# Annual Report 2017-2018

CANTABIL ITALY
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 Roopanwal | : | Non-Executive Independent Director |
| Mrs. Renu Jagdish | : | Non-Executive Independent Director |

| | | |
|---|---|---|
| Company Secretary | - | Ms. Poonam Chahal |
| Chief Financial Officer | - | Mr. Shivendra Nigam |
| Statutory Auditors | - | M/s. Akhil Mittal & Co.<br>Chartered Accountants<br>New Delhi |
| Secretarial Auditor | - | M/s. Sanjay Grover & Associates<br>Company Secretaries<br>New Delhi |
| Registered Office | : | B - 16, Ground Floor, Lawrence Road<br>Industrial Area, Delhi - 110035 |

| | |
|---|---|
| Registrar & Transfer Agent | Beetal Financial and Computer Services Pvt. Ltd.,<br>Beetal House, 3rd Floor,<br>99, Madangir, Behind Local Shoping Complex,<br>Near Dada Harsukhdas Mandir,<br>New Delhi - 110062 |
| Banker | Oriental Bank of Commerce<br>Standard Chartered Bank Ltd.<br>Axis Bank Ltd.<br>HDFC Bank Ltd.<br>State Bank of India<br>Union Bank of India<br>ICICI Bank Ltd.<br>Yes Bank Ltd. |

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**CANTABIL RETAIL INDIA LIMITED**
**CIN:**L74899DL1989PLC034995
**Regd. and Corp. Office:** B- 16,Ground Floor, Lawrence Road, Industrial Area, New Delhi – 110035
**Website:** www.cantabilinternational.com **E-mail :** investors@cantabilinternational.com
**Telephone**: 91-11-27156381/82 **Fax:** 91-11-27156383

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 30th (Thirtieth) Annual General Meeting of **CANTABIL RETAIL INDIA LIMITED** will be held on Friday, 28thday of September 2018 at 10:00 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, 2018 together with the Report of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Basant Goyal (DIN 07659491), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

3. **To consider and approve re-appointment of Mr. Vijay Bansal, Chairman and Managing Director in accordance with section 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013.**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act', including any statutory modifications or re-enactment thereof for the time being in force), subject to the approval of the members, consent of the Board be and is hereby accorded for re-appointment of Mr. Vijay Bansal (DIN 01110877) as Managing Director of the Company, whose office shall not be liable to retire by rotation, for the period of three years w.e.f 1st April, 2018 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors enumerated herein below:

**A. Salary:** Upto Rs. 84,00,000/- (Rupees Eighty Four Lakh Only) per annum with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) to determine the Salary, Allowances & Perquisites from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 84,00,000/- (Rupees Eighty Four Lakh Only).

**B. Perquisites and Allowances:**

(i) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.

(ii) Expenses in relation to use of Company car and telephone for official purpose.

(iii) Provision for driver/Allowance for driver's salary: As per rules of the Company.

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

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

**D. Other Terms:**

(i) He shall be entitled to reimbursement of entertainment expenses and other out of pocket expenses incurred in connection with the business of the Company.

(ii) As long as he functions as a Managing Director, he shall not be paid any sitting fees to attend the meetings of the Board and /or Committees thereof.

(iii) He shall be required to travel abroad for business 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) If at any time, the Managing Director ceases to be a Director of the Company for whatsoever cause/ reason, he shall cease to be the Managing Director of the Company.

(v) The appointment may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end. It is hereby agreed that the Company may terminate his appointment by paying to the Chairman & Managing Director his three months' salary in lieu of three months' notice in writing.

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

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

4. **To consider and approve re-appointment of Mr. Deepak Bansal, Whole Time Director in accordance with section 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013.**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act', including any statutory modifications or re-enactment thereof for the time being in force) subject to the approval of the members, consent of the Board be and is hereby accorded for re-appointment of Mr. Deepak Bansal (01111104) as Whole Time Director of the Company whose office shall be liable to retire by rotation, for the period of three years from w.e.f 1st April, 2018 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors enumerated herein below:

**A. Salary:** Upto Rs. 84,00,000/- (Rupees Eighty Four Lakh Only) per annum with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) to determine the Salary, Allowances & Perquisites from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 84,00,000/- (Rupees Eighty Four Lakh Only).

**B. Perquisites and Allowances:**

(i) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.

(ii) Expenses in relation to use of Company car and telephone for official purpose.

(iii) Provision for driver/Allowance for driver's salary: As per rules of the Company.

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

**C. Minimum Remuneration:**

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

**D. Other Terms:**

(i) He shall be entitled to reimbursement of entertainment expenses and other out of pocket expenses incurred in connection with the business of the Company.

(ii) As long as he functions as a 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.

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

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

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

**Sd/-**
**(POONAM CHAHAL)**
**Head- Legal & Company Secretary**
**Membership No. : A22574**

**Place: New Delhi**
**Date :14th August,2018**
**Regd. Office: B-16,**
**Lawrence Road Industrial Area**
**New Delhi-110035**

**NOTES:**

1. **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**.

   Members are requested to note that 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.

2. 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.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday 21st September, 2018 to Friday 28th September, 2018 (both days inclusive) for the purpose of Annual General meeting.

4. 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.

5. 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.

6. Members are requested to intimate change, if any, in their postal addresses immediately to RTA, Beetal Financial and Computers Pvt. Ltd. at Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi-110062.

