax</td> <td>1249.99</td> </tr> <tr> <td>Total Comprehensive Income</td> <td>1320.41</td> </tr> </table>	Total Income	29254.91	Profit before Tax & Depreciation	2508.49	Profit before Tax	1619.25	Provisions for Deferred Tax Liability/ (Assets)	(311.97)	Profit after Tax	1249.99	Total Comprehensive Income	1320.41
Total Income	29254.91													
Profit before Tax & Depreciation	2508.49													
Profit before Tax	1619.25													
Provisions for Deferred Tax Liability/ (Assets)	(311.97)													
Profit after Tax	1249.99													
Total Comprehensive Income	1320.41													
5.	Foreign investment or collaboration, if any	Not applicable												
Information about the appointee														
1.	Background details	Mr. Basant Goyal is Graduate in Business Administration from Delhi University having an experience in whole sale and retailing business of 8 years.												
2.	Past remuneration	<p>The remuneration drawn by Mr. Basant Goyal during the past two years is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>In Lakhs</th> </tr> </thead> <tbody> <tr> <td>17-18</td> <td>2 Lakhs per month</td> </tr> <tr> <td>18-19</td> <td>2 Lakhs per month</td> </tr> </tbody> </table>	Year	In Lakhs	17-18	2 Lakhs per month	18-19	2 Lakhs per month						
Year	In Lakhs													
17-18	2 Lakhs per month													
18-19	2 Lakhs per month													
3.	Job profile and his suitability	He is actively involved in administration, Inventory Management & Project Division of our Company as Whole Time Director.												
4.	Remuneration proposed	The details of the revised remuneration proposed for Mr. Basant Goyal by way of salary and perquisites, performance based rewards/ incentives etc is given in the resolution set out at item no 3 of this notice.												
5.	Comparative remuneration profile with respect to industry, size the company, profile of the position and in person	The proposed remuneration commensurate with size and nature of the business of the company and responsibility Mr. Basant Goyal undertake. However remuneration do differ from company to company in the industry depending on their respective operations.												
6.	Pecuniary relationship directly or with the company, or relationship with the managerial personnel, if any	Apart from drawing remuneration as Whole Time Director of the Company, Mr. Basant Goyal is proprietor of M/s. Global Textile, a firm supply Fabric to the Company.												
Other information														
1.	Reasons of loss or inadequate Profits.	Indian Retail Industry is passing through a slow growth coupled with on slaughter of foreign brands and phase to generate expected level of profits due to lower overall growth in the retail industry.												

2.	Steps taken or proposed to be taken for improvement	Company is focusing on expansion and business development programs. New stores are being opened in the Tier Two cities which definitely will improve contributions to the Company. Efforts are being made on reduce overheads, cost cutting and fixed costs.
3.	Expected increase in productivity and profits in measurable terms	The Company has taken various steps to address the issue of slow growing sales, productivity and profits and has put in place measures to reduce cost and opening of new retail stores to improve the bottom-line.

The Board of Directors recommends the resolution set out at Item no. 3 of the notice for your approval.

**Item Nos. 4- Re-appointment of Mrs. Renu Jagdish (DIN: 06971367) as an Independent Non-Executive Director.**

Mrs. Renu Jagdish was appointed as an Independent Non Executive Director of the Company by the members at the 26<sup>th</sup> AGM of the Company held on 30<sup>th</sup> September, 2014 for a period of five consecutive years commencing from 30<sup>th</sup> September, 2014 upto 29<sup>th</sup> September, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing an ordinary resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Renu Jagdish, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 29<sup>th</sup> September, 2019 up to 29<sup>th</sup> September, 2024.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mrs. Renu Jagdish fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Renu Jagdish as an Independent Director. Accordingly, the Board recommends re-appointment of Mrs. Renu Jagdish as an Independent Director for another term of five consecutive years with effect from 29<sup>th</sup> September, 2019 up to 29<sup>th</sup> September, 2024, for the approval of shareholders' by passing of this ordinary resolution.

None of the Director and Key Managerial Personnel of the Company and their relative is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this Notice of the AGM.

Mrs. Renu Jagdish is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by ICSI.

**Item Nos. 5- Appointment of Mr. Balvinder Singh Ahluwalia (DIN:08522327) as an Independent Director of the Company.**

Based on recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at their meeting held on 9<sup>th</sup> August 2019, had appointed, subject to the approval of the members at the AGM, Mr. Balvinder Singh Ahluwalia (DIN:08522327) as an Independent Director of the Company, not liable to retire by rotation to hold the office for a period of 5 years with effect from 09<sup>th</sup> August, 2019.

Mr. Balvinder Singh Ahluwalia not disqualified from being appointed as a Director in terms of Section 164 of the Act and in this regard, the Company has received Form DIR-8 from Mr. Balvinder Singh Ahluwalia in terms of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has also received Form DIR -2 from Mr. Balvinder Singh Ahluwalia w.r.t.his consent to act as a Director in terms of Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. A brief profile and other details required as per SEBI Listing Regulations and Secretarial Standards-2 of Institute of Company Secretaries of India is given below in this notice.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less

than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as they case may be, along with deposit of one lakh rupees. However, as per the proviso to Sec. 160 which is made effective 09.02.2018 the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since Mr. Balvinder Singh Ahluwalia is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, Company has received a notice from a member proposing candidature of Mr. Balvinder Singh Ahluwalia, for the office of Director in terms of Section 160 of the Companies Act, 2013. Mr. Balvinder Singh Ahluwalia has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of Cantabil Retail India Limited.

Balvinder Singh Ahluwalia is a self-starter having 25 years of professional experience in Retail, Textile and Export Sectors; winning accolades across industries. Having started his career in marketing and todayhe is an ardent player across entire spectrum of business. He is a quick thinker and a dynamic leader armed with invaluable experience ranging from people management to developing new business.

He is a result-oriented management professional with strong management expertise in areas such as: retailing, strategic planning, manufacturing, production scheduling and control, inventory management, project development, supply chain, budgeting, finance, human resources and capital improvement. He has been awarded with Best Retail Professional Award, Bhartiya Vidyapeeth University in 2008, Retail Excellence Leadership Award, Amity University in 2009 and Award Winning Speaker at Images Retail Fashion Forum. He is also holding a Certificate in Export Marketing and Documentation from PHD Chamber of Commerce, India.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 10.30 A.M. to 5.00 p.m. up to the date of the Meeting.

None of the other Director, Key Managerial Personnel of the Company or their relativeis, in any way, concerned or interested in the resolution set out at item No. 5 of the Notice.

#### **Item Nos. 6- Appointment of Mr. Rajeev Sharma (DIN:08528048) as an Independent Director of the Company.**

Based on recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at their meeting held on 9<sup>th</sup> August 2019, had appointed, subject to the approval of the members at the AGM, Mr. Rajeev Sharma (DIN:08528048) as an Independent Director of the Company, not liable to retire by rotation to hold the office for a period of 5 years with effect from 09<sup>th</sup> August, 2019

Mr. Rajeev Sharma not disqualified from being appointed as a Director in terms of Section 164 of the Act and in this regard, the Company has received Form DIR-8 from Mr. Rajeev Sharma in terms of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has also received Form DIR -2 from Mr. Balvinder Singh Ahluwalia w.r.t.his consent to act as a Director in terms of Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. A brief profile and other details required as per SEBI Listing Regulations and Secretarial Standards-2 of Institute of Company Secretaries of India is given below in this notice

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as they case may be, along with deposit of one lakh rupees. However, as per the proviso to Sec. 160 which is made effective 09.02.2018 the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since Mr. Rajeev Sharma is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, Company has received a notice from a member proposing candidature of Mr. Rajeev Sharma for the office of Director in terms of Section 160 of the Companies Act, 2013. Mr. Rajeev Sharma has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of Cantabil Retail India Limited.

Mr Rajeev Sharma joined Haryana Civil Services in 1976 and elevated to IAS-allotted 1989 Batch. After serving of 35 years, he retired on 31<sup>st</sup> May 2011. During the service, he served in department of Agriculture, Tourism and Hospitality, Cooperation, Education, Information & Culture Affairs, Social welfare etc. Apart fromthesedepartments, He also worked as Additional Deputy Commissioner and Deputy Commissioner, Yamuna Nagar and Jind Districts for about 7 years.

He worked as a-:

- Director in Public Relation and Cultural Affairs,
- Commissioner in Municipal Corporation Gurgaon
- Divisional Commissioner in Gurgaon and Rohtak
- Appellate Authority for Revenue and Village Common Land Act cases
- Appellate Authority under RTI Act
- State Election Commissioner in Haryana

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 10.30 A.M. to 5.00 p.m. up to the date of the Meeting.

None of the other Director, Key Managerial Personnel of the Company or their relative is, in any way, concerned or interested in the resolution set out at item No. 6 of the Notice.

**Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment / revision of remuneration are as follows:**

Name of the Director	Mr. Basant Goyal	Mr. Deepak Bansal	Mrs. Renu Jagdish	Mr. Balvinder Singh Ahluwalia	Mr. Rajeev Sharma
Age	29	36	54	55	65
Qualifications Experience	Mr. Basant Goyal is Graduate in Business Administration from Delhi University having an experience in whole sale and retailing business of 8 years.	Mr. Deepak Bansal is Graduate in Mathematics from Delhi University.	Chartered Accountant & Company Secretary	Masters in Management Studies from the University of Mumbai Mr. Ahluwalia also holds a diploma in Export Marketing and Documentation from PHD Chamber of Commerce and Industries.	B.Sc., B.Ed., LLB (Academic), MBA
Brief Profile of Director	Mr. Basant Goyal is a Whole Time Director of the Company. He is looking after project division and overall administration of the Company.	Mr. Deepak Bansal is 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 advertisement for our products. He has an overall experience of 17 years in retail apparel industry	She is a Chartered Accountant and Company Secretary. She has more than 30 years of experience in Audit, Accounts, Company Law Matters and taxation.	Mr. Balvinder Singh Ahluwalia is a self-starter having 25 years of professional experience in Retail, Textile and Export Sectors; winning accolades across industries. Having started his career in marketing and today he is an ardent player across entire spectrum of business. He has been awarded with Best Retail Professional Award, Bhartiya	Mr Rajeev Sharma joined Haryana Civil Services in 1976 and elevated to IAS -allotted 1989 Batch. After serving of 35 years, he retired on 31 <sup>st</sup> May 2011. During the service, he served in department of Agriculture, Tourism and Hospitality, Cooperation, Education, Information &

				<p>Vidyapeeth University in 2008, Retail Excellence Leadership Award, Amity University in 2009 and Award Winning Speaker at Images Retail Fashion Forum. He is also holding a Certificate in Export Marketing and Documentation from PHD Chamber of Commerce, India.</p>	<p>Culture Affairs, Social welfare etc. He worked as-</p> <ul style="list-style-type: none"> <li>• Director in Public Relation and Cultural Affairs,</li> <li>• Commissioner in Municipal Corporation Gurgaon</li> <li>• Divisional Commissioner in Gurgaon and Rohtak</li> <li>• Appellate Authority for Revenue and Village Common Land Act cases</li> <li>• Appellate Authority under RTI Act</li> <li>• State Election Commissioner in Haryana</li> </ul>
<p>Nature of his Experience in specific functional areas</p>	<p>Administration and Project Management</p>	<p>Marketing strategy and advertisements for our products</p>	<p>Audit &amp; accounts and Company Law Matters, Taxation etc.</p>	<p>Retail, Textile and Export Sectors etc</p>	<p>Department of Agriculture, Tourism and Hospitality, Cooperation, Education, Information &amp; Culture Affairs, Social welfare etc</p>
<p>Terms and conditions of appointment or reappointment / revision in remuneration</p>	<p>(i) Tenure of re-appointment shall be w.e.f. 1<sup>st</sup> December, 2019 to until the date of AGM to be held in 2022. (ii) The Whole Time Director is also entitled to the benefits under all other schemes, privileges and</p>	<p>(i) For a period of 3 years w.e.f 1<sup>st</sup> April 2018 ii) The Whole Time Director is also entitled to the benefits under all other schemes, privileges and amenities as are granted to the senior executives of the Company in accordance with the Company's</p>	<p>Re-appointment for second term five consecutive years from 29th September, 2019 up to 29th September, 2024 subject to the approval of the members in the ensuing General Meeting.</p>	<p>For a period of 5 years subject to the approval of the members in the ensuing General Meeting.</p>	<p>For a period of 5 years subject to the approval of the members in the ensuing General Meeting.</p>

	<p>amenities as are granted to the senior executives of the Company in accordance with the Company's practice, rules and regulation in force from time to time.</p> <p>(iii) The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under section 197, Section 198 and other applicable provisions of the Act and rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force or otherwise as may be permissible at law. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to the Whole Time Director in accordance with the applicable provisions of Schedule V of the Act.</p>	<p>practice, rules and regulation in force from time to time.</p> <p>(iii) The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under section 197, Section 198 and other applicable provisions of the Act and rules made there under, read with Schedule V of the said Act or any statutory modification(s) or re enactment thereof for the time being in force or otherwise as may be permissible at law. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to the Whole Time Director in accordance with the applicable provisions of Schedule V of the Act.</p>			
Last drawn remuneration	24,00,000 per annum	83,19,600 per annum	N.A	N.A	N.A



Date of First Appointment on Board	01.12.2016	15.09.2009	14.08.2014	09.08.2019	09.08.2019
Shareholding of Director	NIL	2567436 Equity Shares	NIL	NIL	NIL
Disclosure of relationships with other directors, Manager and KMP of the Company	Nil	Mr Deepak Bansal is related to the following managerial personnels of the Company-  Mr. Vijay Bansal- Chairman And Managing Director	Mrs. Renu Jagdish is not related to any of the Directors of the Company.	Mr. Balvinder Singh Ahluwalia is not related to any of the Directors of the Company.	Mr. Rajeev Sharma is not related to any of the Directors of the Company.
Number of the Meetings of Board of Directors Attended	During the previous financial year 2018-19, Mr. Basant Goyal attended the 4 (Four) Board Meetings of the Company.	During the previous financial year 2018-19, Mr. Deepak Bansal attended the 4 (Four) Board Meetings of the Company.	During the previous financial year 2018-19, Mrs. Renu Jagdish attended the 4 (Four) Board Meetings of the Company.	N.A	N.A
Directorships of other Companies	Mr. Basant Goyal does not hold directorship in any other company	Mr. Deepak Bansal does not hold directorship in any other company	Mrs. Renu Jagdish does not hold directorship in any other company	Mr. Balvinder Singh Ahluwalia does not hold directorship in any other company	Mr. Rajeev Sharma does not hold directorship in any other company
Chairmanships/ Memberships of Committees of other Companies	Member in Corporate Social Responsibility Committee	Does not hold any Chairmanships/ Memberships of Committees of other Companies	Member in Nomination and Remuneration Committee	N.A	N.A

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

**Place: New Delhi  
Date : 09<sup>th</sup> August, 2019**

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

## DIRECTOR'S REPORT

Dear Members,

The Board of Directors has immense pleasure in presenting its 31st Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company for the year ended 31st March, 2019.

### FINANCIAL HIGHLIGHTS

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, 2019	For the Year Ended March 31, 2018
Revenue From Operations	28,855.08	19,723.60
Other Income	399.83	141.13
<b>Profit before Finance Cost, Depreciation Exceptional Items &amp; Tax</b>	<b>3,360.35</b>	<b>2,137.58</b>
Finance Cost	851.85	680.11
Depreciation	889.24	883.78
<b>Profit before Exceptional Items &amp; Tax</b>	<b>1,619.25</b>	<b>573.69</b>
Exceptional items	-	189.14
<b>Profit before tax</b>	<b>1,619.25</b>	<b>762.83</b>
<b>Tax expense:</b>		
1. Current Tax (MAT)	349.88	155.53
2. MAT Credit Entitlement	(349.88)	(311.97)
3. Deferred Tax (assets)/ liability	369.26	(1,079.47)
<b>Net Profit for the year</b>	<b>1,249.99</b>	<b>1,998.74</b>
Item of Other Comprehensive Income	70.41	(5.57)
Total Comprehensive Income for the year	<b>1,320.41</b>	<b>1,993.17</b>
Credit/ (Debit) Balance B/F from previous year	(279.04)	(2,272.21)
Other Adjustments	-	-
<b>Profit available for appropriation</b>	<b>-</b>	<b>-</b>
<b>Surplus/ (Deficit) carried to Balance Sheet</b>	<b>1,041.36</b>	<b>(279.04)</b>

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").

### REVIEW OF PERFORMANCE

The Company has an increase of 46.29% in total revenue from Rs.19,723.60 Lakhs in Financial Year 2017-18 to Rs.28,855.08 Lakhs in Financial Year 2018-19. The EBIDTA has also improved from Rs. 2137.58 lakhs to Rs. 3360.35 lakhs thereby recording an improvement of 57.20 %.

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.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

On March 30, 2019, MCA has notified Ind AS 116 “Leases”. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019 accordingly, Ind AS 116 “Leases” has become applicable effective, annual reporting period beginning April 1, 2019 on the Company. The company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the company will not restate the comparative information, instead the cumulative effects of initially applying the standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This will result into recognising (including reclassification from other assets) a “Right of Use Asset” and a corresponding “Lease liability” by adjusting retained earnings net of taxes of (including impact of “Deferred Tax Asset”) as at April 1, 2019.

Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from “Rent” / “other Expenses” 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” / “Other expenses” . Depreciation and amortisation expense “ and “Finance Cost” of the current period will not be comparable to the earlier periods.

The company has evaluated the requirements of this new standard and their impact on the Combined Financial Statements and to the extent the performance of the current period will be affected and will not be comparable with previous period results.

## DIVIDEND

No dividend on equity shares has been recommended by the Board for the year ended 31st March, 2019

## SHARE CAPITAL

The paid up capital of the company as on March 31, 2019 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, 2019.

## 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 Statutory 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 2019 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 2018-19 have been paid by the Company within the stipulated time.