7. 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.

8. 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.

9. 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.

10. Electronic copy of the Notice of the 30th 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 Participants(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 30th 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.

11. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report will also be available on the Company's website_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.

12. 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.

13. 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.

14. 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.

15. 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.

16. The Chairman or a director authorised by him in writing shall declare the result of voting on or before closing business hours on 29th day of 2018. 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 and shall also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

17. 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 or contact her on Phone No. 91-11-27156381/82 on or before 20th September, 2018 so that the answers/details can be provided as soon as possible.

18. Route Map showing directions to reach to the venue of the 30th AGM along with prominent land mark is given at the end of the Notice.

19. The relevant details of directors seeking appointment/reappointment above pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 & Secretarial Standard-2 is also given at the end of the Notice.

20. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM

21. **Voting through Electronic means:**

| | |
|---|---|
| **Commencement of E-voting** | **10:00 AM, Tuesday, 25thSeptember, 2018** |
| **End of E-voting** | **5.00 PM, Thursday 27thSeptember, 2018** |

In terms of the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 (SEBIListing Regulations, 2015)and Sections108 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 Tuesday, 25th September, 2018 and ends at 5 P.M. Thursday, 27th September, 2018. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday 21st September, 2018 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.

(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 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:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>» 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.<br>» 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. |
| 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 | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>» 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). |

(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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details 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 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 mayalso 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

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

**Sd/-**
**(POONAM CHAHAL)**
**Head- Legal & Company Secretary**
**Membership No. : A22574**

**Place: New Delhi**
**Date :14th August,2018**

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

**Item Nos. 3**

Mr. Vijay Bansal is the promoter of the Company. He was appointed as Chairman and Managing Director of the Company on 15th September 2009 by the Board and approved by the members in the Extra-Ordinary General Meeting held on 19th November 2009. He was further re-appointed as Chairman and Managing Director on 12thFebruary 2015 by the Board on the recommendation of Nomination and Remuneration Committee and approval of the members in the Annual General Meeting held on 30th September 2015. In view of the experience and invaluable contribution in the growth of the Company, Mr. Vijay Bansal was re-appointed as Chairman and Managing Director of the Company on 13th February 2018 by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1st April 2018. The re-appointment is subject to the approval of members.Statement as per SCHEDULE V (PART II) (SECTION II) of the Companies Act, 2013:

<table>
<tr><td colspan="3">General information</td></tr>
<tr><td>1.</td><td>Nature of industry</td><td>We are in the business of designing, manufacturing, branding and retailing of apparels and wearable accessories.</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production</td><td>Since Company was incorporated in 1989 and duly commenced its business long ago.</td></tr>
<tr><td>3.</td><td>In case of new companies, date of commencement of activities as per project approved by financial institutions</td><td>Not applicable<br>Appearing in the prospectus</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>As on 31st March, 2018:<br>(In Lacs)<table><tr><td>Total Revenue</td><td>19864.73</td></tr><tr><td>Profit before Tax & Depreciation</td><td>1457.47</td></tr><tr><td>Profit before Tax</td><td>762.83</td></tr><tr><td>Provisions for Deferred Tax Liability/ (Assets)</td><td>(1235.91)</td></tr><tr><td>Profit after Tax</td><td>1998.74</td></tr></table></td></tr>
<tr><td>5.</td><td>Foreign investment or collaboration, if any</td><td>Not applicable</td></tr>
<tr><td colspan="3">Information about the appointee</td></tr>
<tr><td>1.</td><td>Background details</td><td>Mr. Vijay Bansal is Graduate from Kurukshetra University. He is the founder promoter of our Company. He promoted Kapish Products rivate Limited in 1989 and thereafter launched CANTABIL brand in 2000.</td></tr>
<tr><td>2.</td><td>Past remuneration</td><td>For the period 2017-18 :-<br>Aggregate value of salary and perquisites: Rs. 83,19,600/-</td></tr>
<tr><td>3.</td><td>Recognition or Awards</td><td>Mr. Vijay Bansal was conferred with Delhi Udyog Ratan Award 2008 by the Government of Delhi. Recently he was awarded with Business Icon Award in the category of “Brand of the Year”, instittuted by NSS Media Group</td></tr>
<tr><td>4.</td><td>Job profile and his suitability</td><td>Mr. Vijay Bansal is the Chairman and Managing Director of the Company aving overall experience of 29 years. He has been instrumental in strategic planning and business development of our Company including establishment of our brand. He is responsible for the overall management and supervision of the business of our Company.</td></tr>
<tr><td>5.</td><td>Remuneration proposed</td><td>A. Salary : Upto Rs. 84,00,000/- (Rupees Eighty Four Lacs Only) per annum.<br>B. Perquisites and Allowances:<br>(i) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.<br>(ii) Expenses in relation to use of Company car and telephone for official purpose.<br>(iii) Provision for driver/Allowance for driver’s salary: As per rules of the Company.</td></tr>
<tr><td>6.</td><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person</td><td>The proposed remuneration is commensurate with size and nature of the business of the company and big responsibility Mr. Vijay Bansal is carrying. The remunerations do differ from company to company in the industry depending on their respective operations.</td></tr>
</table>

| | | |
|---|---|---|
| 7. | Pecuniary relationship directly or indirectly with the company, or related relationship with the managerial personnel, if any | Apart from drawing remuneration as Managing Director of the Company, there is no other pecuniary relationship.<br>Mr. Vijay Bansal is related to following managerial personnels of the Company:<br>» **Mr.Deepak Bansal : Whole-Time Director**<br>He holds 6112801 Equity Shares of Rs.10/- each (37.43%) of your Company in his personal capacity. |
| | Other information | |
| 1. | Reasons of loss or inadequate profits | Since past few years retail industry is going through rough phase. However the Company is growing slowly and gradually but the profits are still not adequate. |
| 2. | Steps taken or proposed to be taken improvement | Focus has been placed on promotion and marketing of products for so as to increase the sales turnover of the company and efforts are being made to reduce overheads and fixed costs as compared to ariable costs and this will result into increase in profits of the company. |
| 3. | Expected increase in productivity profits in measurable terms | Company has made its manufacturing facility fully operational at and HSIIDC Bahadurgarh (Haryana) and increased its productioncapacity to step into the export activities. Besides that company is aggressively opening new stores in tier two and three cities to increase sales turnover. |

He will not be liable to retire by rotation during his term of office as Chairman and Managing Director.

Yours Directors, therefore, recommend the resolution as set out in item no. 3 for your approval.

Apart from Mr. Vijay Bansal, Mr. Deepak Bansal, Whole Time Director of the Company is also interested in the resolution being related to Mr. Vijay Bansal Chairman and Managing Director.

**Item Nos. 4**

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

He is looking after marketing operation and network of the retail outlets of the Company all over India. In view of the experience and invaluable contribution of Mr. Deepak Bansal towards the growth of the Company he was re-appointed as Whole Time Director by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1st April 2018, shall be liable to retire by rotation. The re-appointment is subject to the approval of members.

**Statement as per SCHEDULE V (PART II) (SECTION II) of the Companies Act, 2013:**

<table>
<tr><td colspan="3">General information</td></tr>
<tr><td>1.</td><td>Nature of industry</td><td>We are in the business of designing, manufacturing, branding and retailing of apparels and wearable accessories.</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production</td><td>Since Company was incorporated in 1989 and duly commenced its business long ago.</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions</td><td>Not applicable<br>Appearing in the prospectus</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>As on 31st march, 2018:<br>(In Lacs)<br><table><tr><td>Total Revenue</td><td>19864.73</td></tr><tr><td>Profit before Tax & Depreciation</td><td>1457.47</td></tr><tr><td>Profit before Tax</td><td>762.83</td></tr><tr><td>Provisions for Deferred Tax Liability/ (Assets)</td><td>(1235.91)</td></tr><tr><td>Profit after Tax</td><td>1998.74</td></tr></table></td></tr>
</table>

| | | |
|---|---|---|
| 5. | Foreign investment or collaboration, if any | Not applicable |
| | Information about the appointee | |
| 1. | Background details | Mr. Deepak Bansal is Graduate in Mathematics from Delhi University. He has been actively involved in setting up of retail network all over India. |
| 2. | Past remuneration | For the period 2017-18 :-<br>Aggregate value of salary and perquisites: Rs. 83,19,600/- |
| 3. | Job profile and his suitability | Mr. Deepak Bansal is a Whole-Time Director of the Company. As a Director, he is responsible for diversifying and expanding the business of the company and for preparing marketing strategy and advertisements for our products. He has an overall experience of 17 years in retail apparel industry. |
| 4. | Remuneration proposed | **A. Salary**: Upto Rs. 84,00,000/- (Rupees Eighty Four Lacs Only) per annum.<br>**B. Perquisites and Allowances:**<br>(i) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.<br>(ii) Expenses in relation to use of Company car and telephone for official purpose.<br>(iii) Provision for driver/Allowance for driver's salary: As per rules of the Company. |
| 5. | Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person | The proposed remuneration is commensurate with size and nature of the business of the company and big responsibility Mr. Deepak Bansal is carrying. The remunerations do differ from company to company in the industry depending on the respective operations. |
| 6. | Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial personnel, if any | Apart from drawing remuneration as Whole-Time Director of the Company, there is no other pecuniary relationship.<br>Mr. Deepak Bansal relationship with The managerial is related to following managerial personnels of the Company :·<br>» **Mr.Vijay Bansal : Chaiman and Managing Director**<br>He holds 2567436 Equity Shares of Rs. 10/- each (15.72%) of your Company in his personal capacity. |
| | Other information | |
| 1. | Reasons of loss or inadequate profits | Since past few years retail industry is going through rough phase. However the Company is growing slowly and gradually but the profits are still not adequate. |
| 2. | Steps taken or proposed to be taken improvement | Focus has been placed on promotion and marketing of products for so as to increase the sales turnover of the company and efforts are being made to reduce overheads and fixed costs as compared to variable costs and this will result into increase in profits of the company. |
| 3. | Expected increase in productivity profits in measurable terms | Company has made its manufacturing facility fully operational at and HSIIDC Bahadurgarh (Haryana) and increased its production capacity to step into the export activities. Besides that company is aggressively opening new stores in tier two and three cities to increase sales turnover. |

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

**Place: New Delhi**
**Date :14th August,2018**
**Regd. Office: B-16,**
**Lawrence Road Industrial Area**
**New Delhi-110035**

**Sd/-**
**(POONAM CHAHAL)**
**Head- Legal & Company Secretary**
**Membership No. : A22574**

## DIRECTORS' REPORT

Dear Members,

The Board of Directors has immense pleasure in presenting its 30th 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, 2018.