### **STOCK CODE:NSE BSE ISIN**

**CANTABIL 533267 INE068L01016 (Shares)**

### **DIRECTORS:**

### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE INTED OR HAVE RESIGNED DURING THE YEAR.**

The first term of 5 years of Mrs Renu Jagdish, Independent Director is completing on September 29, 2019. Based on her successful performance evaluations, the Nomination and Remuneration Committee has recommended her re-appointment for a second term of five year effective from ensuing Annual General Meeting to be held on 26.09.2019 to 26.09.2024 .

Two Independent Directors Mr. Lalit Kumar and Dr. Arun Kumar Roopanwal completing their second term of five years and two new independent directors shall be appointed in place of them in the ensuing Annual General Meeting.

### **WOMAN DIRECTOR**

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Mrs. Renu Jagdish was appointed as a Non- Executive Independent Director by the members of the Company at their Annual General Meeting held on 30.09.2014, for a period of 5 years upto 30.09.2019. A candidature for her re-appointment is being received by the Company to be proposed in the ensuing Annual General Meeting.

Appropriate Resolution(s) seeking your approval to the appointment /re-appointment of Directors are also included in the Notice.

### **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. Deepak Bansal (DIN: 01111104), Whole-Time Director of the Company retires by rotation and being eligible offer himself for re-appointment in the 31<sup>st</sup> 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 2019, 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	RESIGNATION
1.	Mr. Lalit Kumar	Appointed on 11/09/2009 Re-appointed on 30/09/2014	-
2.	Dr. Arun Kumar Roopanwal	Appointed on 11/09/2009 Re-appointed on 30/09/2014	-
3.	Mrs. Renu Jagdish	Appointed on 30/09/2014	-

### 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 2019, 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 2019 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

laws and that such systems were adequate and operating effectively.

### **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 four times in financial year 2018-2019 viz., on 25.05.2018, 14.08.2018, 31.10.2018, 25.01.2019. The maximum interval between any two meetings did not exceed 120 days.

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**

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

1. **Audit Committee**

The constitution of the Audit Committee is:-

- |    |                          |   |                                 |
|----|--------------------------|---|---------------------------------|
| 1. | Mr. Lalit Kumar          | - | Chairman & Independent Director |
| 2. | Dr. Arun Kumar Roopanwal | - | Member & Independent Director   |
| 3. | Mr. Vijay Bansal         | - | Member & Managing Director      |

2. **Nomination and Remuneration Committee**

The constitution of the Nomination & Remuneration Committee is:-

- |    |                          |   |                                 |
|----|--------------------------|---|---------------------------------|
| 1. | Mr. Lalit Kumar          | - | Chairman & Independent Director |
| 2. | Dr. Arun Kumar Roopanwal | - | Member & Independent Director   |
| 3. | Mrs. Renu Jagdish        | - | Member & Independent Director   |

3. **Stakeholders' Relationship Committee**

The constitution of the Stakeholders' Relationship Committee is:-

- |    |                          |   |                                 |
|----|--------------------------|---|---------------------------------|
| 1. | Mr. Lalit Kumar          | - | Chairman & Independent Director |
| 2. | Mr. Vijay Bansal         | - | Member & Executive Director     |
| 3. | Dr. Arun Kumar Roopanwal | - | Member & Independent Director   |

4. **Corporate Social Responsibility Committee**

The constitution of the Corporate Social Responsibility Committee is:-

- |    |                  |   |                               |
|----|------------------|---|-------------------------------|
| 1. | Mr. Vijay Bansal | - | Chairman & Executive Director |
| 2. | Mr. Lalit Kumar  | - | 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 in its Meeting held on 17<sup>th</sup> June, 2014, 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, 2019, 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 behaviour consistent with the culture and values of the organisation; 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 behaviour 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 verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), 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).

### **AUDITORS AND THEIR REPORTS**

#### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s A N S K & Associates, Chartered Accountant (Formerly Known as Akhil Mittal & CO.) (Registration No.026177N) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 29th Annual General Meeting held on 28th September, 2017 until the conclusion of 34th Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Board of Directors. However, as per the Companies Amendment Act, 2017, and Ministry of Corporate Affairs vide notification dated May 7, 2018; the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has been omitted. Accordingly, no resolution is proposed for ratification of appointment of Auditors in the ensuing Annual General Meeting.

Pursuant to Section 139 and 141 of the Companies Act, 2013, and relevant Rules prescribed there under, the Company has received certificate, that their appointment would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

#### **STATUTORY AUDITORS' REPORT**

The observation made by the Auditors with reference to notes on accounts for the year ended 31st March 2019 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 2018-2019.



## 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 of its cost records.

## CREDIT RATING

list of all credit ratings obtained by the entity along with any revisions there to 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. During the year credit rating agency i.e. Brickwork Ratings India Private Limited revised the exiting rating of the Company-

- BWR BBB+ (Pronounced as BWR Triple B plus) for Rs 47 Crores Fund based (Long Term).
- BWR A2 (Pronounced as BWR A Two) for Rs 10 Crores Fund based (Short Term).
- BWR A2 (Pronounced as BWR A Two) for Rs 3 Crores Non Fund based (Short Term).

## 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., 25.05.2018, 14.08.2018, 31.10.2018, 25.01.2019

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
Mr. Lalit Kumar	Chairman	Independent Director
Dr. Arun Kumar Roopanwal	Member	Independent Director
Mr. Vijay Bansal	Member	Executive Director

- Mr. Lalit Kumar, 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 thereunder, 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 is 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.

### **POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT**

The Company in its endeavour 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 endeavour to ensure the spirit of law, during the Financial Year 2018- 19, 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, 2019, the company has entered into some transactions which was given under section 186 of Companies Act, 2013. The particulars of investments made by the Company under section 186 as on 31st March, 2019 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. 2019 is given in ANNEXURE - 7. In the prescribed form MGT - 9, which 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.

#### **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**

**Sd/-**

**VIJAY BANSAL**

**(Chairman and Managing Director)**

**Place: New Delhi**

**Date: 09th August, 2019**

## 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 constitution of the committee is as follows as on March 31, 2019

NAME	CATEGORY	DESIGNATION
Mr. Lalit Kumar	Non-Executive-Independent Director	Chairman
Dr. Arun Kumar Roopanwal	Non-Executive-Independent Director	Member
Mrs. Renu Jagdish	Non-Executive-Independent Director	Member
Ms. Poonam Chahal	Head- Legal & Company Secretary	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 cum Managing Director
Mr. Deepak Bansal	Whole Time Director
Mr. Basant Goyal	Whole Time Director
Mr. Lalit Kumar	Non-Executive – Independent Director
Mr. Arun Kumar Roopanwal	Non-Executive – Independent Director
Ms. Renu Jagdish	Non-Executive – Independent Director

**B. Independent Directors**

Pursuant to Clause 49 of the Listing Agreement 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 Clause 49 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**

Sd/-

**VIJAY BANSAL**

**(Chairman and Managing Director)**

Place : New Delhi

Date : 9th August, 2019



## ANNEXURE – 2

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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.

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, 2019 ("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, 2019 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);
- (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 Vasisht  
Partner  
CP No.:13700**

**New Delhi  
August 9, 2019**

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	Member	Member
Vijay Bansal	Lalit Kumar	Basant Goyal

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

(₹ in Lakhs)

Entity name	15-16	16-17	17-18	Average net profit of the last 3 preceding years (INR)	Prescribed CSR Expenditure (INR) 2% of Average net profit)
Cantabil Retail India Limited	514,00,428	586,34,573	712,53,191	604,29,397	12,08,588

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

(a) **Total Amount to be spent for the financial year-** 12,08,588

(b) **Amount Unspent-** NIL

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

(₹ in Lakhs)

1.	2.	3.	4.	5.	6.	7.	8.
Sl. 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	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *

			district where projects or programs was undertaken		or programs (2) Overheads:		
1	Upliftment of vanvasis by promoting Social, cultural, Spiritual, Moral, Economy and educational advancement to form a part of Indian society structure	Promoting Healthcare including Preventive Healthcare	Local Area	2,00,000	2,00,000	2,00,000	Implementing agency (SHRI Madhav Jan Sewa Nyas)*
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Basic Education Health Care Education Healthcare, promoting education Empowerment Education	Local Area	2,50,000	2,50,000	2,50,000	Implementing agency (Bharat Lok Shiksha Parishad)**
3	Contribution to the prime minister's national relief fund or any other fund set up by the central govt or any State Government or any other competent authority under any law for the time being in force	Slum Area development - Chief Minister's Distress Relief Fund Towards Kerla Flood	Local Area	2,00,000	2,00,000	2,00,000	Chief Minister's Distress Relief Fund Towards Kerla Flood

(₹ in Lakhs)

4	Construction of medical universities	Promoting Healthcare including Preventive Healthcare, promoting education	Local Area	6,00,000	6,00,000	6,00,000	Implementing agency (Maharaja Agarsen Hospital Charitable Trust Regd.)***
		<b>Total</b>			<b>12,50,000</b>	<b>12,50,000</b>	

\*ShriMadhav Jan SewaNyas has been established as a public charitable trust and has a comprehensive approach towards Upliftment of vanvasis by promoting Social, cultural, Spiritual, Moral, Economy and educational advancement to form a part of Indian society structure.

\*\* Bharat LokShikshaParishad has a comprehensive approach towards promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

\*\*\*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**

**Sd/-**

**VIJAY BANSAL**

**(Chairman of CSR Committee)**

**Place : New Delhi**

**Date : 9th August, 2019**

**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:

SL. 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 proviso 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:

SL. NO.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactios	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
(a)	(b)	(c)	(d)	(e)	(f)	
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.	14/08/2014	NIL

2.	M/s Global Textiles  Relation: Mr. Basant Goyal Director of the Company is Proprietor	Receiving Services	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..	31/10/2018	NIL
----	--	--------------------	--------	--	------------	-----

**For and on behalf of the Board**

**Sd/-**

**VIJAY BANSAL**

**Chairman and Managing Director**

**Place : New Delhi**

**Date : 09th August, 2019**

**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	0.08	No Specific time Limit	Investment in Equity
HDFC Equity Fund-Growth	Mutual Fund	5.68	No Specific time Limit	Investment in Equity Funds
IDFC Imperial Equity Fund-Plan A (G)	Mutual Fund	0.33	No Specific time Limit	Investment in Equity Funds
Bahadurgarh Footwear Development Services Private Limited	Investment in Equity	15.24	No Specific time Limit	Investment in Equity
AamorInox Limited	Inter-Corporate loan	400.00	14%	For furthering the business interest of the company

**For and on behalf of the Board**

 Place : New Delhi  
 Date: 09<sup>th</sup> August, 2019

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



(₹ in Lakhs)

## 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	693300	14000	49.52
Deepak Bansal	693300	14000	49.52
BasantGoyal	200000	14000	14.29

- (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. 2018-19) (in Rs.)	Remuneration (F.Y. 2017-18) (in Rs.)	Increase in Remuneration (in Rs.)	Percentage increase in remuneration (%)
Vijay Bansal	Managing Director	693300	693300	-	-
Deepak Bansal	Whole Time Director	693300	693300	-	-
Basant Goyal	Additional Director	200000	200000	-	-
Poonam Chahal	Company Secretary	124495	112853	11,642	10.32
Shivendra Nigam*	Chief Financial Officer	237763	216890	20,873	9.62

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

Particulars	March, 2019	March, 2018	Increase in Value Terms	Increase in % Terms
No. of Employee	2178	1,216	962	79.11
Median of Remuneration of employee	14000	13590	410	3.02

- (d) **The number of permanent employees on the rolls of Company : 2178**
- (f) **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:**

(₹ in Lakhs)

Particulars	F.Y. 2018-19 (in Rupees)	F.Y. 2017-18 (in Rupees)	Increase in Value Terms (in Rupees)	% Increase in Terms Remuneration
Average Salary of employee other than managerial personnel	15184	16,225	-1041	-6.42
Average salary of managerial personnel	38,97,716	376,043	3521673	936.51

(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 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

Place : New Delhi  
Date : 9<sup>th</sup> August, 2019

Sd/-  
VIJAY BANSAL  
Chairman and Managing Director

## ANNEXURE – 7

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

## I. REGISTRATION &amp; 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 Harsukhdas Mandir, 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	Manufacture of all types of textile garments and clothing accessories	14101	50.94%
2	Retail sale of readymade garments, hosiery goods, other articles of clothing and clothing accessories such as gloves, ties, braces etc	47711	49.06%

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

SI.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/	% of shares held Associate	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-**

S.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	MEGHA BANSAL	213733	1.31	0.00	213733	1.31	0.00	0.00
3	VIJAY BANSAL HUF	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	SUSHILA BANSAL	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)**

S.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	160	0.00	160	0.00	No Change
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	160	0.00	160	0.00	
2.	Megha Bansal At the beginning of the year	213733	1.31	213733	1.31	No Change
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	213733	1.31	213733	1.31	
3.	Vijay Bansal – HUF At the beginning of the year	413385	2.53	413385	2.53	

(₹ in Lakhs)

	Bought during the year	-	-	-	-	No Change
	Sold during the year	-	-	-	-	No Change
	At the end of the year	413385	2.53	413385	2.53	
4.	Deepak Bansal					
	At the beginning of the year	2567436	15.72	2567436	15.72	No Change
	Bought during the year	-	-	-	-	No Change
	Sold during the year	-	-	-	-	No Change
	At the end of the year	2567436	15.72	2567436	15.72	
5.	Sushila Bansal					
	At the beginning of the year	2811674	17.22	2811674	17.22	No Change
	Bought during the year	-	-	-	-	No Change
	Sold during the year	-	-	-	-	No Change
	At the end of the year	2811674	17.22	2811674	17.22	
6.	Vijay Bansal					
	At the beginning of the year	6112801	37.44	6112801	37.44	No Change
	Bought during the year	-	-	-	-	No Change
	Sold during the year	-	-	-	-	No Change
	At the end of the year	6112801	37.44	6112801	37.44	

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

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

S.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	194000	1.19	31-Mar-18				
		-	-	06-Apr-18	47000	Purchase	241000	1.48
		-	-	26-Oct-18	11504	Purchase	252504	1.55
		-	-	01-Mar-19	28000	Purchase	280504	1.72
		-	-	29-Mar-19	8500	Purchase	289004	1.77
	At the end of year	<b>289004</b>	<b>1.77</b>	<b>31-Mar-19</b>			<b>289004</b>	<b>1.77</b>
2	Ravinder Kumar Jindal	150450	0.92	31-Mar-18				
		-	-	06-Apr-18	41500	Purchase	191950	1.18
		-	-	13-Apr-18	41050	Purchase	233000	1.43
	At the end of year	<b>233000</b>	<b>1.427</b>	<b>30-Mar-19</b>			<b>233000</b>	<b>1.427</b>
3	Globe Capital Market Ltd.	13331	0.08	31-Mar-18				
		-	-	06-Apr-18	-7530	Sell	5801	0.04
		-	-	13-Apr-18	18600	Purchase	24401	0.15
		-	-	20-Apr-18	-20000	Sell	4401	0.03

(₹ in Lakhs)

			-	27-Apr-18	20000	Purchase	24401	0.15
			-	11-May-18	100	Purchase	24501	0.15
			-	18-May-18	-100	Sell	24401	0.15
			-	25-May-18	321	Purchase	24722	0.15
			-	01-Jun-18	629	Purchase	25351	0.16
			-	15-Jun-18	-23801	Sell	1550	0.01
			-	22-Jun-18	200	Purchase	1750	0.01
			-	06-Jul-18	-300	Sell	1450	0.01
			-	13-Jul-18	600	Purchase	2050	0.01
			-	27-Jul-18	2000	Purchase	4050	0.02
			-	03-Aug-18	50420	Purchase	54470	0.33
			-	10-Aug-18	20753	Purchase	75223	0.46
			-	17-Aug-18	8158	Purchase	83381	0.51
			-	24-Aug-18	-57986	Sell	25395	0.16
			-	31-Aug-18	3900	Purchase	29295	0.18
			-	07-Sep-18	7000	Purchase	36295	0.22
			-	14-Sep-18	24925	Purchase	61220	0.37
			-	21-Sep-18	9094	Purchase	70314	0.43
			-	29-Sep-18	-29050	Sell	41264	0.25
			-	05-Oct-18	-100	Sell	41164	0.25
			-	12-Oct-18	14493	Purchase	55657	0.34
			-	19-Oct-18	10006	Purchase	65663	0.40
			-	26-Oct-18	-18031	Sell	47632	0.29
			-	09-Nov-18	-284	Sell	47348	0.29
			-	16-Nov-18	2700	Purchase	50048	0.31
			-	23-Nov-18	-5100	Sell	44948	0.28
			-	30-Nov-18	-39342	Sell	5606	0.03
			-	14-Dec-18	68850	Purchase	74456	0.46
			-	21-Dec-18	-51	Sell	74405	0.46
			-	04-Jan-19	-4545	Sell	69860	0.43
			-	01-Feb-19	64332	Purchase	134192	0.82
			-	08-Feb-19	-75	Sell	134117	0.82
			-	15-Feb-19	54237	Purchase	188354	1.15
			-	22-Feb-19	33170	Purchase	221524	1.36
			-	01-Mar-19	1280	Purchase	222804	1.36
			-	08-Mar-19	13596	Purchase	236400	1.45
			-	15-Mar-19	-17426	Sell	218974	1.34
			-	22-Mar-19	-3485	Sell	215489	1.32
			-	29-Mar-19	150	Purchase	215639	1.32
	At the end of year	<b>215639</b>	<b>1.32</b>	<b>31-Mar-19</b>			<b>215639</b>	<b>1.32</b>
4	VLS Finance Ltd.	175000	1.07	31-Mar-18		NIL Movement During The Year	175000	1.07

**CANTABIL RETAIL INDIA LIMITED**

(₹ in Lakhs)