### 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:

Rs. in Lakhs

| Particulars | For the year ended | |
|---|---|---|
| | **March 31, 2018** | **March 31, 2017** |
| Revenue From Operations | 19,767.18 | 16,106.35 |
| Other Income | 97.54 | 51.44 |
| Profit before Finance Cost, Depreciation Exceptional Items & Tax | **2,123.46** | **1,853.83** |
| Finance Cost | 665.99 | 586.28 |
| Depreciation | 883.78 | 798.57 |
| **Profit before Exceptional Items & Tax** | **573.69** | **468.98** |
| Exceptional items | 189.14 | (5.07) |
| **Profit before tax** | **762.83** | **463.92** |
| Provision for Tax including deferred tax (Assets) / Liabilities and MAT | | |
| 1. Current Tax (MAT) | 155.53 | 118.52 |
| 2. MAT Credit Entitlement | (311.97) | - |
| 3. Deferred Tax Assets | 30.67 | (61.40) |
| 4. Deferred Tax on previously unrecognised Tax losses | (1,110.14) | - |
| **Net Profit for the year** | **1,998.74** | **406.79** |
| Credit/ (Debit) Balance B/F from previous year | (2,272.21) | (2,648.61) |
| Item of Other Comprehensive Income | (5.57) | (23.53) |
| Other Adjustments | - | (6.87) |
| **Profit available for appropriation** | - | - |
| **Surplus/ (Deficit) carried to Balance Sheet** | (279.04) | (2,272.21) |

The Ministry of Corporate Affairs (MCA), vide its Notification dated February 16, 2015, notified the Indian Accounting standards (Ind AS) applicable to certain classes of companies and are prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. For Cantabil Retail India Limited, the Ind AS is applicable with effect from 1st April, 2017.

The financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS). The Company has followed the Guidance prescribed under Ind AS 101 and has prepared the first set of Financial Statements for the year ended 31st March, 2018 in accordance with the Ind AS and as per applicable guidelines issued by the Securities and Exchange Board of India ("SEBI").

**REVIEW OF PERFORMANCE**

The Company has an increase of 22.73% in total revenue from Rs.16,106.35 Lakhs in Financial Year 2016-17 to Rs.19,767.18 Lakhs in Financial Year 2017-18. The EBIDTA has also improved from Rs. 1853.83 lakhs to Rs. 2123.46 lakhs thereby recording an improvement in profitability of 14.54%.

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**

There have been no material changes and commitements affecting financial position between the end of the financial year and date of this report.

**DIVIDEND**

No dividend on equity shares has been recommended by the Board for the year ended 31st March, 2018.

**SHARE CAPITAL**

The paid up capital of the company as on March 31, 2018 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, 2018.

**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 followed 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 2018 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 2017-18 have been paid by the Company within the stipulated time.

**STOCK CODE:** NSE BSE ISIN

**CANTABIL 533267 INE068L01016 (Shares)**

## DEMATERIALISATION OF SHARES

Your company has entered into agrrements with the National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL) for dematerialization of shares of the company. Accordingly shares of the Company are available for dematerialization and can be traded in Demat form.

## DIRECTORS:

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

As informed last year, Shri Anil Bansal (DIN: 02443104) ceased to be a Director of the Company effective 30th November, 2016. In his place, the Board, upon the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 12th November, 2016, appointed Shri Basant Goyal (DIN:07659491 ) as an Additional Director and Whole Time Director for a period of three years. The members at the 29th annual general meeting held on 28 September 2017 have approved the appointment of Shri Basant Goyal, as Whole Time Director of the Company.

During the year, Mr Rajesh Rohilla resigned as Chief Financial Officer with effect from 30th June, 2017. The Board places on record its deep appreciation for the contribution made by Mr. Rajesh Rohila. Mr Shivendra Nigam was appointed as Chief Financial Officer of the Company in place of Mr. Rohila with effect from 25th August, 2017 after obtaining requisite approvals.

Detailed information on the directors is provided in the Corporate Governance Report.

**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.

**DIRECTOR RETIRING BY ROTATION**

Pursuant to the provisions of Section 152 the Companies Act, 2013 and Article 125 of the Articles of Association of the Company, Mr. Basant Goyal (DIN: 07659491), Whole-Time Director of the Company retires by rotation and being eligible offer himself for re-appointment in the 30th Annual General Meeting of the Company.

The details of Directors being recommended for re-appointment as required are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

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

**KEY MANAGERIAL PERSONNEL**

As on 31st March 2018, 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-cum-Managing Director |
| 2. | Mr. Deepak Bansal | Whole-Time Director |
| 3. | Mr. Basant Goyal | Whole-Time Director |
| 4. | Ms. Poonam Chahal | Company Secretary |
| 5. | Mr. Shivender Nigam* | Chief Financial Officer |

***appointed as Chief Financial Officer of the Company with immediate effect i.e 25th August, 2017***

**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, 2015and 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<br>Re-appointed on 30/09/2014 | - |
| 2. | Dr. Arun Kumar Roopanwal | Appointed on 11/09/2009<br>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 Directors have submitted their declarations 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:

(a) in the preparation of the Annual Accounts for the year ended as on 31st March 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) 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;

(c) 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;

(d) the directors had prepared the accounts for the financial year ended 31st March 2018 on a 'going concern' basis; and

(e) 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;

(f) 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 Five times in financial year 2017-2018 viz., on 26.05.2017, 25.08.2017, 14.09.2017, 12.12.2017 13.02.2018. 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 (4) 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 & Managing 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 & Independent 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 17th 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.

## 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.

## PERFORMANCE EVALUATION OF BOARD AND COMMITTEE

In respect of the Financial Year ended 31st March, 2018, 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. During the Financial Year 2017-18, unpaid or unclaimed application money of Rs 96660/- (Rupees Ninety Six thousand Six hundred Sixty Rupees only) was transferred 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.

## AUDITORS AND THEIR REPORTS

## STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Akhil Mittal & Co. Chartered Accountant (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 2018 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 Akhil Mittal & Co. Chartered Accountant, Statutory Auditors.

**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 2017-2018.

**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.

**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 five (5) meetings during the year viz., 26.05.2017, 25.08.2017, 14.09.2017, 12.12.2017 and 13.02.2018

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 and Cost Auditor to attend the meeting as and when required.
- Ms. Poonam Chahal, Company Secretary, is Secretary of the Audit Committee.

**CORPORATE SOCIAL RESPONSIBILITY**

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

The Annual Report of CSR activities is appended as **"Annexure –3"** of this Board report

**RISK MANAGEMENT POLICY**

The Company has volountary constituted a Risk Management 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.

**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.

**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 Harassement". 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 30th Annual Report 2017-18 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 2017- 18, 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 organisation 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. 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, 2018, the company has entered into some transaction which was given under section 186 of Companies Act, 2013. The particulars of investments made by the Company under section 1886 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**

The extract of the Annual Return in Form No.MGT-9 can be accessed on

http://www.cantabilinternational.com/investors.html

**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.

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-7:**

## 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

## ACKNOWLDEGEMENT

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 :14th August, 2018

## ANNEXURE –1

## NOMINATION AND REMUNERATION POLICY

### (1) PERFACE :

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, 2018

| NAME | CATEGORY | DESIGNATION |
|---|---|---|
| Mr. Lalit Kumar | Non-Executive-Independent Director | Chairman |
| Dr. Arun Kumar Roopanwal | Non-Executive-IndependentDirector | Member |
| Mrs. Renu Jagdish | Non-Executive-Independent Director | Member |
| Ms. Poonam Chahal | Legal - Head & CompanySecretary | 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;
5. Such other officers as may be prescribed;

» 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 |
| Mrs. Renu Jagdish | Non-Executive – Independent Director |

**B. Independent Directors**

Pursuant to Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 theentity;

» 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. Legal Head and Company Secretary

iii. Chief Financial Officer

**(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 (NRC) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the related StockExchange(s).

**4.1.1 Remuneration 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 NRC 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 Superannuation 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 thecompany.

| Employee Group | Parameters to Focus |
|---|---|
| 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 :14th August, 2018

**ANNEXURE-2**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members
**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, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2018 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**
**14th August, 2018**

## 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 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** | | |
|---|---|---|
| Chairperson | Member | Member |
| Vijay Bansal | Lalit Kumar | Basant Goyal |

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

| **Entity name** | **Average net profit of the last 3 preceding years (INR)** | **Prescribed CSR Expenditure (INR) (2% of Average net profit)** |
|---|---|---|
| **Cantabil Retail India Limited** | **4,53,35,174** | **9,06,703** |

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

**(a) Total Amount to be spent for the financial year- 906703**

**(b) Amount Unspent- NIL**

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

| 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 & district where projects or programs was undertaken** | **Amount outlay (budget) project or programs wise** | **Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:** | **Cumulative expenditure upto to the reporting period** | **Amount spent: Direct or through implementing agency *** |
| **1** | **Upliftment of vanvasis by promoting Social, cultural, Spiritual, Moral, Economy and educational advancement to form a part Indian society structure** | Promoting Healthcare including Preventive Healthcare | **Local Area** | 51,000 | 51,000 | 51,000 | Implementing agency (**AKHIL BHARTIYA VANVASI KALYAN ASHRAM**)* |
| **2** | **Construction of medical universities** | Promoting Healthcare including Preventive Healthcare, promoting education | **Local Area** | 8,05,000 | 8,05,000 | 8,05,000 | Implementing agency (**MAHARAJA AGARSEN HOSPITAL CHARITABLE TRUST**)** |
| **3** | **Animal Welfare** | Promoting Healthcare including Preventive | **Local Area** Healthcare, promoting education | 51,000 | 51,000 | 51,000 | Implementing agency **(NANDI SHALA SAMITI)***** |
| | **Total** | | | **9,07,000** | **9,07,000** | **9,07,000** | |

* Akhil Bhartiya Vanvasi Kalyan Ashram is a company within the meaning of Section 8 of the Companies Act, 2013 and has a comprehensive approach towards upliftment of vanvasi thereby promoting social, culture, spritual, Moral, Economics to unity them an d unite them.

** Maharaja Agrasen Hospital Charitable Trust to promote encourages, support and assist educational, reserach and related activities.

*** Nandi Shala Samiti has a comprehensive approach to bring postive impact in the society through many activites towards the welfare animals.