		<b>175000</b>	<b>1.07</b>	<b>31-Mar-19</b>			<b>175000</b>	<b>1.07</b>
5	Reward Advisory Services Pvt. Ltd.	23766	0.15	01-Jun-18				-
			-	08-Jun-18	65000	Purchase	88766	0.54
			-	15-Feb-19	35000	Purchase	123766	0.76
			-	22-Feb-19	43261	Purchase	167027	1.02
	At the end of year	<b>167027</b>	<b>1.02</b>	<b>31-Mar-19</b>			<b>167027</b>	<b>1.02</b>
6	Amit Gupta	131000	0.80	13-Apr-18		NIL Movement During the Year	131000	0.80
		<b>131000</b>	<b>0.80</b>	<b>31-Mar-19</b>			<b>131000</b>	<b>0.80</b>
7	Pritam Kumar Gupta	79173	0.48	24-Aug-18				-
			-	31-Aug-18	44827	Purchase	124000	0.76
	At the end of year	<b>124000</b>	<b>0.76</b>	<b>31-Mar-19</b>			<b>124000</b>	<b>0.76</b>
8	Wall Street Capital Markets Pvt Ltd	166500	1.02	02-Nov-18				-
			-	09-Nov-18	57000	Purchase	223500	1.37
			-	04-Jan-19	-100000	Sell	123500	0.76
	At the end of year	<b>123500</b>	<b>0.76</b>	<b>31-Mar-19</b>			<b>123500</b>	<b>0.76</b>
9	J G Securities Pvt. Ltd.	160000	0.98	01-Mar-19				-
			-	22-Mar-19	-60000	Sell	100000	0.6125
	At the end of Year	<b>100000</b>	<b>0.61</b>	<b>30-Mar-19</b>			<b>100000</b>	<b>0.61</b>
10	S S Corporate Securities Limited	100000	0.61	31-Mar-18				-
			-	06-Apr-18	200900	Purchase	300900	1.84
			-	13-Apr-18	-200900	Sell	100000	0.61
			-	04-May-18	1000	Purchase	101000	0.62
			-	11-May-18	-999	Sell	100001	0.61
			-	18-May-18	1100	Purchase	101101	0.62
			-	25-May-18	-325	Sell	100776	0.62
			-	01-Jun-18	-275	Sell	100501	0.62
			-	08-Jun-18	-501	Sell	100000	0.61
			-	03-Aug-18	200	Purchase	100200	0.61
			-	10-Aug-18	-200	Sell	100000	0.61
			-	17-Aug-18	385	Purchase	100385	0.61
			-	24-Aug-18	-385	Sell	100000	0.61
			-	31-Aug-18	346	Purchase	100346	0.61
			-	07-Sep-18	-99846	Sell	500	0.01
			-	14-Sep-18	8140	Purchase	8640	0.05
			-	21-Sep-18	-8640	Sell	-	-
			-	29-Sep-18	400	Purchase	400	0.01
			-	05-Oct-18	52640	Purchase	53040	0.32
			-	12-Oct-18	-53040	Sell	-	-
			-	26-Oct-18	75000	Purchase	75000	0.46
			-	02-Nov-18	-73800	Sell	1200	0.01

(₹ in Lakhs)

			-	09-Nov-18	-1200	Sell	-	-
			-	30-Nov-18	200	Purchase	200	0.01
			-	14-Dec-18	300	Purchase	500	0.01
			-	21-Dec-18	-500	Sell	-	-
			-	01-Feb-19	500	Purchase	500	0.01
			-	08-Feb-19	364	Purchase	864	0.01
			-	15-Feb-19	-864	Sell	-	-
			-	01-Mar-19	73417	Purchase	73417	0.45
			-	08-Mar-19	-53000	Sell	20417	0.13
			-	15-Mar-19	-10601	Sell	9816	0.06
			-	22-Mar-19	92626	Purchase	102442	0.63
			-	29-Mar-19	-2442	Sell	100000	0.61
	At the end of year	<b>100000</b>	<b>0.61</b>	<b>31-Mar-19</b>			<b>100000</b>	<b>0.61</b>

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

S.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					No Transaction
	At the beginning of the year	6112801	37.44	6112801	37.44	
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	6112801	37.44	6112801	37.44	
2.	Deepak Bansal					No Transaction
	At the beginning of the year	2567436	15.72	15.72	2567436	
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	2567436	15.72	2567436	15.72	
3	Lalit Kumar					Nil Holding
	At the beginning of the year	-	-	-	-	
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	-	-	-	-	
4	Arun Kumar Roopanwal					Nil Holding
	At the beginning of the year	-	-	-	-	
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	-	-	-	-	
5	Renu Jagdish					Nil Holding
	At the beginning of the year	-	-	-	-	
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	



(₹ in Lakhs)

	At the end of the year	-	-	-	-	
6	Basant Goyal					
	At the beginning of the year	-	-	-	-	Nil Holding
	Bought during the year	-	-	-	-	
	Sold during the year	-	-	-	-	
	At the end of the year	-	-	-	-	
7	Poonam Chahal					
	At the beginning of the year	8250	0.050	8250	0.050	Selling Selling
	Bought during the year	Nil	Nil	Nil	Nil	
	Sold during the year					
	16/10/2018	800	0.004	7450	0.045	
	11/12/2018	875	0.005	6574	0.040	
	At the end of the year	6575	0.040	6574	0.040	
8	Shivendra Nigam					
	At the beginning of the year	750	-	-	-	Selling  Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition
	Sold during the year					
	07/02/2019	750	0.004	750	0.004	
	Bought during the year					
	25/02/2019	1000	0.006	1000	0.006	
	25/02/2019	302	0.001	1302	0.007	
	26/02/2019	760	0.004	2062	0.012	
	05/03/2019	1	0.000	2063	0.012	
	06/03/2019	239	0.001	2302	0.014	
	07/03/2019	700	0.004	3002	0.018	
	08/03/2019	650	0.003	3652	0.022	
	At the end of the year	3652	0.022	3652	0.022	

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,547.82			4,547.82
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	4,547.82			4,547.82
<b>Change in Indebtedness during the financial year</b>				
Addition *	170.00			170.00
Reduction *	(565.39)			(565.39)
<b>Net Change</b>	(395.39)			(395.39)

(₹ in Lakhs)

Indebtedness at the end of the financial year				
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>	4,152.42			4,152.42

\* Net amount shown

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		<u>Mr. Vijay Bansal</u> Managing Director	<u>Mr. Deepak Bansal</u> Whole Time Director	<u>** Mr. Basant Goyal</u> Whole Time Director	
1	Gross salary	83.20	83.20	24.00	190.39
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	82.80	82.80	24.00	189.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	-	0.79
	(c) Profits in lieu of salary under section 17(3) 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>	83.20	83.20	24.00	190.39

(₹ in Lakhs)

**B. REMUNERATION TO OTHER DIRECTORS**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Lalit Kumar	Dr. Arun Kumar Roopanwal	Mrs. Renu Jagdish	
1	Independent Directors				7.20
	Fee for attending board committee meetings	2.40	2.40	2.40	
	Commission	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	
	Total (1)	2.40	2.40	2.40	
2	Other Non-Executive Directors	Nil	Nil	Nil	
	Fee for attending board committee meetings	Nil	Nil	Nil	
	Commission	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	
	Total (2)	-	-	-	
	<b>Total (B)=(1+2)</b>	2.40	2.40	2.40	<b>7.20</b>
	Total Managerial Remuneration	2.40	2.40	2.40	<b>7.20</b>

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mrs. Poonam Chahal	Mr. Shivendra Nigam	Total
1	Gross salary	14.94	28.53	<b>43.47</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.94	28.53	<b>43.47</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	14.94	28.53	<b>43.47</b>

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

Type	Section of the Companies Act	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made,if any (give Details)
<b>A. COMPANY</b>				
Penalty	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.
Compounding	<ul style="list-style-type: none"> <li>• u/s 224(8) of CA, 2013</li> <li>• u/s 193 r/w Section 621A of the CA, 1956/ Section 441 of the CA, 2013 for the F.Y 2011-12, 2012-2013 &amp; 2013-2014</li> </ul>	20,000 1500 (500 for F.Y 2011-12, 500 for F.Y 2012-2013, 500 for F.Y 2013-2014)	<b>RD</b>	N.A.
<b>B. DIRECTORS/KMP</b>				
Penalty	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.
Compounding	<ul style="list-style-type: none"> <li>• u/s 224(8) of CA, 2013</li> <li>• u/s 211(1) r/w Schedule VI</li> <li>• u/s 211 (3A) &amp; (3B) r/w AS-2 of CA, 2013</li> <li>• u/s 211 (3A) &amp; (3B) of Companies Act 2013 r/w AS-22</li> <li>• u/s 193 of the CA, 2013 for the F.Y 2011-12, 2012-2013 &amp; 2013-2014</li> <li>• Section 217 (2AA) r w AS-22</li> <li>• SECTION 217 (2AA) rw AS-2</li> <li>• u/s 217(2AA) r/w Schedule VI</li> </ul>	20,000 10,000 10,000 10,000 1500 (500 for F.Y 2011 -12, 500 for F.Y 2012-2013, 500 for F.Y 2013-2014) 15,000 15,000 15,000	<b>RD</b> <b>RD</b> <b>RD</b>  <b>RD</b>  <b>RD</b> <b>RD</b> <b>RD</b>	N.A. N.A. N.A.  N.A.  N.A. N.A. N.A.
<b>Deepak Bansal</b> <b>(Whole Time Director)</b>	<ul style="list-style-type: none"> <li>• u/s 224(8) of CA, 2013</li> <li>• u/s 211(1) r/w Schedule VI of CA, 2013</li> <li>• u/s 211 (3A) &amp; (3B) r/w AS-2 of CA, 2013</li> <li>• u/s 211(3A)&amp;(3B) r/w AS- 22 of CA, 2013</li> <li>• u/s 193 of the CA, 2013 for the F.Y 2011-12, 2012-2013 &amp; 2013-2014</li> </ul>	20,000 10,000 10,000 10,000 1,500 (500 for F.Y 2011 -12, 500 for F.Y 2012-2013, 500 for	<b>RD</b> <b>RD</b> <b>RD</b> <b>RD</b> <b>RD</b>	N.A. N.A. N.A. N.A. N.A.

	<ul style="list-style-type: none"> <li>• Section 217 (2AA) r w AS-22</li> <li>• SECTION 217 (2AA) r w AS-2</li> <li>• u/s 217(2AA) r/w Schedule VI</li> </ul>	F.Y 2013-2014) 15,000 15,000 15,000	RD RD RD	N.A. N.A. N.A.
<b>Poonam Chahal (Company Secretary)</b>	<ul style="list-style-type: none"> <li>• u/s 193 of the CA, 2013</li> <li>• u/s 217(2AA) r/w AS- 2</li> <li>• u/s 224(8) r/w 621A of CA, 1956/ Section 441 of CA, 2013</li> <li>• u/s 211 (3A) &amp; (3B) r/w AS-2</li> </ul>	500 10,000 12,000 5,000	RD RD RD RD	N.A. N.A. N.A. N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>				
Penalty	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.

**For and on behalf of the Board**

Place : New Delhi  
Date : 09<sup>th</sup> August, 2018

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

**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: ( ₹ in Lakhs)

a) Imports on CIF basis	
1. Import of Machinery	16.77
2. Import of Spare Parts	3.05
3. Import of Finished Goods	42.19
b) Expenditure in Foreign Currency	
1. Fee for Software License for access to Fashion Website	8.82
2. Directors Foreign Tour & Travelling	13.89
c) Earning in Foreign Currency	23.04

**For and on behalf of the Board**

**Sd/-**

**Place : New Delhi**  
**Date : 9<sup>th</sup> August, 2018**

**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

- That Cantabil Retail India Limited (CIN: L74899DL1989PLC034995) is having registered office at B-16, Ground Floor, Industrial Area, Lawrence Road, 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.
- I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V ParaC Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As on 31<sup>st</sup> March, 2019, the Board of Directors of the Company comprises of the following directors:

Sr. No.	Name of Director	Director Identification Number (DIN)
1.	Mr. Vijay Bansal	01110877
2.	Mr. Deepak Bansal	01111104
3.	Mr. Basant Goyal	07659491
4.	Mr. Lalit Kumar	00025150
5.	Dr. Arun Kumar Roopanwal	00406817
6.	Mrs. Renu Jagdish	06971367

- Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal ([www.mca.gov.in](http://www.mca.gov.in)), I certify that none of the above named Directors on the Board of the Company 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 for the Financial Year ending 31<sup>st</sup> March, 2019.
- Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This certificate is based on the information and records available up to date of this certificate and I have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

Date : 09th August, 2019  
New : Delhi

**Devesh Kumar Vasisht**  
Company Secretaries in Practice  
CP No 13700

## **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. 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.

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 is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company’s objective of enhancing shareholders value and discharge of social responsibility.

“Corporate governance deals with laws, procedures, practices and implicit rules that determine a Company’s ability to take informed managerial decisions *vis-à-vis* its claimants - in particular, its shareholders, creditors, customers, the State and employees.”

The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a tough competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental to Code of Governance in CANTABIL. These Values guide us in all our transactions and relations. That is the Spirit of CANTABIL and we also call it the Spirit of Winning.... On to Leadership.... sustainable and profitable achieved with the mantra of One Team..... One Dream.

We believe that sound corporate governance is necessary to enhance and retain stakeholders’ trust. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain best practices in international corporate governance. It is our continuous endeavor to enhance long-term shareholders value and respect minority rights in all our business decisions.

There is more widespread understanding and acceptance that good corporate governance ultimately leads to better performance, increased investor confidence and higher value creation.

### **2. BOARD OF DIRECTORS**

The Board of Directors plays a pivotal role in ensuring good governance. The contribution of directors on the Board is critical to the way a corporate conducts itself. A Board’s responsibilities derive from law, custom, tradition and current practice.

#### **Composition**

The Board composition is one of the most important determinants of Board effectiveness. Beyond the legal requirement of minimum directors, a Board should have a combination of inside and independent directors with a variety of experience and core competence. The potential competitive advantage of a Board structure constituted of executive directors and independent non-executive directors is in its combinations of – the depth of knowledge of the business of the executives and the breadth of experience of the non-executive/independent/outside director.

The Board of Directors of the Company comprises of three Executive and three Non-Executive Independent Directors. The Chairman is an Executive Director.



**Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on 31<sup>st</sup> March, 2019**

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 Directors	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	Nil	Nil
Mr. Basant Goyal	07659491	Executive-Whole Time Director	Executive	Nil	Nil	Nil

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

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

\*\*\* Re-appointed for a period of three years w.e.f 1st April, 2018

**The names of listed/unlisted entities where the director is director as on 31.03.2019:**

Name of Director	Name of listed entity	Category of directorship
Mr. Vijay Bansal	NIL	-
Mr. Deepak Bansal	NIL	-
Mr. Lalit Kumar	Oaktree Global Ventures Private Limited	Director
	Gaap Education Private Limited	Additional Director
Dr. Arun Kumar Roopanwal	NIL	-
Mrs. Renu Jagdish	NIL	-
Mr. Basant Goyal	NIL	-

S.No	Name of the Directors	Dates of Meetings Held				Last AGM Held
		May 25, 2018	August 14, 2018	October 31, 2018	January 25, 2019	28.09.2018
1	Mr. Vijay Bansal	P	P	P	P	P
2	Mr. Deepak Bansal	P	P	P	P	P
3	Mr. Lalit Kumar	P	P	P	P	P
4	Dr. Arun Kumar Roopanwal	P	P	P	P	P
5	Mrs. Renu Jagdish	P	P	P	P	P
6	Mr. Basant Goyal	P	P	P	P	P

**P: Present; A: Absent**

### Board Meetings

During the year ended March 31, 2019 Four (4) meetings of the Board of Directors were held on the following dates and were attended by all directors:

(i) **May 25, 2018**; (ii) **August 14, 2018** ;(iii)**October 31, 2018** and (iv)**January 25, 2019**;

### 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. Lalit Kumar	Not related	-
Dr. Arun Kumar Roopanwal	Not related	-
Mrs. Renu Jagdish	Not related	-
Mr. Basant Goyal	NIL	-

### 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 31st October, 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.

- **FAMILIARISATIONPROGRAMME FOR INDEPENDENT DIRECTOR**

Familiarisationprogramme for Independent Directors was 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 FamiliarisationProgrammes 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.

### 3. COMMITTEES OF THE BOARD

The Board committees with formally established terms of reference, criteria for appointment, life span, role and function constitute an important element of the governance process. The Committees enable better management of full board's time and allows in-depth scrutiny and focused attention.

The following are committees of the Board:

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

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.

A key element in the corporate governance process of any organization is its audit committee. The purpose of constitution of this committee is to make it responsible for the oversight of the quality and integrity of the company's accounting and reporting practices; controls and financial statements; legal and regulatory compliance; the auditor's qualifications and independence; and the performance of company's internal function. The committee functions as liaison between the board of directors and the auditors- external & internal.

The Company has a multi-disciplinary Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Chairman of the Committee attended the last Annual General Meeting.

The brief role & responsibilities and terms of reference of the Audit Committee *inter alia* include:

- 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, 2019, 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 25, 2018; (ii) August 14, 2018 ;(iii) October 31, 2018 and (iv) January 25, 2019.**

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

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

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 (Formerly Known as Akhil Mittal & CO.), 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 28, 2018.

### ii) Nomination and Remuneration Committee

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:-

- 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;
- 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
- 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 one meetings of the NRC Committee was held on 25<sup>th</sup> May, 2018. The details of the composition, meetings & attendance of the NRC Committee are given below:

Name of the Member	Designation	Category	NRC Meetings	Meetings Attended
Mr. Lalit Kumar	Chairman	Non-Executive Independent Director	1	1
Dr Arun Kumar Roopanwal	Member	Non-Executive Independent Director	1	1
Mrs. Renu Jagdish	Member	Chairman and Managing Director/ Executive Director	1	1

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 28, 2018.