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 :14th August, 2018

## 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/ transactios | 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<br><br>in general | Date on which the special resolution was passed<br><br>meeting as required under first provison 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),<br><br>Daughter-in -law of Mr. Vijay Bansal (Managing Director) | Salary | 5 (Five) Years | - Basic Pay is increased to Rs. 1,00,000 per month<br><br>- Designation: appointed as Deputy General Manager – Finance<br><br>- she is also entitled to allowances & perquisites<br><br>- shall also be entitled to a gratuity f or half month's salary for each completed year. | 14/08/2014 | NIL |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2. | M/s Global Textiles<br><br>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.<br><br>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. | 26/05/2017 | NIL |
| 3. | Greenwood Sales<br><br>Relation : Proprietor of M/s Greenwood Sales is brother of Mr. Basant Goyal, Director of the Company | Vendor/ Supply of Furniture and Fixtures | 1 Year | M/s Greewood Sales is in the business of plywood, laminates, wpc and timber which is being used in the furniture and fixtures of the showrooms. installed in the showroom of the Company. Delivery is time bound and Company can refused the delivery if material is not delivered on stipulated time or not as per the specifications given by the Company | 26/05/2017 | NIL |

**For and on behalf of the Board**

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

Place: New Delhi
Date :14th August, 2018

## ANNEXURE –5

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

| 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 | 0.11 | No Specific time Limit | Investment in Equity |
| HDFC Equity Fund-Growth | Mutual Fund | 4.93 | No Specific time Limit | Investment in Equity Funds |
| IDFC Imperial Equity Fund-Plan A (G) | Mutual Fund | 0.37 | No Specific time Limit | Investment in Equity Funds |
| Bahadurgarh Footwear Development Services Private Limited | Investment in Equity | 10.00 | No Specific time Limit | Investment in Equity |
| Aamor Inox Limited | Inter-Corporate Deposit-Given | 500.00 | 14% | For furthering the business interest of the company |
| Aamor Inox Limited | Inter-Corporate Received- Back | 100.00 | 14% | For furthering the business interest of the company |

**For and on behalf of the Board**

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

Place: New Delhi
Date :14th August, 2018

## ANNEXURE –6

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

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

| | In Rupees | | |
|---|---|---|---|
| **Directors** | **Remuneration of Director (in Rs.)** | **Median Salary of Employee (in Rs.)** | **Ratio to Median Remuneration** |
| **Vijay Bansal** | 6,93,300 | 13,590 | 51.02 |
| **Deepak Bansal** | 6,93,300 | 13,590 | 51.02 |
| **Basant Goyal** | 2,00,000 | 13,590 | 14.72 |

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

| | | In Rupees | | | |
|---|---|---|---|---|---|
| **Directors, Chief Financial Officer, Company Secretary** | **Designation** | **Remuneration (F.Y. 2017-18) (in Rs.)** | **Remuneration (F.Y. 2016-17) (in Rs.)** | **Increase in Remuneration (in Rs.)** | **Percentage increase in remuneration (%)** |
| **Vijay Bansal** | Managing Director | 6,93,300 | 5,69,967 | 1,23,333 | 21.64 |
| **Deepak Bansal** | Whole Time Director | 6,93,300 | 5,03,300 | 1,90,000 | 37.75 |
| **Rajesh Rohilla#** | Chief Financial Officer | 3,39,916 | 2,09,428 | 1,30,488 | 62.31 |
| **Poonam Chahal** | Company Secretary | 1,12,853 | 1,10,250 | 2,603 | 2.36 |
| **Basant Goyal** | Whole Time Director | 2,00,000 | 2,00,000 | – | – |
| **Shivendra Nigam*** | Chief Financial Officer | 2,16890 | 0 | 2,16,890 | – |

**# Resigned with effect from 30th June 2017**
***appointed with effect from 25th August 2017**

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

| Particulars | March, 2018 | March, 2017 | Increase in Value Terms | Increase in % Terms |
|---|---|---|---|---|
| **No. of Employee** | 1,216 | 1,173 | 43 | 3.66 |
| **Median of Remuneration of employee** | 13,590 | 11,300 | 2,290 | 20.27 |

**(d) The number of permanent employees on the rolls of Company:** 1216

**(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:**

| Particulars | F.Y. 2017-18 (in rupees) | F.Y. 2016-17 (in rupees) | Increase in Value Terms (in rupees) | % Increase in Remuneration |
|---|---|---|---|---|
| **Average Salary of employee other than managerial personnel** | 16,225 | 14,933 | 1,292 | 8.65 |
| **Average salary of managerial personnel** | 3,76,043 | 2,77,824 | 98,219 | 35.35 |

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

Place: New Delhi
Date :14th August, 2018

## ANNEXURE –7

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 shopfloors, 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.

### B. TECHNOLOGY ABSORPTION AND INNOVATION

The Company continues to use the latest technologies for improving productivity and quality of its products. No import of technology was made during the year under review.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earning and outgo:

| | | |
|---|---|---|
| a) | Imports on CIF basis | |
| | 1. Import of Machinery | 109.56 Lakhs |
| b) | Expenditure in Foreign Currency | |
| | 1. Fee for Software License for access to Fashion Website | 7.73 Lakhs |
| | 2. Directors Foreign Tour &Travelling | 1.64 Lakhs |
| c) | Earning in Foreign Currency | 77.41 Lakhs |

**For and on behalf of the Board**

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

Place: New Delhi
Date :14th August, 2018

## 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 do things in 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 the Company These Values guide us in all our transactions and relations. That is the Spirit of Company 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 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 directors.

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 31st March, 2018**

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 | 2 | Nil | 2 |
| Mr. Deepak Bansal | 01111104 | Whole Time Director | Promoter & Executive | 2 | Nil | Nil |
| Mr. Lalit Kumar | 00025150 | Director | Non-Executive Independent | 3 | 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).

**Attendance of Each Director at Board Meetings & Last Annual General Meeting (AGM)**

| S. No | Name of the Directors | Dates of Board Meetings Held | | | | | Last AGM Held |
|---|---|---|---|---|---|---|---|
| | | May 26, 2017 | August 25, 2017 | September 14, 2017 | December 12, 2017 | February 13, 2018 | 28.09.2017 |
| 1. | Mr. Vijay Bansal | P | P | P | P | P | P |
| 2 | Mr. Deepak Bansal | P | P | P | P | P | P |
| 3 | Mr. Lalit Kumar | P | P | P | P | P | P |
| 4 | Dr. Arun Kumar Roopanwal | P | P | P | P | P | P |
| 5 | Mrs. Renu Jagdish | P | P | P | P | P | P |
| 6 | Mr. Basant Goyal | P | P | P | P | P | P |

**P: Present ; A: Absent**
**Board Meetings**

During the year ended March 31, 2018 Five (5) meetings of the Board of Directors were held on the following dates and were attended by all directors:

(i) May 26, 2017; (ii) August 25, 2017;(iii) September 14, 2017 (iv)December 12, 2017; and (v)February13, 2018.

**Separate Meeting of Independent Directors**:

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 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, 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 SEBI(LODR) Regulations, 2015, a separate meeting of the Independent directors were held on 11th December, 2017 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 interest of a person who uses such mechanism are not prejudicially affected on account of such use;
- Determining appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management

The meeting was attended by all independent directors.

- **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR**

  Familiarisation of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has conducted Familiarisation Programme 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.

  Details on familiarisation programme for independent directors are uploaded on company's website and can be accessed through http://www.cantabilinternational.com/invstr_pdf/Familiarization-Programme.pdf

## 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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;

» Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

» Review and monitor the auditor's independence 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;
- » 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, 2018, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee possess financial knowledge, accounting expertise and exposure. Ms. Poonam Chahal, Company Secretary acts as the Secretary of the Committee.

During the year under review, five(5) meetings of the Audit Committee were held on:-

(i) May 26, 2017; (ii) August 25, 2017;(iii) September 14, 2017 (iv) December 12, 2017; and (v)February13, 2018.

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 | 5 | 5 |
| Dr Arun Kumar Roopanwal | Member | Non-Executive Independent Director | 5 | 5 |
| Mr Vijay Bansal | Member | Chairman-cum-Managing Director/ Executive Director | 5 | 5 |

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 Akhil Mittal & Co, Chartered Accountants, the Statutory Auditors and/or their representatives wherever necessary for providing inputs to the Committee

Mr Lalit Kumar, Chairman of the Committee has accounting and financial management expertise and knowledge. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on September 28, 2017.

**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (LODR) Regulations, 2015, that inter alia includes:-

(a) The formation of policy for determining qualifications, positive attributes and independence of directors and remuneration for the directors, key managerial personnel and other employees and recommending the same to the Board;

(b) Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria as per the policy approved by the Board; and

(c) The formulation of the policy of the company to remain competitive in the industry to attract and retain good talent and appropriately reward the employees and directors for their performance and contribution to the business.

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

During the year under review, three (3) meetings of the NRC Committee were held on 25th May, 2017, 25th August 2017 and 12th February 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 | 3 | 3 |
| Dr Arun Kumar Roopanwal | Member | Non-Executive Independent Director | 3 | 3 |
| Mrs. Renu Jagdish | Member | Non-Executive Independent Director | 3 | 3 |

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, 2017.

**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.

**Performance Evaluation criteria for Independent Directors**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and 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 2017-18 are given below:

| Name of the Director | Service Term | No. of Shares Held | Sitting Fees | Salary(A) | Perks (B) | Commission (C) | Total (A+B+C) |
|---|---|---|---|---|---|---|---|
| Mr. Vijay Bansal | 01.04.2015 to 31.03.2018 | 6112801 | - | 8,280,000 | 39,600 | - | 83,19,600 |
| Mr. Deepak Bansal | 01.04.2015 to 31.03.2018 | 2567436 | - | 8,280,000 | 39,600 | - | 83,19,600 |
| Mr. Basant Goyal | 01.12.2016 to 30.11.2019 | - | - | 2,400,000 | - | - | 2,400,000 |
| Mr. Lalit Kumar | 30.09.2014 to 29.09.2019 | - | 280,000 | - | - | - | 280,000 |
| Dr Arun Kumar Roopanwal | 30.09.2014 to 29.09.2019 | - | 280,000 | - | - | - | 280,000 |
| Mrs Renu Jagdish | 30.09.2014 to29.09.2019 | - | 280,000 | - | - | - | 280,000 |

**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and non-receipt of annual report.

Terms of Reference of the Stakeholders Relationship Committee has been revised as per the guidelines set out in the SEBI (LODR) Regulations, 2015, 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, five (5) meetings of the SRC were held (i) May 26, 2017; (ii) August 25, 2017;(iii) September 14, 2017 (iv) December 12, 2017; and (v)February13, 2018. The details of the composition, meetings & attendance of the SRC meetings are given below:

| Name of the Member | Designation | Category | SRCMeetings | Meetings Attended |
|---|---|---|---|---|
| Mr. Lalit Kumar | Chairman | Non-Executive Independent Director | 5 | 5 |
| Mr Vijay Bansal | Member | Chairman and Managing Director/ Executive Director | 5 | 5 |
| Dr. Arun Kumar Roopanwal | Member | Non-Executive Independent Director | 5 | 5 |

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, 2018. | 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.