**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 2019

**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 2018-19 are given below: (₹ in Lakhs)

Particulars of remuneration	Mr. Vijay Bansal	Mr. Deepak Bansal	Mr. Basant Goyal	Mr. Lalit Kumar	Dr Arun Kumar Roopanwal	Mrs Renu Jagdish
<b>Service Term</b>	01.04.2018 to 31.03.2021	01.04.2018 to 31.03.2021	01.12.2016-30.11.2019	30.09.2014-29.09.2019	30.09.2014-29.09.2019	30.09.2014-29.09.2019
<b>No. of Shares Held</b>	6112801	2567436	-	-	-	-
<b>Sitting Fees</b>	-	-	-	2.40	2.40	2.40

(₹ in Lakhs)

<b>Salary</b>	82.80	82.80	24.00	N.A	N.A	N.A
<b>Benefits (Perquisites)</b>	0.40	0.40	N.A	N.A	N.A	N.A
<b>Commission</b>	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
<b>Bonus</b>	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
<b>Notice period</b>	90	90	90	-	-	-
<b>Pension</b>	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
<b>TOTAL</b>	83.20	83.20	24.00	2.40	2.40	2.40

**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 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.

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, Seven meetings of the SRC were held ((i) **May 25, 2018**; (ii) **July 25 2018**(iii) **August 14, 2018** ;(iv) **October 31, 2018** (v) **December 8, 2018**(vi)**December 14, 2018** (vii) **January 25, 2019**;. The details of the composition, meetings & attendance of the SRC meetings are given below:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>	<b>SRC Meetings</b>	<b>Meetings Attended</b>
Mr. Lalit Kumar	Chairman	Non-Executive Independent Director	7	7
Mr. Vijay Bansal	Member	Chairman-cum-Managing Director	7	7
Dr Arun Kumar Roopanwal	Member	Non-Executive Independent Director	7	7

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, 2019.	Nil

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

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	CSR Meetings	Meetings Attended
Mr. Vijay Bansal	Chairman	Non-Executive Independent Director	1	1
Mr. Lalit Kumar	Member	Chairman-cum-Managing Director/ Executive Director	1	1
Mr. Basant Goyal	Member	Non-Executive Independent Director	1	1

**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 dates during the financial year 2018- 19 i.e. on **August 14 2018**

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 2018-2019 as and when required. The details of the composition & attendance of the MC meetings are given below:

Name of the Member	Designation	Category	SRC Meetings	Meetings Attended
Mr. Vijay Bansal	Member	Chairman and Managing Director / Executive Director	8	8
Mr. Deepak Bansal	Member	Whole Time Director	8	8
Mr. Basant Goyal	Member	Whole Time Director	8	8



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:

1. 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.
2. To open, close and operate the Bank Accounts held, in the name of the Company.
3. 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.
4. To delegate all its above powers to any of its Officers and/or Employees
5. Any other matter of routine nature for attaining operational efficiencies & flexibility in running the day to day affairs of the Company.

#### 7. 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
2015-16	Friday, September 30, 2016	9:00 A.M	Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi-110074	No
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

#### 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.

#### Shareholders

Disclosures regarding the appointment or reappointment of directors

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

The Companies Act, 2013 provides for the appointment of independent directorsundersub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a company, and shall be eligible for reappointment for another term of five years on passing of a special resolution by the shareholders of the Company.

Accordingly, one independent director (MrsRenuJagdish)who was appointed by the shareholders at the 26<sup>th</sup> Annual General Meeting as required under Section 149 of the Companies Act, 2013,will be re-appointed for the second term as an independent director in ensuing Annual general Meeting subject to the approval of members.

Further, Section 149(11) states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years. Section 149(13) states that the provisions of retirement by rotation, as defined in sub-sections (6) and (7) of Section 152 of the Act, shall not apply to such independent directors.

**4. 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.

**5. GENERAL SHAREHOLDER INFORMATION**

S.NO.	DESCRIPTION									
(a)	<b>CIN : L74899DL1989PLC034995</b>									
(b)	<b>Name of the Company : Cantabil Retail India Limited</b>									
(c)	<b>Website address : <a href="http://www.cantabilinternational.com">www.cantabilinternational.com</a></b>									
(d)	<b>E-mail address : <a href="mailto:investors@cantabilinternational.com">investors@cantabilinternational.com</a></b>									
(e)	<b>Annual General Meeting</b> <table border="1"> <thead> <tr> <th>Date</th> <th>Day</th> <th>Time</th> <th>Venue</th> </tr> </thead> <tbody> <tr> <td>26th September, 2019</td> <td>Thursday</td> <td>10:00A.M</td> <td>Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi- 110036</td> </tr> </tbody> </table>	Date	Day	Time	Venue	26th September, 2019	Thursday	10:00A.M	Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi- 110036	
Date	Day	Time	Venue							
26th September, 2019	Thursday	10:00A.M	Palm Green Hotel and Resort, Main GT Karnal Road, Bakoli, New Delhi- 110036							
(f)	<b>Financial Year : 1st April, 2018 to 31st March, 2019</b>									
(g)	<b>Book Closure Date: 19th September, 2019 to 26th September, 2019</b>									
(h)	<b>Dividend Payment Date:</b> <b>No Dividend on equity shares has been recommended by Board for the year ended 31st March 2019 considering the accumulated losses in previous years.</b>									
(i)	<b>Listing on Stock Exchanges &amp; Stock Code</b> <table border="1"> <tbody> <tr> <td>Name and address of the stock exchange</td> <td>BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001</td> <td>National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051</td> </tr> <tr> <td>Stock Code</td> <td>533267</td> <td>CANTABIL</td> </tr> <tr> <td>ISIN No. for shares in DEMAT form</td> <td colspan="2">INE068L01016</td> </tr> </tbody> </table>	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	
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									
(j)	<b>Listing Fees</b> Company confirms of having paid the annual listing fees for the financial year 2018-19 to above Stock Exchanges.									

(k)	<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, 3 <sup>rd</sup> floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062	011-29961281	011-29961284	beetalrta@gmail.com															
(l)	<p><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 6<sup>th</sup> April 2015. The physical share transfer requests valid and complete in all respect are normally processed expeditiously. The Company's shares are in compulsory DematMode.</p>																			
(m)	<p><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, 2019 16326986 equity shares of the Company, forming 99.996% of total shareholding stand dematerialized. International Securities Identification Number: INEO68L01016.</p>																			
(n)	<p><b>Liquidity of Shares</b> The Equity Shares of the Company are traded at the BSE and the NSE.</p>																			
(o)	<p><b>Plant Locations of the Company</b></p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Unit</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Manufacturing and Warehousing</td> <td>B-16, Lawrence Road Industrial Area, New Delhi – 110035</td> </tr> <tr> <td>2.</td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td>Warehousing</td> <td>WZ - 50, Shakurpur, New Delhi – 110034</td> </tr> <tr> <td>4.</td> <td>Manufacturing and Warehousing</td> <td>Plot No. 359, 360 &amp; 361 Phase – IV B, Sector – 17, HSIIDC, Bahadurgarh, Haryana</td> </tr> </tbody> </table>					S.No	Unit	Location	1.	Manufacturing and Warehousing	B-16, Lawrence Road Industrial Area, New Delhi – 110035	2.			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
S.No	Unit	Location																		
1.	Manufacturing and Warehousing	B-16, Lawrence Road Industrial Area, New Delhi – 110035																		
2.																				
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																		
(p)	<p><b>Address for Correspondence</b></p> <p>The shareholders may address their communications/ suggestions/ grievances/ queries to:</p> <table border="1"> <tr> <td>Address</td> <td>B-16, Lawrence Road Industrial Area, Delhi – 110035</td> </tr> <tr> <td>Phone</td> <td>+91-11-27156381</td> </tr> <tr> <td>Fax</td> <td>+91-11-27156383</td> </tr> </table>					Address	B-16, Lawrence Road Industrial Area, Delhi – 110035	Phone	+91-11-27156381	Fax	+91-11-27156383									
Address	B-16, Lawrence Road Industrial Area, Delhi – 110035																			
Phone	+91-11-27156381																			
Fax	+91-11-27156383																			
(q)	<p><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.</p>																			
(r)	<p><b>Disclosures with respect to demat suspense account/ unclaimed suspense account:</b> There was nil balance of Equity shares shares in the unclaimed shares escrow demat account.</p>																			

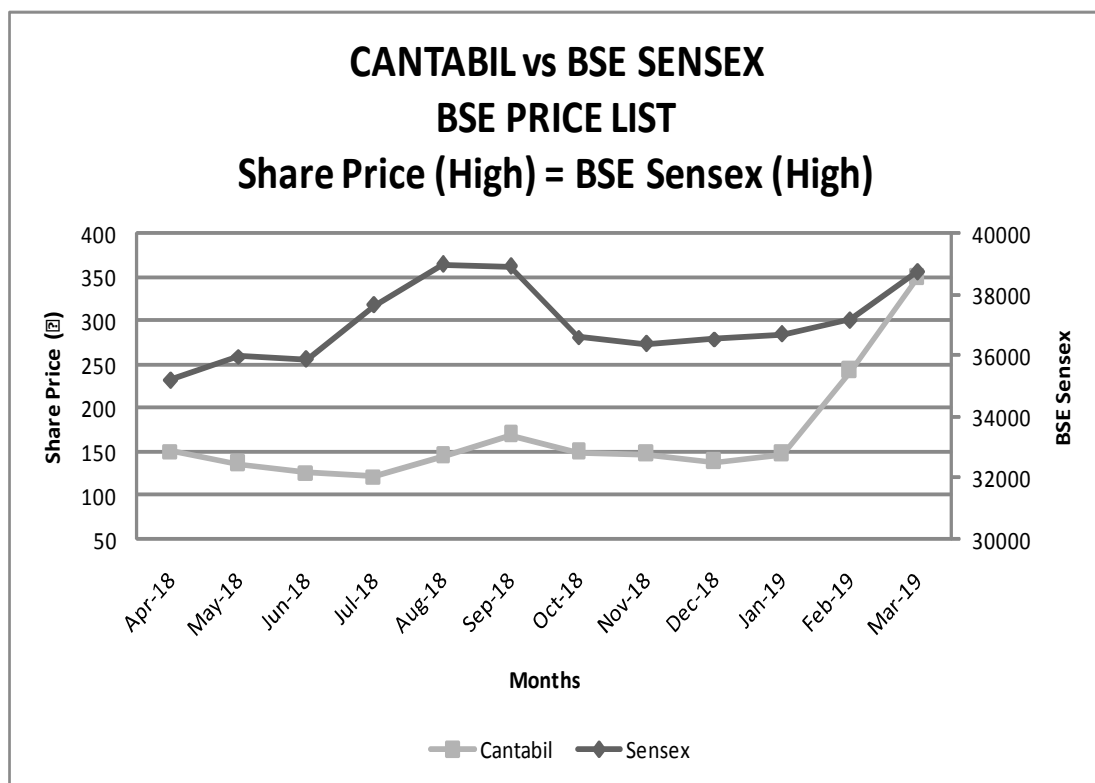
(s)

**Market Price Data**

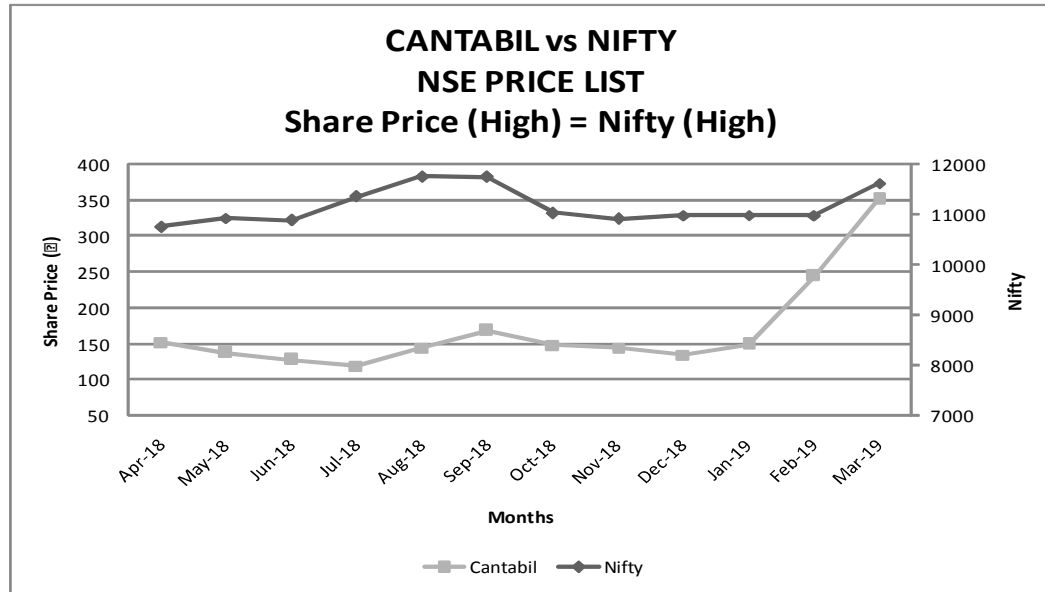
Months	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	151.00	115.80	152.00	115.00
May-18	136.90	116.00	137.90	115.20
Jun-18	126.40	112.05	127.40	106.00
Jul-18	122.40	107.00	119.50	107.65
Aug-18	144.85	113.05	144.35	112.80
Sep-18	169.90	140.05	169.00	137.05
Oct-18	150.00	121.00	148.40	121.00
Nov-18	147.00	123.10	144.30	126.25
Dec-18	138.90	124.25	135.05	120.95
Jan-19	148.00	123.00	149.00	124.00
Feb-19	242.95	133.10	244.80	138.25
Mar-19	349.80	220.35	351.85	219.00

(t)

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



**(B) CANTABIL Vs. SENSEX Performance in comparison to NSE Nifty, i.e. CANTABIL Vs. NIFTY**



**(u) Distribution of Shareholding**

Shareholding of Nominal value of Rs.	Number of Shareholders	%to total	Number of Shares	Amount (in Rs)	% to Total
Upto 5000	5583	91.03	563824	5638240	3.4532
5001 to 10000	328	5.34	260804	2608040	1.5973
10001 to 20000	85	1.38	120738	1207380	0.7395
20001 to 30000	29	0.47	71482	714820	0.4378
30001 to 40000	14	0.22	49385	493850	0.3025
40001 to 50000	8	0.13	37587	375870	0.2302
50001 to 100000	27	0.44	201183	2011830	1.2322
100001 and above	59	0.96	15022605	150226050	92.0074
<b>Total</b>	<b>6133</b>	<b>100.00</b>	<b>16327608</b>	<b>163276080</b>	<b>100.0000</b>

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

NIL

**(w) 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**

During the year credit rating agency i.e. Brickwork Ratings India Private Limited revised the exiting rating of the Company-

- **BWR BBB+ (Pronounced as BWR Triple B plus) for Rs 47 Crores Fund based (Long Term).**
- **BWR A2 (Pronounced as BWR A Two) for Rs 10 Crores Fund based (Short Term).**
- **BWR A2 (Pronounced as BWR A Two) for Rs 3 Crores Non Fund based (Short Term).**

**6. 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/policies/VIGIL\\_MECHANISM\\_OR\\_WHISTLE\\_BLOWER\\_POLICY.pdf](http://www.cantabilinternational.com/policies/VIGIL_MECHANISM_OR_WHISTLE_BLOWER_POLICY.pdf)

**(ii) Policy against Sexual and Workplace Harassment**

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 applies 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 during FY 2018-19

(j) **It is confirmed that there was no instance during FY 2018-19 when the Board had not accepted any recommendation of any committee of the Board**

**7. 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.

**8. 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

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

**Place: New Delhi  
Date: 09.08.2019**

**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 31<sup>st</sup> March, 2019 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.

**Place: New Delhi**

**Date: 09.08.2019**

**(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, 2019, 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 : 09.08.2019**  
**Place : New Delhi**

**Devesh Kumar Vasisht**  
**Practicing Company Secretary**  
**CP No.: 13700**

**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, 2019, 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 : 09.08.2019

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

## MANAGEMENT DISCUSSION AND ANALYSIS

Forward looking 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 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").

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 Limited.

### ECONOMIC OVERVIEW

#### Global Industry

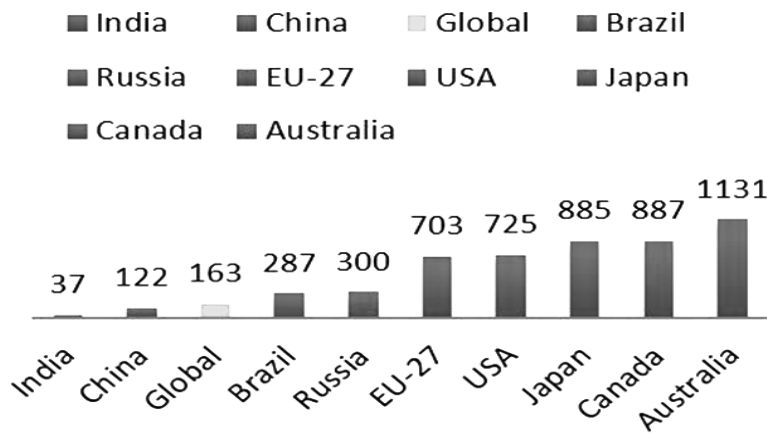
The textile and apparel industry has witnessed changes in the last few decades. Over the years, a major part of the industry has moved away from developed countries like the US, the EU and Japan to destinations like China, South Asia and South-East Asia. It is reported that Asian countries export most of textile and apparel to Europe and North America and USA etc. Two most vital variables which brought on this move were the availability of low-cost manpower and abundant of raw material in Asian countries. India, among the Asian countries, is one of the most competitive textile and apparel manufacturing center today. Today's textile and apparel sector is again at the cusp of some major structural changes. The demand pattern is governed by the economic growth of regions, which indicates a slowdown in developed countries while strong growth in China and India. The export growth rate of China has already slowed down, a trend that will lead China to lose some share of global market while still being the largest exporting nation. The opportunity arising because of China's export growth slowdown can help countries like India, Bangladesh, Vietnam, etc., to increase their trade share. FTAs of these suppliers with major markets of EU, the US and Japan will be of special importance.

The current global apparel market is estimated at \$1.7 trillion which forms approximately 2 per cent of the world GDP of \$73.5 trillion. Based on the projected GDP growth rate and its relation with the apparel market growth, it is projected that the global apparel consumption will increase to \$2.6 trillion by 2025. Apparel consumption in top 8 economies constitutes approximately 70 per cent of the global consumption. All the four BRIC nations appear among the top markets having a cumulative share of approximately 23 per cent. Combined apparel consumption of the US and the EU is 40 per cent while they are a home to just 11 per cent of the world population, implying a very high level of per capita expenditure on Apparel (PEAP) compared to the rest of the world.

Within the top markets, there is a major distinction between developed countries and the emerging ones in terms of per capita spends on apparel. The lowest per capita spending is on apparel among these markets is of India (US\$ 37). Australian per capita spending on apparel is highest at US\$1131. In comparison to this, Indians spend only 4% compared with Australian per capita spend on apparel.

If we see the nature of countries, per Capita spend on apparel in India is only one-third of that in China so the Indian apparel market needs less import than Chinese apparel market which increases the CAGR%.

**Per Capita Spend on Apparel (In US\$)**



Source: <https://www.textilemates.com/textile-business-global-market-present-future/>

<http://www.indiantextilemagazine.in/industry-news/global-textile-apparel-industry-fortunes-to-depend-on-5-major-trends/>

**Indian Industry**

With India’s economy expected to grow at 7 - 9 % CAGR, over the next decade, the per capita income will also increase. Increasing wallet sizes will result in consumers with more money to spend and greater enthusiasm for fashion. These changes in Indian economy are explicit and so is the impact of these changes on the apparel industry. For new as well as existing Textile and Apparel business establishments, this would translate into a significant demand. The macroeconomic changes will drive apparel consumption trends, giving rise to significant business opportunities. The per capita expenditure on apparel is expected to reach INR 8,000 by 2025, rising from INR 3,100 in 2015. Therefore, the total Indian apparel consumption expenditure is expected to grow to INR 11.7 Lakh Crores (USD 180 Billion) by 2025. The Indian Textile and Apparel market was estimated at INR 3,20,000crore (USD 58 billion), in 2013, and is projected to grow at a CAGR of 9% to INR 7,57,000 crore (USD 138 billion) by 2023.

India is the world’s fifth-largest global destination in the retail space. India’s retail market is expected to increase by 60 per cent to reach US\$ 1.1 trillion by 2020, on the back of factors like rising incomes and lifestyle changes by middle class and increased digital connectivity.

By 2025, the middle-class consumers which will form 48.5% of the total targetable customer base will contribute about 55-60% share of total apparel market size. The top tier cities will continue to remain dominant locations in terms of apparel market because of the presence of both the middle-class and affluent consumers. However, two third of this middle class will dwell in the middle tiers and smaller cities as well as large district towns which are and will continue emerging as increasingly attractive apparel markets.

The middle-class consumers spend relatively higher amounts than aspirers on discretionary apparel consumption. However, there are only very few apparel retailers and brands in India who have rightly understood the middle-class consumers. The Indian middle-class consumers are value conscious and at the same time want fashionable clothes too. They seek quality and design at the best price. Therefore, the Indian middle-class consumers are creating an opportunity which needs to be captured in “value fashion”.

In the past, urban consumers never considered “brand name” as a substantial parameter for buying kids apparel and were highly price sensitive. This has however changed and urban consumer’s willingness to pay for kids’ apparel has

increased with their higher purchasing power. Urban women are more status conscious and carefully contemplate on what their kids should be wearing.

The absence of a large number of established brands in kids wear market in comparison to men's wear and women's wear market is a big opportunity. The kids wear market in urban India is expected to reach INR 1,57,000 Crores by 2025. However, this opportunity created by the urban consumers only demands to be catered with the sustained combination of good quality, latest fashion, and affordability.

Source: <https://tssindia.com/blog/five-consumption-trends-shaping-the-indian-apparel-industry/>

### Consumption Pattern

Tier II and III cities like Lucknow, Jaipur, Chandigarh, Kochi, Patna and Bhubaneshwar are the next retail destinations owing to increasing real estate rentals of tier I cities, said the head of 1-India family mart. The retail sector in tier II and III cities witnessed an investment of ₹ 42,724 crore in 2006 and 2017, as against ₹ 8935 crore in tier I cities.

Since international brands have already carved a niche for themselves in Indian metropolitans, they are now focusing their energies on Tier II and Tier III cities, trying to tap the market in these cities to expand their consumer base. Retailers are now trying different methods to increase their brand visibility and bring awareness among the customers in Tier II & III cities in hopes of profiting from untapped opportunities. Big department store chains like Big Bazaar, Shoppers Stop, Metro etc. can now be found even in towns that most Indians have never heard of.

A recent study has revealed that almost 35 percent of the sales of luxury brands in India are coming from Tier II cities like Patna, Chandigarh, Kanpur, Bhopal etc. These Tier II cities are fast outpacing the purchasing power of the metropolitans, despite the low engagement by luxury brands in those cities.

### About Cantabil Retail India Limited

Established in 1989, Cantabil Retail India Ltd. are in the business of designing, manufacturing, branding and retailing of Men's apparels under the brand name of "CANTABIL" and other accessories like ties, belts, socks, caps and handkerchief under the brand name of "KANESTON". Our Company is also manufacturing, branding and retailing of Women's apparels under the brand name of "CROZO". Our Company also launched Kids wear under the brand name of "Lil' Potatoes" to make it a complete family wear.

We have a network of approx 260+ exclusive retail outlets in 16 states across Country as on 31st July 2019.

We started our garments manufacturing and retailing business in the year 2000 and opened our first "CANTABIL" store in September, 2000 in New Delhi. The Company offers the complete range of formalwear, party wear, casuals & ultracausal clothing for Men, Women and Kids in the middle to high income group. In the last 19 years, "CANTABIL" has become a complete family wear brand with addition of women's wear segment in 2007 and Kidswear segment in 2018.

Cantabil has exclusively started its state-of-the-art world class manufacturing plant in the year 2015 spread across a build-up area of 1.50 Lakh sq. ft. at Bahadurgarh, Haryana to fulfill the company's own and B2B segment's demand. This production facility has fully integrated infrastructure and systems required for modern manufacturing to retailing with complete automation from Cutting to manufacture and finishing of formal and casual trousers, formal shirts & Men's Suits, waistcoats, blazers in Formal, Casual and party-wear range. The plant is one of its kind with a present combined capacity to produce 10 Lac pcs. of garments per annum. We also have third party dedicated units manufacturing exclusively for us. We also have fabricating arrangements with dedicated manufacturing units to which we outsource cutting and stitching, Our manufacturing and finishing facilities are sufficiently backed by facilities for product development, design, fabric testing to ensure quality apparels for our customers.

Today we are one of the known branded apparel manufacturers and retailers in the country.

### FINANCIAL OVERVIEW –

The consolidated performance of the Company for the financial year ended March 31<sup>st</sup>, 2019, is as follows:

Total revenue from operations at Rs. 288.55crore for the year ended March 31, 2019, as against Rs. 197.24crore for the corresponding previous period, an increase of 46.29%, mainly on account of additional stores and higher same store sales.

The EBITDA (earnings before interest, depreciation and tax, excluding other income) was Rs. 29.61crore for the year ended March 31, 2019, as against Rs. 19.96crore for the corresponding previous period, an increase of 48.35%.

EBITDA margins increased by 8 basis points to 10.26% in FY19 from 10.18% in FY18 mainly on account of increase in average revenue per store.

Adj. Profit after Tax (for deferred tax on previously recognised losses) was at Rs. 12.50crore in FY19 as against Rs. 8.89crore in FY 18, YoY growth of 40.61%

EPS was Rs. 7.66 in FY19

### RESOURCES AND LIQUIDITY

As on March 31, 2019, the net worth stood at Rs. 114.30crore and the total debt was at Rs. 41.52crore.

The cash and cash equivalents at the end of March 31, 2019 were Rs. 2.57crore.

The net debt to equity ratio of the Company stood at 0.36 as on March 31, 2019.

### Segment wise Business Performance

The Company is operating in Men's wear, Women's Wear, Kids Wear and Accessories. 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 are stated below:

Name and Description of main products / services	% to total turnover of the Company
Men's Wear	85%
Women's Wear	12%
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 differentiators 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.

### **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.

### **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, 2019, Company is giving direct employment to approx 2500 employees. Industrial relations are cordial and satisfactory.

### **OUTLOOK**

The global consumer spending on fashion crossed US\$1.5 trillion in 2015. India's fashion retail market is itself set to grow to US\$115 billion by 2026. Fast fashion is gaining popularity among the masses as consumers in India and

worldwide shift to value-for-money fashion, aligned with the latest global trends. People no longer consider apparel as a durable item, to be shopped seasonally; instead, they are now chasing latest trends that are price competitive. Clothes are seen as disposable, and the modern consumer's closets can include many infrequently worn items.

Womenswear and kids wear categories are growing faster with a 13 percent and 17 percent CAGR respectively, compared to menswear at 11 percent. The per capita apparel spending is also highest for kids, followed by women and men. Further, within womenswear, western and Indian ethnic segments are growing faster, with 21 percent and 17 percent projected CAGR, compared to sarees at 6 percent CAGR. As saree moves to an occasional-wear category, the Management believes that brands with single product focus will be severely impacted.

The absence of a large number of established brands in the kids wear market, in comparison to men's wear and women's wear market, is a big opportunity. The kids wear market in urban India is expected to reach INR 1,57,000 Crores by 2025. However, this opportunity created by the urban consumers can only be catered with the sustained combination of good quality, latest fashion, and affordability. Cantabil's new addition of the brand Lil Potato caters to kids wear and has a lot of opportunity to expand and scale.

The efficiency of the marketing and sales network is of most importance for the success of the Company. Cantabil's success lies in the strength of the relationships with its customers who have been associated with the Company. The Company believes in delivering products with good design and high quality with a focus on cost efficiencies. The product quality, customer relationships and cost-efficiency are critical in maintaining brand loyalty among customers.

The Company intends to enhance its brand image by means of advertising and building customer relationships. The apparel industry is very competitive in nature. To thrive among active competition in the industry, the Company is working on both costs and production efficiencies. With growing market opportunity available, the Company plans to open 72 stores over the next 12 months and 216 stores in the next three years. The Company also plans to expand its ladies brand store network to 130 stores from the existing 104 stores over the next 12 months. Cantabil has recruited more professionals across various critical functions, to address our increasing number of stores and brands.

The Company is well positioned to cater to the anticipated growth in demand in the India apparel market.

## 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, 2019, 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, 2019, 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) <b>Revenue Recognition</b> (As described in note 2.22 of the standalone Ind AS financial statements)	
<p>For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to Rs. 28,855.08 lakhs.</p> <p>Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices, and other related documents. Further, in respect of the</li> </ul>

<p>the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances and trade discounts.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>samples checked that the revenue has been recognized as per the agreed terms.</p> <ul style="list-style-type: none"> <li>• To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.</li> <li>• Tested the calculations related to discounts by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.</li> <li>• Performed monthly analytical procedures of revenue by streams to identify any unusual trends.</li> <li>• Obtained confirmations from customers on sample basis to support existence of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> </ul>
<p><b>(ii) Contingent Liability under Indirect Tax Laws</b> (As described in note 59 of the standalone Ind AS financial statements)</p>	
<p>As at March 31, 2019, 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 Rs. 110.39 lakhs which are pending adjudication with Hon'ble High Court of Delhi.</p>	<p>Our audit procedures include review of opinion received from expert and the nature of amounts involved, the sustainability and the likelihood of contingent liability upon final resolution.</p>

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, 2019 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 2019 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 59 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 Akhil Mittal & CO.**  
Chartered Accountants  
(Firm's Registration No. 026177N)

**Place : New Delhi**  
Date : May 23, 2019

**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, 2019, 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').
- iv. The company has not granted any loans under provisions of section 185 and has complied with provisions of section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 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. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- vii.
  - a) The company is generally with appropriate authorities regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax, value added tax, cess and any other statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material 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 employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, 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.
- x. 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.
- 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 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 based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 Companies Act, 2013.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Akhil Mittal & CO.**  
Chartered Accountants  
(Firm's Registration No. 026177N)

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

**Place : New Delhi**  
Date : May 23, 2019



## **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, 2019 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, 2019, 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 **Akhil Mittal & CO.**  
Chartered Accountants  
(Firm's Registration No. 026177N)

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

**Place : New Delhi**  
Date : May 23, 2019

## BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. ASSETS</b>			
<b>Non-current Assets</b>			
a) Property, Plant and Equipment	3	5,935.69	5,454.47
b) Capital work-in-progress	3	33.64	15.56
c) Investment Property	4	370.15	376.37
d) Other Intangible Assets	5	36.12	32.43
e) Financial Assets			
(i) Investments	6	15.24	10.00
(ii) Loans	7	667.43	596.75
(iii) Other financial assets	8	13.16	10.79
f) Deferred Tax Assets (Net)	9	1,689.70	1,738.01
g) Other non-current assets	10	713.70	549.70
<b>Total Non Current Assets</b>		<b>9,474.84</b>	<b>8,784.09</b>
<b>Current Assets</b>			
a) Inventories	11	9,689.69	8,106.00
b) Financial assets			
(i) Investments	12	6.09	5.41
(ii) Trade Receivables	13	1,844.99	1,049.64
(iii) Cash & Cash Equivalents	14	257.04	258.91
(iv) Loans	15	55.88	34.11
(v) Other financial assets	16	417.78	412.25
c) Current Tax Assets (Net)	17	22.55	49.34
d) Other Current Assets	18	744.27	389.40
<b>Total Current Assets</b>		<b>13,038.28</b>	<b>10,305.06</b>
<b>Total Assets</b>		<b>22,513.12</b>	<b>19,089.15</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	19	1,632.76	1,632.76
b) Other Equity	20	9,797.46	8,477.06
<b>Total Equity</b>		<b>11,430.23</b>	<b>10,109.82</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	21	428.57	697.72

(₹ in Lakhs)

(ii) Other Financial Liabilities	22	552.13	392.89
b) Provisions	23	276.59	229.10
c) Other Non Current Liabilities	24	273.40	145.81
<b>Total Non Current Liabilities</b>		<b>1,530.69</b>	<b>1,465.52</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	25	3,455.93	3,631.77
(ii) Trade Payables	26		
(a) Total Outstanding dues of micro & small enterprises		782.98	-
(b) Total Outstanding dues of creditors other than micro & small enterprises		4,130.26	2,618.01
(iii) Other financial liabilities	27	753.35	546.36
b) Other Current Liabilities	28	194.06	514.66
c) Provisions	29	235.63	203.01
<b>Total Current Liabilities</b>		<b>9,552.20</b>	<b>7,513.81</b>
<b>Total Equity &amp; Liabilities</b>		<b>22,513.12</b>	<b>19,089.15</b>

The accompanying Notes 1 to 63 forms integral part of these Financial Statements

As per our report of even date attached

for Akhil Mittal & Co.  
Chartered Accountants  
FRN: 026177N

For and on behalf of the Board of Directors

(CA Akhil Mittal)  
Partner  
M.No. 517856

(Vijay Bansal)  
Chairman & Managing Director  
DIN : 01110877

(Deepak Bansal)  
Director  
DIN : 01111104

DATE: MAY 23, 2019  
PLACE: DELHI

(CA Shivendra Nigam)  
Chief Financial Officer

(CS Poonam Chahal)  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Income</b>			
Revenue From Operations	30	28,855.08	19,723.60
<b>II Other Income</b>	31	399.83	141.13
<b>III Total Income (I + II)</b>		<b>29,254.91</b>	<b>19,864.73</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	32	5251.08	4843.43
Purchase of Stock-In-Trade	33	9856.44	2686.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade-	34	(1481.87)	(663.67)
Excise Duty	35	-	104.92
Employee Benefits Expense	36	5146.98	3711.98
Finance Costs	37	851.85	680.11
Depreciation and amortisation expense	38	889.24	883.78
Other expenses	39	7121.94	7044.21
<b>Total Expenses</b>		<b>27,635.66</b>	<b>19,291.04</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>1619.25</b>	<b>573.69</b>
<b>VI Exceptional Items</b>	40	-	189.14
<b>VII Profit Before Tax (V+VI)</b>		<b>1619.25</b>	<b>762.83</b>
<b>VIII Tax expense:</b>	41		
Current Tax		349.88	155.53
Tax Credit		(349.88)	(311.97)
Deferred Tax (Credit)		369.26	(1079.47)
<b>Total Tax Expense</b>		<b>369.26</b>	<b>(1235.91)</b>
<b>IX Profit for the year (IX-X)</b>		<b>1249.99</b>	<b>1998.74</b>
<b>X OTHER COMPREHENSIVE INCOME (OCI)</b>	42		
Items that will not be reclassified to profit or loss			
- Re-measurement gains/(losses) on defined benefit plans		99.34	(7.69)
- Income Tax Charge on above Items		(28.93)	2.12
<b>Total Other Comprehensive Income for the year</b>		<b>70.41</b>	<b>(5.57)</b>
<b>Total Comprehensive Income for the year</b>		<b>1320.41</b>	<b>1993.17</b>
<b>XI Earnings per Equity Share</b>	43		
Basic ( in Rs.)		7.66	12.24

(₹ in Lakhs)

Diluted ( in Rs.)		7.66	12.24
-------------------	--	------	-------

The accompanying Notes 1 to 63 forms integral part of these Financial Statements

As per our report of even date attached

**for Akhil Mittal & Co.**  
Chartered Accountants  
FRN: 026177N

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

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

**(Vijay Bansal)**  
Chairman & Managing Director  
DIN : 01110877

**(Deepak Bansal)**  
Director  
DIN : 01111104

DATE: MAY 23, 2019  
PLACE: DELHI

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

**(CS Poonam Chahal)**  
Company Secretary

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

( ₹ in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
<b>A. Cash flow from operating activities :</b>				
<b>Net Profit before tax</b>		<b>1619.25</b>		<b>762.83</b>
<i>Adjustments for :</i>				
Depreciation and amortisation	889.24		883.78	
(P & L) on sale of PPE & Investment Property	0.64		(50.97)	
Finance costs	666.57		634.92	
Rent expense on lease equilisation (Reversal)	(262.98)		193.52	
Expenses/(Gains) on account of re-measurement of defined benefit plans	99.34		(7.69)	
Interest Expenses (Net) as per Ind AS 109	162.74		17.73	
Deferred Income	(186.68)		(45.19)	
Gain on Fair value of investments	(5.92)		(0.44)	
Government grant Income	(6.60)		(4.19)	
Capital Assets written off	1.17		0.04	
Interest income	(57.74)	<b>1299.78</b>	(14.75)	<b>1606.76</b>
<b>Operating profit / (loss) before working capital changes</b>		<b>2919.03</b>		<b>2369.59</b>
<i>Movements in Working capital :</i>				
Inventories	(1583.69)		(773.30)	
Trade receivables	(795.35)		(67.31)	
Financial Assets & other assets	(620.38)		(748.55)	
Trade payables	2295.23		(67.07)	
Other financial liabilities	338.12		156.23	
Other current liabilities	63.35		(61.55)	
Provisions, Current tax assets/liabilities	94.95	<b>(207.77)</b>	65.52	<b>(1496.02)</b>
<b>Cash generated from operations</b>		<b>2711.26</b>		<b>873.56</b>
Income Tax Paid (Net of Refunds)		(337.26)		(148.80)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>2373.99</b>		<b>724.76</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets, including capital work in progress & capital advances	(1357.31)		(795.86)	
Proceeds from sale of fixed assets	0.64		172.15	
Proceeds from Investment property	-		131.00	
Investments in fixed deposits	(2.37)		(5.40)	
Interest received	45.14		2.51	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(1313.90)</b>		<b>(495.60)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	170.00		1,174.21	
Prepayment of long-term borrowings	(170.00)		(612.33)	

(₹ in Lakhs)

Repayment of long-term borrowings	(219.55)		(81.16)	
Proceeds / (Repayment) in short-term borrowings	(175.84)		85.92	
Finance cost	(666.57)		(634.92)	
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>(1061.96)</b>		<b>(68.28)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(1.87)</b>		<b>(160.87)</b>
Cash and cash equivalents at the beginning of the year		258.91		98.03
<b>Cash and cash equivalents at the end of the year</b>		<b>257.04</b>		<b>258.91</b>
<b>Components of Cash &amp; Cash Equivalents (Refer Note No. 14)</b>				
Cash in hand		96.48		33.08
Fixed Deposit with Bank		7.94		-
Balance with Banks		152.62		225.83
<b>Cash &amp; Cash equivalents in Cash Flow Statement</b>		<b>257.04</b>		<b>258.91</b>

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

(Rs. In Lakhs)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Term Loan	Working Capital Loan	Term Loan	Working Capital Loan
<b>Carrying amount of debt at the beginning of the period*</b>	<b>916.05</b>	<b>3,631.77</b>	<b>435.33</b>	<b>3,545.85</b>
Additional borrowings during the period	170.00	-	1,174.21	85.92
Repayments/prepayments during the period	(389.55)	(175.84)	(693.49)	-
<b>Carrying amount of debt at the end of the period*</b>	<b>696.50</b>	<b>3,455.93</b>	<b>916.05</b>	<b>3,631.77</b>

\*Includes current maturities of long term borrowings

The accompanying Notes 1 to 63 forms integral part of these Financial Statements

As per our report of even date attached

for **Akhil Mittal & Co.**  
Chartered Accountants  
FRN: 026177N

For and on behalf of the Board of Directors

(CA Akhil Mittal)  
Partner  
M.No. 517856

(Vijay Bansal)  
Chairman & Managing Director  
DIN : 01110877

(Deepak Bansal)  
Director  
DIN : 01111104

DATE: MAY 23, 2019  
PLACE: DELHI

(CA Shivendra Nigam)  
Chief Financial Officer

(CS Poonam Chahal)  
Company Secretary



(₹ in Lakhs)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019****(A) Equity Share Capital**

Particulars	Amount
<b>As at April 1, 2017</b>	<b>1,632.76</b>
Changes in Share capital during the period	-
<b>As at March 31, 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>

**(B) Other Equity**

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained Earnings	
<b>As at April 1, 2017</b>	<b>8,756.10</b>	<b>(2,272.21)</b>	<b>6,483.89</b>
Remeasurement of post employment benefit obligation (net of tax)	-	(5.57)	(5.57)
Profit for the year	-	1,998.74	1,998.74
<b>As at March 31, 2018</b>	<b>8,756.10</b>	<b>(279.04)</b>	<b>8,477.06</b>
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>

The accompanying Notes 1 to 63 forms integral part of these Financial Statements

As per our report of even date attached

for **Akhil Mittal & Co.**  
Chartered Accountants  
FRN: 026177N

For and on behalf of the Board of Directors

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

**(Vijay Bansal)**  
Chairman & Managing Director  
DIN : 01110877

**(Deepak Bansal)**  
Director  
DIN : 01111104

DATE: MAY 23, 2019  
PLACE: DELHI

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

**(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 46).

### (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 includes 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 includes 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 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 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 shortterm 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.

Effective 01 April 2018, the company adopted Ind AS 115 "Revenue from Contracts with customers" using the modified retrospective method. Under the modified retrospective method, an entity applies Ind AS 115 only for contracts that are not completed on or before 31 March 2018.

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

### As Lessee

#### Accounting for finance leases

Leases of Property, Plant and Equipment, if any, where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

#### Accounting for operating leases

Where the company is the lessee Lease rentals are recognized as an expenses on a straight line basis with reference to lease terms and other considerations except where –

- Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Where the company is the lessor Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased

assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the company with expected inflationary costs.

### **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. The company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

### **2.32 Standards issued but not yet effective**

#### **Ind AS 116 - Leases:**

On March 30, 2019, MCA has notified Ind AS 116 "Leases". Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'lowvalue' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 01, 2019. The company is evaluating the requirements of this new standard and their impact on the Combined Financial Statements.

#### **Amendment to Ind AS 12, Income taxes**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 01, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

**Amendment to Ind AS 19, Employee benefits**

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019.

The Company is evaluating the requirements of the amendments and their impact on the financial statements.

**Amendment to Ind AS 109, Financial instruments**

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

**Amendment to Ind AS 23, Borrowing costs**

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 23 “Borrowing Costs” clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**3 Property, Plant and Equipment** (₹ in Lakhs)

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, 2017</b>	662.44	3,197.70	1,241.00	1,063.56	63.78	64.70	43.60	70.25	6,407.03	18.60
Additions	-	24.74	294.90	414.48	-	44.24	-	19.03	797.39	15.56
Disposals/Transfer	38.14	127.49	22.57	38.45	10.03	0.04	-	0.27	236.99	18.60
Adjustments	-	-	(4.81)	(0.22)	-	-	-	-	(5.03)	-
<b>As at March 31, 2018</b>	<b>624.30</b>	<b>3,094.95</b>	<b>1,508.52</b>	<b>1,439.36</b>	<b>53.75</b>	<b>108.90</b>	<b>43.60</b>	<b>89.01</b>	<b>6,962.40</b>	<b>15.56</b>
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>
<b>Accumulated Depreciation :</b>										
<b>As at April 1, 2017</b>	-	303.71	196.01	178.71	21.59	17.63	10.88	28.79	757.33	-
Depreciation	-	272.46	224.32	284.60	13.61	30.87	8.47	31.36	865.70	-
Disposals	-	59.46	14.90	31.21	9.26	0.03	-	0.25	115.10	-
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at March 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>	-
<b>Net Book Value :</b>										
<b>As at March 31, 2019</b>	842.42	2,427.45	1,143.68	1,365.06	19.78	87.15	17.97	32.17	5,935.69	33.64
<b>As at March 31, 2018</b>	624.30	2,578.24	1,103.08	1,007.26	27.80	60.43	24.25	29.11	5,454.47	15.56

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.



(₹ in Lakhs)

**4 Investment Property**

Particulars	Land	Apartment	Total
<b>Gross Block</b>			
<b>As at April 1, 2017</b>	<b>379.03</b>	<b>141.08</b>	<b>520.10</b>
Additions	-	-	-
Disposal	130.33	-	130.33
<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>
<b>Accumulated Depreciation and impairment</b>			
<b>As at April 1, 2017</b>	-	<b>6.87</b>	<b>6.87</b>
Depreciation	-	6.54	6.54
<b>As at March 31, 2018</b>	-	<b>13.41</b>	<b>13.41</b>
Depreciation	-	6.22	6.22
<b>As at March 31, 2019</b>	-	<b>19.62</b>	<b>19.62</b>
<b>Net Block</b>			
<b>As at March 31, 2019</b>	<b>248.70</b>	<b>121.45</b>	<b>370.15</b>
<b>As at March 31, 2018</b>	<b>248.70</b>	<b>127.67</b>	<b>376.37</b>

**Information regarding income and expenditure of Investment Property**

Particulars	As at March 31, 2019	As at March 31, 2018
Rental income derived from investment properties	11.33	10.22
Direct operating expenses (including repairs and maintenance) generating rental income	(0.79)	(0.72)
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>10.54</b>	<b>9.49</b>
Depreciation	(6.22)	(6.54)
<b>Profit arising from investment properties before indirect expenses</b>	<b>4.33</b>	<b>2.96</b>

**Fair Value** (Rs. In Lakh)

As at March 31, 2019	420.00
As at March 31, 2018	415.00

Valuation has been arrived as per minimum rates prescribed by government of National Capital Territory of Delhi vide Notification dated September 22, 2014. 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 of 11 months on mutually agreeable terms.

**5 Other Intangible Assets**

Particulars	Computer Software	Brands / Trademarks	Total
<b>Gross Block :</b>			
<b>As at April 1, 2017</b>	<b>36.71</b>	<b>2.62</b>	<b>39.33</b>
Additions	12.63	-	12.63
Disposals/Transfer	-	-	-
<b>As at March 31, 2018</b>	<b>49.34</b>	<b>2.62</b>	<b>51.96</b>
Additions	14.30	2.12	16.41
Disposals/Transfer	-	-	-
<b>As at March 31, 2019</b>	<b>63.64</b>	<b>4.74</b>	<b>68.37</b>
<b>Amortisation :</b>			
<b>As at April 1, 2017</b>	<b>7.34</b>	<b>0.64</b>	<b>7.99</b>
Amortisation	11.16	0.38	11.54
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>18.50</b>	<b>1.03</b>	<b>19.53</b>
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>
<b>Net Book Value :</b>			
<b>As at March 31, 2019</b>	<b>32.77</b>	<b>3.35</b>	<b>36.12</b>
<b>As at March 31, 2018</b>	<b>30.84</b>	<b>1.59</b>	<b>32.43</b>

**6 Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<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 Rs. 50,000/- each (PY 20 equity shares @ Rs. 50,000/- each)	15.24	10.00
<b>Total</b>	<b>15.24</b>	<b>10.00</b>
Aggregate book value of above investments	10.00	10.00
Aggregate market value of above investments	15.24	10.00

**7 Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
Security Deposits	667.43	596.75
<b>Total</b>	<b>667.43</b>	<b>596.75</b>

(₹ in Lakhs)

**8 Other Financial Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with Banks* (Remaining Maturity More Than 12 months)	13.16	10.79
<b>Total</b>	<b>13.16</b>	<b>10.79</b>

\* Pledged with VAT authorities

**9 Deferred Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Tax effect of items constituting deferred tax asset</u></b>		
Accelerated depreciation	241.94	196.01
Compensated absences payable	13.25	13.06
Provision for doubtful debts	0.76	-
Bonus Payable	57.55	47.48
Gratuity Payable	47.31	59.35
Unused Tax losses	672.09	1,110.14
<b>Total (a)</b>	<b>1,032.91</b>	<b>1,426.03</b>
<b><u>Tax effect of items constituting deferred tax liability</u></b>		
Ind AS Adjustments	(5.06)	-
<b>Total (b)</b>	<b>(5.06)</b>	<b>-</b>
<b>Tax Credits</b>		
MAT Credit Entitlement	661.85	311.97
<b>Total (c)</b>	<b>661.85</b>	<b>311.97</b>
<b>Total Assets/ (Liability) (a)+(b)+(c)</b>	<b>1,689.70</b>	<b>1,738.01</b>

**Reconciliation of Deferred Tax (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b><u>Tax effect of items constituting deferred tax asset</u></b>		
Opening Balance	1,738.01	344.45
Tax (income)/expense during the year recognised in profit or loss	(739.08)	1,083.71
Tax (income)/expense during the year recognised in OCI	28.93	(2.12)
MAT Credit Entitlement	661.85	311.97
<b>Closing balance of deferred Tax</b>	<b>1,689.70</b>	<b>1,738.01</b>

**10 Other Non Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances (Unsecured, Considered Good)	377.67	374.93
Prepaid Expenses	336.03	174.77
<b>Total</b>	<b>713.70</b>	<b>549.70</b>

**11 Inventories**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Inventories</b> (Valued at lower of cost or net realisable value on FIFO basis)		
<b>Raw Materials</b>		
In hand	601.31	478.52
In transit	-	20.98
<b>Work in Progress</b>	1,244.64	873.82
<b>Finished Goods</b>		
In hand	4,136.78	5,238.50
In transit	0.45	-
<b>Stock in Trade</b>		
In hand	3,706.16	1,479.26
In transit	0.33	14.93
<b>Total</b>	<b>9,689.69</b>	<b>8,106.00</b>

**12 Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments at Fair Value through Profit &amp; Loss</b>		
<b>In Quoted equity shares</b>		
1,600 Equity shares of Nova Iron & Steel Co. Ltd face value @ 110 each (PY 1,600 Shares face value @ 110 each)	0.08	0.11
<b>In Unquoted Mutual Funds</b>		
833.903 Units of HDFC Equity Fund (G) NAV @ 1681.21 each (PY 833.903 units NAV @ 1591.57 each)	5.68	4.93
910.61 Units of IDFC Imperial Equity Fund- Plan A (G) NAV @ 136.31 each (PY 910.61 units NAV @ 140.40 each)	0.33	0.37
<b>Total</b>	<b>6.09</b>	<b>5.41</b>
Aggregate book value of quoted investments	0.24	0.24
Aggregate market value of quoted investments	0.08	0.11
Aggregate book value of unquoted investments	1.40	1.40
Aggregate market value of unquoted investments	6.01	5.30

**13 Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
Considered good- Unsecured	1,844.99	1,049.64
Credit Impaired	34.56	31.94
Allowance for expected credit loss	(34.56)	(31.94)
<b>Total</b>	<b>1,844.99</b>	<b>1,049.64</b>

(₹ in Lakhs)

**14 Cash and Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks	152.62	225.83
Cash on hand	96.48	33.08
Deposits with Banks-FDR (Under lien as margin money with banks)	7.94	-
<b>Total</b>	<b>257.04</b>	<b>258.91</b>

**15 Loan**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Loans (Unsecured, considered good)</b>		
Security Deposits	55.88	34.11
<b>Total</b>	<b>55.88</b>	<b>34.11</b>

**16 Other Current Financial Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
Inter Corporate Loan to Related Party*	412.60	412.25
<b>Other Receivables</b>	5.18	-
<b>Total</b>	<b>417.78</b>	<b>412.25</b>

\* Read with Note no. 53

**17 Current Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax Recoverable (earlier years)	49.81	49.14
<b>Total (a)</b>	<b>49.81</b>	<b>49.14</b>
<b>Tax payable/Refundable</b>		
Advance Tax	310.00	149.00
TDS Receivable	12.62	6.73
Less: Provision For Income Tax-MAT	(349.88)	(155.53)
<b>Total (b)</b>	<b>(27.26)</b>	<b>0.20</b>
<b>Total (a) + (b)</b>	<b>22.55</b>	<b>49.34</b>

**18 Other Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Advances receivable in cash or kind</b>		
Advances to Suppliers	203.68	20.55
Advances to Staff	7.56	5.36
Prepaid Expenses	83.74	48.98
Deposit and Balances with Government Authorities	449.28	314.51
<b>Total</b>	<b>744.27</b>	<b>389.40</b>

**19 Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised Share Capital</b> 170,00,000 shares (March 31, 2018 - 170,00,000) Equity Shares of Rs. 10/- each	1,700.00	1,700.00
<b>Issued Share Capital:</b> 1,63,27,608 shares (March 31, 2018 - 1,63,27,608) Equity Shares of Rs. 10/- each	1,632.76	1,632.76
<b>Subscribed and fully paid up:</b> 1,63,27,608 shares (March 31, 2018 - 1,63,27,608) Equity Shares of Rs. 10/- each	1,632.76	1,632.76
	<b>1,632.76</b>	<b>1,632.76</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers of shares	Rs. in Lakhs	Numbers of shares	Rs. in Lakhs
Balance at the beginning of the period	16,327,608	1,632.76	16,327,608	1,632.76
Change in equity share capital during the period	-	-	-	-
Balance at the end of reporting period	16,327,608	1,632.76	16,327,608	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, 2019		As at March 31, 2018	
	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	6,112,801	37.44%	6,112,801	37.44%
Mrs. Sushila Bansal	2,811,674	17.22%	2,811,674	17.22%
Mr. Deepak Bansal	2,567,436	15.72%	2,567,436	15.72%

**(iii) Terms / rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 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.

(₹ in Lakhs)

**20 Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
<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>	<b>8,756.10</b>
<b>Retained Earnings:</b>		
Balance at the beginning of the reporting period	(279.04)	(2,272.21)
Profit/(Loss) for the year	1,249.99	1,998.74
Remeasurement of gains/(losses) of defined benefit obligation (net of tax)	70.41	(5.57)
<b>Balance at the end of the reporting period</b>	<b>1,041.36</b>	<b>(279.04)</b>
<b>Total Other Equity</b>	<b>9,797.46</b>	<b>8,477.06</b>

**Nature and purpose of other reserves****(a) Securities premium**

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**(b) Retained earnings**

All the profits or losses made by the Company are transferred to retained earnings from statement of profit and loss.

**21 Financial Liabilities- Non Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Borrowings-Term loans - Secured</b>		
a. From Banks	169.67	421.45
b. From Non banking Financial institutions	258.91	276.26
<b>Total</b>	<b>428.57</b>	<b>697.72</b>

**Disclosure of repayment terms**

Particulars	As at March 31, 2019	As at March 31, 2018
1. State Bank of India	15.57	-
2. ICICI Bank Limited	154.10	303.77
3. Punjab National Bank Housing Finance Limited	258.91	276.26
4. Oriental Bank of Commerce	-	117.69
<b>Total</b>	<b>428.57</b>	<b>697.72</b>

- Term Loan of Rs. 170.00 lakhs, Tenure- 21 months proportionate principal and actual interest @ 3M "Marginal cost of lending rate" (MCLR) +1.25 % p.a., secured against the hypothecation of Plant & Machinery at HSIIDC Bahadurgarh(Haryana). 14 EMI's of Rs. 7.99 lakhs each pending.
- Term Loan of Rs. 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 of Mrs. Sushila Bansal, Mr. Deepak Bansal & Mr. Vijay Bansal. 24 EMI's of Rs. 12.84 lakhs each pending.

- 3 (a) Loan against property of Rs. 119.50 lakhs, Tenure - 120 months by equated monthly instalment (EMI) of Rs. 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 Hassanpur, Ghaziabad, Uttar Pradesh and Shop No. F07 and F08, Mittal Mall Sector 25 Part II, Panipat, Haryana-132103. 114 instalments pending.
- (b) Loan against property of Rs. 181.50 lakhs, Tenure - 120 months by equated monthly instalment (EMI) of Rs. 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. 113 instalments pending.

**22 Other Financial Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit Received	552.13	392.89
<b>Total</b>	<b>552.13</b>	<b>392.89</b>

**23 Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity	241.93	201.04
Provision for Leave Encashment	34.66	28.07
<b>Total</b>	<b>276.59</b>	<b>229.10</b>

(Read with Note No. 46)

**24 Other Non current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income	273.40	145.81
<b>Total</b>	<b>273.40</b>	<b>145.81</b>

**25 Financial Liabilities- Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Borrowings</b>		
From Banks (Secured)	3,455.93	3,631.77
<b>Total</b>	<b>3,455.93</b>	<b>3,631.77</b>

**Details of security and repayment terms for the secured short-term borrowings:**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand from banks		
(i) ICICI Bank Ltd.	1,188.08	1,445.66
(ii) Standard Chartered Bank	815.98	888.73
(iii) Standard Chartered Bank	73.09	-
(iv) State Bank of India	1,378.79	-
(v) Oriental Bank of Commerce	-	1,297.38
<b>TOTAL</b>	<b>3,455.93</b>	<b>3,631.77</b>



- (i) Interest payable @ MCLR - 6 months is 8.75 % p.a. and spread is 0.70% and Working capital demand loan (WCDL) Interest payable @ MCLR 3M is 8.60% and 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 of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).
- (ii) Interest payable @ one month MCLR 9.05% + 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 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 of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal ( Director and Guarantor) and Smt. Sushila Bansal (Guarantor).
- (iv) Interest payable @ 3 months MCLR 8.20% + 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 along with Building at Plot No. 359,360 & 361 Phase 4B, HSIIDC Industrial Estate, Bahadurgarh (Haryana) total Plot area 12150 Sq. mtr., plant & machineries and Personal Guarantee of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal (Director and Guarantor) and Smt. Sushila Bansal (Guarantor).

( ₹ in Lakhs)

**26 Trade Payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro & small enterprises (Refer Note no. 62)	782.98	-
Total outstanding dues of creditors other than micro, & small enterprises	4,130.26	2,618.01
<b>Total</b>	<b>4,913.24</b>	<b>2,618.01</b>

**27 Other Financial Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings	267.92	218.33
Security Deposit Received	66.50	70.21
<b>Other Payables</b>		
Salary & Wages payable	334.58	215.43
Expenses payable	84.36	42.39
<b>Total</b>	<b>753.35</b>	<b>546.36</b>

**28 Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	145.94	65.63
Lease Equalisation Charge (Refer Note No. 56)	-	303.73
Deferred Income	33.17	113.39
Advances from customers	14.95	31.91
<b>Total</b>	<b>194.06</b>	<b>514.66</b>

**29 Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity*	27.14	22.04
Provision for Leave encashment*	10.84	8.63
Provision for Bonus	197.65	172.33
<b>Total</b>	<b>235.63</b>	<b>203.01</b>

\* Read with Note no. 46

**30 Revenue from operations**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products	28,772.23	19,553.40
Sale of Services	74.64	161.62
Other operating revenues	8.22	8.58
<b>Total</b>	<b>28,855.08</b>	<b>19,723.60</b>

(Read with Note No. 54)

**31 Other income**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income	57.74	14.75
Unwinding of Interest income on security Deposits	22.55	27.46
Income earned on Security Deposits	208.33	45.19
Gain on Fair value of investments	5.92	0.44
Income earned on Government grant	6.60	4.19
Rental Income	11.68	10.22
Recoveries from late deliveries	49.98	27.81
Other non operating income	37.04	11.07
<b>Total</b>	<b>399.83</b>	<b>141.13</b>

**32 Cost of Materials Consumed**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	499.50	352.42
Purchases	5,328.46	4,964.48
Cartage Inward	24.44	26.03
<b>Sub Total</b>	<b>5,852.40</b>	<b>5,342.94</b>
Less: Inventory at the end of the year	601.31	499.50
<b>Total</b>	<b>5,251.08</b>	<b>4,843.43</b>

(₹ in Lakhs)

**33 Purchase of Stock in Trade**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Traded goods	9,856.44	2,686.28
<b>Total</b>	<b>9,856.44</b>	<b>2,686.28</b>

**34 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b><u>Inventories at the end of the year:</u></b>		
Finished goods	4,137.24	5,238.50
Work-in-progress	1,244.64	873.82
Stock in Trade	3,706.49	1,494.18
<b>Total (a)</b>	<b>9,088.37</b>	<b>7,606.50</b>
<b><u>Inventories at the beginning of the year:</u></b>		
Finished goods	5,238.50	4,629.93
Work-in-progress	873.82	1,344.18
Stock in Trade	1,494.18	1,006.16
Reversal of Provision for Excise Duty not due for payment (on Opening Finished stock lying at Factory)	-	(37.45)
<b>Total (b)</b>	<b>7,606.50</b>	<b>6,942.82</b>
<b>Net (increase) / decrease</b>	<b>(1,481.87)</b>	<b>(663.67)</b>

**35 Excise duty**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Excise duty	-	104.92
<b>Total</b>	<b>-</b>	<b>104.92</b>

**36 Employee benefits expense**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Wages	4,868.56	3,498.94
Contributions to provident and other funds	225.86	170.37
Staff welfare expenses	52.55	42.68
<b>Total</b>	<b>5,146.98</b>	<b>3,711.98</b>

**37 Finance costs**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Interest</b>		
Interest on Term Loans	80.01	73.17
Interest on Working Capital Loans	327.46	372.52
<b>Other Interest</b>		
Interest on Security Deposits	15.51	17.22
Interest on MSME (Refer Note No. 62)	20.77	-
Unwinding of Interest costs on security Deposits	185.28	45.19
<b>Other Borrowing Costs</b>		
Bank and other financial charges	222.81	172.01
<b>Total</b>	<b>851.85</b>	<b>680.11</b>

**38 Depreciation and amortisation expense**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on Property, Plant & Equipment	870.30	865.70
Amortisation of Intangible Assets	12.72	11.54
Depreciation on Investment Property	6.22	6.54
<b>Total</b>	<b>889.24</b>	<b>883.78</b>

**39 Other Expenses**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Consumption of Consumables	23.66	24.27
Job Work Charges	1,018.20	1,960.46
Electricity and Fuel Expenses	517.58	432.41
Rent (Refer Note no. 56)	2,730.67	2,446.44
Repairs and Maintenance - Plant & Machinery	40.88	28.88
Repairs and Maintenance - Building & Others	83.36	61.47
Insurance	38.01	33.50
Rates and Taxes	33.64	16.68
Communication	41.06	35.51
Travelling and Conveyance	147.01	98.39
Printing and Stationery	56.66	43.19
Freight and Forwarding	170.91	127.29
Commission	1,020.59	594.05
Consumption of Carry Bags	197.00	148.60
Store Maintenance & Running Expenses	377.97	379.25
Security Expenses	53.84	52.62
Festival Expenses	40.00	27.67
Business Promotion	10.45	15.05
Advertisement & Publicity Expenses	316.40	252.56
Legal and Professional Charges	156.11	165.55
CSR Expenditure (Refer Note No. 44)	12.50	9.07
Payments to Auditors (Refer Note No. 45)	10.20	10.90
Balance written off (Securities & Others)	1.44	43.33
Allowances for expected credit loss	2.63	-
Miscellaneous Expenses	21.20	37.10
<b>Total</b>	<b>7,121.94</b>	<b>7,044.21</b>

**40 Exceptional items**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit\Loss) on Sale of Fixed Assets	-	50.30
Transitional credit under GST	-	138.84
<b>Total</b>	<b>-</b>	<b>189.14</b>

(₹ in Lakhs)

**41 a) Income Tax Expenses**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Tax	349.88	155.53
MAT Credit Entitlement	(349.88)	(311.97)
Deferred Tax Charge/ Credit	369.26	(1,079.47)
<b>Total Income Tax Expense Recognised in statement of profit &amp; Loss</b>	<b>369.26</b>	<b>(1,235.91)</b>

**b) Income Tax recognised in Other Comprehensive Income**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Income Tax on Re-measurement Losses on Defined Benefit Plans	28.93	(2.12)
<b>Total Income Tax Expense Reported in the Statement of Profit or Loss</b>	<b>28.93</b>	<b>(2.12)</b>

**c) Reconciliation of effective tax rate**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Profit before Tax</b>	1,619.25	762.83
Enacted tax rate in India	29.12%	27.55%
Expected tax expenses	471.53	210.18
Additional deduction under Income Tax Act, 1961	(497.79)	(1,778.97)
Due to change in rate of Tax	(25.42)	-
Expenses disallowed under Income Tax Act, 1961	420.94	332.88
<b>Reported Income Tax Expense</b>	<b>369.26</b>	<b>(1,235.91)</b>

**d) Reconciliation of Unrecognised Tax Credit**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Balance	311.97	-
Tax credit for current year	349.88	155.53
Unrecognised Tax credit for earlier years	-	156.44
<b>Closing Balance</b>	<b>661.85</b>	<b>311.97</b>

**42 Components of Other Comprehensive Income (OCI)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
The Disaggregation of changes to OCI by each type of reserve in equity is :		
Re-measurement gains (losses) on defined benefit plans	99.34	(7.69)
Deferred Tax (Charge)/Reversal	(28.93)	2.12
<b>Total</b>	<b>70.41</b>	<b>(5.57)</b>

**43 Earnings per share**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Equity Share of Face Value of Rs. 10 each		
Profit attributable to equity share holders	1,249.99	1,998.74
Weighted number of equity shares outstanding during the year (Number in lakhs)	163.28	163.28
Par value per share (in Rs.)	10.00	10.00
EPS :	-	-
Basic (in Rs.)	7.66	12.24
Diluted (in Rs.)	7.66	12.24

In compliance with the provisions of Ind AS 12, in the financial statements of previous financial year 2017-18, the company had reviewed its deferred tax assets at the balance sheet date and was adequately certain with convincing evidence that sufficient future taxable income will be available to set off the unabsorbed losses and accordingly deferred tax assets was created. Accordingly, Basic and Diluted EPS for the year ended as on March 31, 2018 had shown exceptional improvement due to deferred tax asset arising on carry forward of business losses of Rs. 4029.17 lakhs, available for set off against taxable future income. Deferred tax asset was computed as Rs.1110.14 Lakhs and MAT credit entitlement for Rs. 311.97 lakhs was recognised in the financial year ended on March 31, 2018. Before recognition of this deferred tax asset on unabsorbed business losses in the previous year ended as on March 31, 2018, the profit for the period from continuing operations was Rs. 888.60 lakhs resulting into significant variation in EPS.

**44 Details of CSR expenditure as per Section 135 of Companies Act, 2013:**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
a) Gross amount required to be spent during the year	12.09	9.07
b) Amount spent during the year:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	12.50	9.07

**45 Payments to the Auditors comprises**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Statutory Audit Fees	9.00	8.00
Tax Audit Fees	-	2.00
Limited Review	1.20	0.90
<b>Total</b>	<b>10.20</b>	<b>10.90</b>

**46 Employee benefit obligations**

Particulars	As At March 31, 2019		As At March 31, 2018	
	Current	Non-Current	Current	Non-Current
Gratuity	27.14	241.93	22.04	201.04
Leave encashment	10.84	34.66	8.63	28.07
<b>Total</b>	<b>37.98</b>	<b>276.59</b>	<b>30.67</b>	<b>229.10</b>

**A Disclosure of gratuity****(i) Amount recognised in the statement of profit and loss is as under:**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current service cost	61.52	50.44
Net interest cost (income)	16.28	13.82
<b>Net impact on profit (before tax)</b>	<b>77.81</b>	<b>64.26</b>
Actuarial loss/(gain) recognised during the year	(15.87)	(7.69)
<b>Amount recognised in total comprehensive income</b>	<b>61.94</b>	<b>56.58</b>

**(ii) Change in the present value of obligation:**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>223.08</b>	<b>189.38</b>
Current service cost	61.52	50.44
Interest cost	16.28	13.82
Benefits paid	(15.95)	(23.51)
Actuarial loss/(gain)	(15.87)	(7.69)
Past Service Cost	-	0.63
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>269.07</b>	<b>223.08</b>

**(iii) Change in the present value of obligation:**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of funded obligation as at the end of the year	269.07	223.08
Fair value of plan assets as at the end of the period funded status	(269.07)	(223.08)
<b>Unfunded/funded net liability recognized in balance sheet</b>	<b>269.07</b>	<b>223.08</b>

**(iv) Breakup of actuarial (gain)/loss:**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(1.74)	-
Actuarial (gain)/loss from experience adjustment	(14.13)	(7.69)
<b>Total actuarial (gain)/loss</b>	<b>(15.87)</b>	<b>(7.69)</b>

**(v) Actuarial assumptions**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount rate	7.40%	7.30%
Rate of increase in compensation levels	10.00%	10.00%
Retirement age	60 yrs.	60 yrs.

(₹ in Lakhs)

- 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**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Impact of change in discount rate</b>		
Present value of obligation at the end of the year		
- Decrease due to increase of 1 %	16.32	13.63
- Increase' due to decrease of 1 %	18.41	15.38
<b>Impact of change in salary increase</b>		
Present value of obligation at the end of the year		
- Increase due to increase of 1 %	17.59	14.73
- Decrease due to decrease of 1 %	16.01	13.38

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**

Particulars	As at March 31, 2019	As at March 31, 2018
Within next 12 months	27.14	22.04
Between 1-5 years	103.27	85.36
Beyond 5 years	138.66	115.67

**B Leave encashment**

Amount recognised in the statement of profit and loss is as under:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current service cost	23.22	11.39
Interest cost	2.68	3.59
Actuarial loss/(gain) recognised during the year	54.52	35.89
<b>Amount recognised in the statement of profit and loss</b>	<b>80.41</b>	<b>50.87</b>

**C Defined Contribution Plan**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Contribution to Provident and other funds	225.86	170.37
<b>Total</b>	<b>225.86</b>	<b>170.37</b>

**47. 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 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) Mr. Deepak Bansal (WTD) Mr. Basant Goyal (WTD) Mr. Arun Kumar Roopanwal (Independent Director) Mrs. Renu Jagdish (Independent Director) Mr. Lalit Kumar (Independent Director)	Aamor Inox Limited Mahalaxmi Castles & Villas Private Limited Greenwood Sales
<b>(iii) Key Management Personnel's relative (C)</b>	<b>(iv) Key Management Personnel (D)</b>
Mr. Mukesh Hooda Ms. Murti Devi Mr. Bhim Singh	Mr. Shivendra Nigam (CFO) Ms. Poonam Chahal (CS) Mr. Rajesh Rohilla ( CFO-till June 30, 2017)*
<b>(v) Enterprises in which Directors are Interested (E)</b>	<b>(vi) Director's relative (F)</b>
Global Textiles	Ms. Megha Bansal

\* Resigned as CFO w.e.f. close of business hours on June 30, 2017

\* Joined as CFO w.e.f. opening of business hours on July 1, 2017

**(ii) Transaction with Related parties**

Particulars	Director (A)		Enterprises in which Directors's relative are Interested (B)		Key Management Personnel's relative (C)		Key Management Personnel (E)		Enterprises in which Directors are Interested		Director's relative (F)	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
	₹ in Lakhs											
<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	24.00	24.00	-	-	-	-	-	-	-	-	-	-
<b>Director's Sitting Fees</b>												
Mr. Arun Kumar Roopanwal	2.40	2.80	-	-	-	-	-	-	-	-	-	-
Mrs. Renu Jagdish	2.40	2.80	-	-	-	-	-	-	-	-	-	-
Mr. Lalit Kumar	2.40	2.80	-	-	-	-	-	-	-	-	-	-
<b>Remuneration to Key Management Personnel</b>												
Mr. Shivendra Nigam**	-	-	-	-	28.53	19.52	-	-	-	-	-	-
Ms. Poonam Chahal**	-	-	-	-	14.94	13.54	-	-	-	-	-	-
Mr. Rajesh Rohilla*	-	-	-	-	-	10.20	-	-	-	-	-	-
<b>Remuneration Director's relative</b>												
Ms. Megha Bansal	-	-	-	-	-	-	-	4.00	-	-	12.00	12.00
<b>Purchase of Fabric</b>												
Global Textiles	-	-	-	-	-	-	-	-	1,533.35	714.19	-	-
<b>Purchase of Capital Assets</b>												
Greenwood Sales	-	-	-	28.03	-	-	-	-	-	-	-	-
<b>Sale of Capital Assets</b>												
Mr. Rajesh Rohilla*	-	-	-	-	-	-	-	-	-	-	-	-
<b>Commission</b>												
Mr. Bhim Singh	-	-	-	-	3.72	3.00	-	-	-	-	-	-
Mr. Mukesh Hooda	-	-	-	-	10.62	7.08	-	-	-	-	-	-
Ms. Murti Devi	-	-	-	-	3.72	3.00	-	-	-	-	-	-
<b>Meeting &amp; Conference</b>												
Mahalaxmi Castles & Villas Pvt Ltd	-	-	1.48	4.00	-	-	-	-	-	-	-	-
<b>Interest Receivable</b>												
Aamor Inox Limited	-	-	56.00	-	-	-	-	-	-	-	-	-
<b>Sale of garments</b>												
Mahalaxmi Castles & Villas Pvt Ltd	-	-	0.10	1.57	-	-	-	-	-	-	-	-
<b>Security Received</b>												
Mr. Bhim Singh	-	-	-	-	-	25.00	-	-	-	-	-	-
Mr. Mukesh Hooda	-	-	-	-	-	50.00	-	-	-	-	-	-
Ms. Murti Devi	-	-	-	-	-	10.00	-	-	-	-	-	-

Transaction with Related parties (Conti...)	Particulars	(₹ in Lakhs)											
		Director (A)		Enterprises in which Directors are interested (B)		Key Management Personnel's relative (C)		Key Management Personnel (D) (E)		Enterprises in which Directors are interested		Director's relative (F)	
		2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
	<b>(B) Balance outstanding as at the end of the year</b>												
	<b>Receivable</b>												
	Mahalaxmi Castles & Villas Pvt Ltd	-	-	-	1.55	-	-	-	-	-	-	-	-
	<b>Inter Corporate Deposit</b>												
	Aamor Inox Limited	-	-	412.60	-	-	-	-	-	-	-	-	-
	<b>Payable for Remuneration</b>												
	Mr. Vijay Bansal	4.66	4.65	-	-	-	-	-	-	-	-	-	-
	Mr. Deepak Bansal	4.66	4.65	-	-	-	-	-	-	-	-	-	-
	Mr. Basant Goyal	1.81	1.74	-	-	-	-	-	-	-	-	-	-
	Mr. Shivendra Nigam**	-	-	-	-	-	-	2.41	1.69	-	-	-	-
	Ms. Poonam Chahal**	-	-	-	-	-	-	1.08	0.98	-	-	-	-
	Ms. Megha Bansal	-	-	-	-	-	-	-	-	-	-	0.99	0.95
	<b>Payable for Creditors</b>												
	Global Textiles	-	-	-	-	-	-	-	-	521.79	266.31	-	-
	<b>Payable for security deposit</b>												
	Mr. Bhim Singh	-	-	-	-	25.00	25.00	-	-	-	-	-	-
	Mr. Mukesh Hooda	-	-	-	-	50.00	50.00	-	-	-	-	-	-
	Ms. Murli Devi	-	-	-	-	10.00	10.00	-	-	-	-	-	-
	<b>Payable for commission</b>												
	Mr. Bhim Singh	-	-	-	-	0.30	0.30	-	-	-	-	-	-
	Mr. Mukesh Hooda	-	-	-	-	0.85	0.85	-	-	-	-	-	-
	Ms. Murli Devi	-	-	-	-	0.30	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.

**48 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, 2019	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
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>

As at March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
Investments measured at fair value through other comprehensive Income	-	-	-	-
Investments measured at fair value through profit and loss	5.41	10.00	-	15.41
<b>Total</b>	<b>5.41</b>	<b>10.00</b>	<b>-</b>	<b>15.41</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**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	As at March 31, 2019		As at March 31, 2018	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	723.30	723.30	630.86	630.86
Trade receivables	Level 3	1,844.99	1,844.99	1,049.64	1,049.64
Cash & cash equivalents	Level 3	257.04	257.04	258.91	258.91
Other financial assets	Level 3	430.94	430.94	423.04	423.04
<b>Total financial assets</b>		<b>3,256.27</b>	<b>3,256.27</b>	<b>2,362.45</b>	<b>2,362.45</b>

(₹ in Lakhs)

<b>Financial liabilities</b>					
Borrowings	Level 3	3,884.50	3,884.50	4,329.48	4,329.48
Trade Payables	Level 3	-	-	-	-
Other Financial Liabilities	Level 3	1,305.49	1,305.49	939.26	939.26
<b>Total financial liabilities</b>		<b>5,189.99</b>	<b>5,189.99</b>	<b>5,268.74</b>	<b>5,268.74</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.

#### 49 Financial risk management

##### i) Financial instruments by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments	6.09	15.24	-	5.41	10.00	-
Other financial assets	-	-	430.94	-	-	423.04
Trade receivables	-	-	1,844.99	-	-	1,049.64
Cash and cash equivalents	-	-	257.04	-	-	258.91
Loan	-	-	723.30	-	-	630.86
<b>Total</b>	<b>6.09</b>	<b>15.24</b>	<b>3,256.27</b>	<b>5.41</b>	<b>10.00</b>	<b>2,362.45</b>
<b>Financial liabilities</b>						
Borrowings	-	-	3,884.50	-	-	4,329.48
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	1,305.49	-	-	939.26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,189.99</b>	<b>-</b>	<b>-</b>	<b>5,268.74</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, 2019	As at March 31, 2018
A: Low	Investments	21.33	15.41
	Other financial assets	430.94	423.04
	Cash and cash equivalents	257.04	258.91
	Trade receivables	1844.99	1049.64
	Loans	723.30	630.86

**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 Rs. Nil (31 March 2018: Rs. 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.

(₹ in Lakhs)

**(i) Provision for Expected Credit losses**

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

As at March 31, 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	258.91	-	258.91
Loans	723.30	-	723.30
Trade receivables	1,081.58	31.94	1,049.64
Other financial assets	423.04	-	423.04

**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:

Floating rate	As at March 31, 2019	As at March 31, 2018
- Expiring within one year (cash credit and other facilities- fixed rate)	-	-
- Expiring beyond one year (bank loans - floating rate)	-	-

**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.

As at March 31, 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings	3,723.85	236.69	58.47	133.42	4,152.42
Trade payable	-	-	-	-	-
Other financial liabilities	1,037.57	-	-	-	1,037.57
<b>Total</b>	<b>4,761.41</b>	<b>236.69</b>	<b>58.47</b>	<b>133.42</b>	<b>5,189.99</b>

(₹ in Lakhs)

As at March 31, 2018	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings	3,850.10	481.03	52.45	164.23	<b>4,547.82</b>
Trade payable	-	-	-	-	-
Other financial liabilities	720.92	-	-	-	<b>720.92</b>
<b>Total</b>	<b>4,571.02</b>	<b>481.03</b>	<b>52.45</b>	<b>164.23</b>	<b>5,268.74</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, 2019, 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:

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowing	4,152.42	4,547.82
Fixed rate borrowing	-	-
<b>Total borrowings</b>	<b>4,152.42</b>	<b>4,547.82</b>
<b>Amount disclosed under other current financial liabilities</b>	<b>267.92</b>	<b>218.33</b>
<b>Amount disclosed under borrowings</b>	<b>3,884.50</b>	<b>4,329.48</b>

**Sensitivity**

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Interest sensitivity*</b>		
Interest rates – decrease by 100 bps*	(41.52)	(45.48)
Interest rates – increase by 100 bps*	41.52	45.48

**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.

**50 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.

**51 (a) Debt equity ratio**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Net debt</b>	<b>4,152.42</b>	<b>4,547.82</b>
<b>Total equity</b>	<b>11,430.23</b>	<b>10,109.82</b>



(₹ in Lakhs)

Net debt to equity ratio	0.36	0.45
--------------------------	------	------

**52 Assets pledged as security**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Inventories	9,689.69	8,106.00
Trade Receivables	1,844.99	1,049.64
<b>Total current assets pledged as security</b>	<b>11,534.68</b>	<b>9,155.64</b>
<b>Non-current</b>		
Property, plant and equipment	3,775.41	3,884.09
Investment Property	370.15	376.37
Fixed Deposits	13.16	10.79
<b>Total non-currents assets pledged as security</b>	<b>4,158.72</b>	<b>4,271.26</b>
<b>Total assets pledged as security</b>	<b>15,693.40</b>	<b>13,426.89</b>

**53 Disclosure pursuant to section 186(4) of The Companies Act, 2013**

(a) Details of Investments made are given under Note no. 6 &amp; Note no.12

(b) Details of loan are given below:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Aamor Inox Limited</b>		
Outstanding as at the beginning of year	412.25	-
Given during the year	-	500.00
Interest charged during the year	56.00	13.65
Interest Received during the year	55.65	1.40
Repaid during the year	-	100.00
Outstanding as at the end of year	412.60	412.25
Maximum balance outstanding during the year	428.00	413.61

**54 Revenue related disclosures**

The company has adopted Ind AS 115 "revenue from contracts with customers" from April 01, 2018 (modified retrospective approach) which resulted in changes in accounting policies but no consequential adjustment to the amounts recognised in the financial statements.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Revenue from contracts with customers</b>		
<b>(i) Sale of products*</b>		
(a) Sale of products	28,772.23	19,553.40
(b) Sale of services	74.64	161.62
<b>(ii) Other operating income</b>	8.22	8.58
<b>Total revenue covered under Ind AS 115</b>	<b>28,855.08</b>	<b>19,723.60</b>

**A Contract balances**

The following table provides information about receivables and contract liabilities from contract with customer

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contract liabilities</b>		
Advance received from customers	14.95	31.91
<b>Total contract liabilities</b>	<b>14.95</b>	<b>31.91</b>

<b>Receivables</b>		
Trade receivables	1,844.99	1,049.64
<b>Total receivables</b>	<b>1,844.99</b>	<b>1,049.64</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, 2019	As at March 31, 2018
<b>Contract liabilities</b>		
<b>Opening balance</b>	31.91	39.94
Addition during the year	6.97	20.21
Revenue recognised during the year	(23.93)	(28.24)
<b>Closing balance</b>	14.95	31.91

**C** The Company has applied Ind AS 115 prospectively from April 01, 2018 and the adoption of this standard did not have a material impact on the financial statements of the Company.

**55 Disclosure pursuant to Ind AS 1/ Ind AS 8 are given below:**

Particulars	As at March 31, 2018 (Published)	As at March 31, 2018 (Reclassified)	Nature
<b>ASSETS</b>			
Financial assets- Trade Receivables- Non Current	10.00	-	Reclassification Items
Financial assets- Loans- Non Current	634.47	596.75	Reclassification Items
Financial assets- Deposits with Banks- Non Current	7.19	10.79	Reclassification Items
Other non-current assets	373.93	549.70	Reclassification Items
Financial assets- Trade Receivables- Current	1,039.64	1,049.64	Reclassification Items
Financial assets- Loans- Current	-	34.11	Reclassification Items
Other financial assets- Current	-	412.25	Reclassification Items
Current Tax Assets (Net)	0.20	49.34	Reclassification Items
Other current assets	1,026.56	389.40	Reclassification Items
<b>EQUITY AND LIABILITIES</b>			
Other Equity	9,039.99	8,477.06	Reclassification Items
Financial Liabilities- Trade Payables- Non Current	7.90	-	Reclassification Items
Financial Liabilities- Other financial liabilities- Non Current	463.10	392.89	Reclassification Items
Current			
Other Non current liabilities	-	145.81	Reclassification Items
Financial Liabilities- Trade Payables- Current	2,610.11	-	Reclassification Items
Financial Liabilities- Other financial liabilities- Current	476.16	546.36	Reclassification Items
Other Current Liabilities	97.54	514.66	Reclassification Items

(₹ in Lakhs)

Particulars	As at March 31, 2018 (Published)	As at March 31, 2018 (Reclassified)	Nature
<b>Income</b>			
Revenue From Operations	19,767.19	19,723.60	Reclassification Items
Other Income	97.54	141.13	Reclassification Items
<b>Expenses</b>			
Cost of Materials Consumed	5,002.17	4,843.43	Reclassification Items
Employee Benefits Expense	3,709.71	3,711.98	Reclassification Items
Finance Costs	665.99	680.11	Reclassification Items
Other expenses	6,901.87	7,044.21	Reclassification Items

**Note:**

- (i) The above reclassification in the previous year's published numbers have been made for better presentation in the financial statements and to conform to the current year classification/disclosure. This does not have any impact on the profit and loss, hence no change in the basic and diluted earnings per share of previous year.

**56 Operating Lease**

The Company's operating lease arrangements are in respect of premises (Offices, godown, showrooms etc.). These leasing arrangements, which are cancellable, range between 11 months to 9 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases has been included under rent expense.

The Company has significant operating lease arrangements which are non-cancellable for a period up to 1 year. The lease rental is subject to escalation whereby the Lessor is entitled to increase the lease rental by 15% of the average lease rental of preceding three years block period.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

Particulars	As at March 31, 2019	As at March 31, 2018
Payable not later than 1 year	313.94	229.17
Payable later than 1 year but not later than 5 years	-	6.52
Payable later than 5 years	-	-

At the time of conversion of accounts from IGAAP to Ind AS in previous year ended as on March 31, 2018, Company has created lease equalization charge of Rs. 303.73 lakhs up to March 31, 2018 as per Ind AS – 17 "Leases" on the basis of market rate of inflation. The Company has reviewed the lease/rent agreements at the Balance Sheet date and noted that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the company has reversed the same and netted with Rent expenses in the current financial year 2018-19.

**57 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".

**58 Provisions**

Movement in each class of provision made during the financial year are as under:

(₹ in Lakhs)

Allowances for Expected Credit Loss	Amount
<b>As at April 1, 2017</b>	<b>31.94</b>
Additional Provision during the year	-
Amount used during the period	-
<b>As at March 31, 2018</b>	<b>31.94</b>
Additional Provision during the year	2.63
Amount used during the period	-
<b>As at March 31, 2019</b>	<b>34.56</b>

**59 Contingent liabilities and Commitments (to the extent not provided for)**
**(a) Contingent liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Claims against the company not acknowledged as debts</b>		
1. Under Tax laws	115.95	115.95
2. Fees to HSIIDC	18.00	-

- (i) a) The Company is contingently liable under Central Excise Act 1944 amounting to Rs.110.39 lakhs (Previous year Rs.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.

- b) The Company is contingently liable under Income Tax Act amounting Rs.5.56 lakhs (previous year Rs. 5.56 lakhs)

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 defences 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.

- (ii) 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. Rs.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.

**(b) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) and Other commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Capital Commitment:</b>		
Property Plant & Equipment	215.00	40.00
<b>Other Commitment</b>		
Unexecuted Export Obligations*	188.85	160.01

\* The company has saved custom duty amounting to Rs.33.88 lakhs (previous year 29.08 lakhs) under zero duty Export Promotion Capital Goods(EPCG) scheme on import of machinery. Under the said scheme the company have to fulfil export obligation amounting to Rs. 203.30 lakhs till August 26th, 2024. Export obligation to be undertaken to the extent unexecuted is Rs.188.48 lakhs. In case the company fails to fulfil 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.

(₹ in Lakhs)

**60 Contingent assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Grant on lease retail space	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 Rs. 61.72 lakhs. Out of this amount M/s Ambience Infrastructure Private Limited has paid Rs. 20 lakhs to the company on May 09, 2019.

**61 Government Grants**

The Company saved customs duty on import of machinery amounting to Rs.33.88 Lakhs. Consequent to issuance of ITFG clarification Bulletin 11 dated July 31,2017 issued by ICAI, the company has recognised the duty saved on account of import of asset as on March 31, 2019 as deferred income in accordance with the requirements of Ind AS 20, "Accounting for Government Grants and Disclosure of Government Assistance" accordingly adjustments of custom duty saved for machinery has been added to the gross block & depreciation have been charged. Further recognition of grant in statement of Profit & Loss is linked to fulfilment of associated export obligations.

**62 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, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	782.98	-
Principal	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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;and	20.77	-
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.	-	-

63 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 report of even date attached

**for Akhil Mittal & Co.**  
Chartered Accountants  
FRN: 026177N

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

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

**(Vijay Bansal)**  
Chairman & Managing Director  
DIN : 01110877

**(Deepak Bansal)**  
Director  
DIN : 01111104

DATE: MAY 23, 2019  
PLACE: DELHI

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

**(CS Poonam Chahal)**  
Company Secretary



**CANTABIL**<sup>ITALY</sup>  
International Clothing





**CANTABIL**  
ITALY  
International Clothing



**CANTABIL RETAIL INDIA LIMITED**

CIN : L74899DL1989PLC034995

B-16, Lawrence Road Industrial Area, New Delhi - 110035 Tel.: +91 11 27156381/82 Fax : +91 11 27156383

E-mail : [investors@cantabilinternational.com](mailto:investors@cantabilinternational.com) Web : [www.cantabilinternational.com](http://www.cantabilinternational.com)