**Composition:**

| Name of the Member | Designation | Category | CSR Meetings | Meetings Attended |
|---|---|---|---|---|
| Mr Vijay Bansal | Chairman | Chairman and Managing Director/ Executive Director | 2 | 2 |
| Lalit Kumar | Member | Non-Executive Independent Director | 2 | 2 |
| Basant Goyal | Member | Whole Time Director | 2 | 2 |

**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 two (2) times on the following dates during the financial year 2017- 18 i.e. on 26th May 2017 & 12th September, 2017

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.

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

The Committee comprises of three members. The Committee met 10 times during the financial year 2017-2018 as and when required. The details of the composition & attendance of the MC meetings are given below:

| Name of the Member | Designation | Category | MC Meetings | Meetings Attended |
|---|---|---|---|---|
| Mr. Vijay Bansal | Member | Chairman and Managing Director/ Executive Director | 10 | 10 |
| Mr. Deepak Bansal | Member | Whole Time Director | 10 | 10 |
| Mr. Basant Goyal | Member | Whole Time Director | 10 | 10 |

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 land, building and other movable and immovable properties for the 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 or present in the court of Law.
4. 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 |
|---|---|---|---|---|
| 2014-15 | Wednesday, September 30, 2015 | 9:00 A.M | Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110074 | Yes |
| 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 |

**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.

## 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.

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 (NEAPS).

The Company's website 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 and information relating to stock exchanges.

## 5. GENERAL SHAREHOLDER INFORMATION

<table>
<tr><th>S.NO.</th><th>DESCRIPTION</th></tr>
<tr><td>(a)</td><td>CIN : L74899DL1989PLC034995</td></tr>
<tr><td>(b)</td><td>Name of the Company : Cantabil Retail India Limited</td></tr>
<tr><td>(c)</td><td>Website address : www.cantabilinternational.com</td></tr>
<tr><td>(d)</td><td>E-mail address : investors@cantabilinternational.com</td></tr>
<tr><td>(e)</td><td>Annual General Meeting
<table>
<tr><td>Date</td><td>Day</td><td>Time</td><td>Venue</td></tr>
<tr><td>28th September, 2018</td><td>Friday</td><td>10:00A.M</td><td>Palm Green Hotel and Resort,<br>Main GT Karnal Road, Bakoli, New Delhi- 110036</td></tr>
</table></td></tr>
<tr><td>(f)</td><td>Financial Year : 1st April, 2017 to 31st March, 2018</td></tr>
<tr><td>(g)</td><td>Book Closure Date: 21st September, 2018 to 28th September, 2018</td></tr>
<tr><td>(h)</td><td>Dividend Payment Date: No Dividend on equity shares has been recommended by Board for the year ended 31stMarch 2018 considering the accumulated losses in previous years.</td></tr>
<tr><td>(i)</td><td>Listing on Stock Exchanges & Stock Code
<table>
<tr><td>Name and address of the stock exchange</td><td>BSE Limited<br><br>Phiroze Jeejee bhoy Towers,<br>Dalal Street, Fort, Mumbai 400 001</td><td>National Stock Exchange of India Ltd.<br>Exchange Plaza, Bandra Kurla Complex, Bandra (East),<br>Mumbai 400 051</td></tr>
<tr><td>Stock Code</td><td>533267</td><td>CANTABIL</td></tr>
<tr><td>IS IN No. for shares in DEMAT form</td><td colspan="2">INE068L01016</td></tr>
</table></td></tr>
</table>

**(j) Listing Fees**

Company confirms of having paid the annual listing fees for the financial year 2018-19 to above Stock Exchanges.

**(k) Registrar & Transfer Agents (For both shares held in physical and electronic mode)**

| Name | Address | Tel. No. | Fax No. | E-Mail |
|---|---|---|---|---|
| M/s Beetal Financial & Computer Services (P.) Ltd. | Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062 | 011-29961281 | 011-29961284 | beetalrta@gmail.com |

**(l)** **Share Transfer System** The Company's Shares are traded compulsorily in demat mode. Shares in physical mode which are lodged for transfer, if any, are processed and returned to the shareholders within 15 days from the date of receipt subject to the documents being valid and complete in all respects. The Company obtains half-yearly Certificate of Compliance in respect of the Share Transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and files a copy of the same with the Stock Exchanges.The Board in order to expedite the share transfer process delegated the power to senior officials of share transfer agent of the company vide Resolution passed at the Miscellaneous Committee Meeting of Board of Directors held on 6th April 2015. The physical share transfer requests valid and complete in all respect are normally processed expeditiously. The Company's shares are in compulsory Demat Mode.

**(m)** **Dematerialization of Shares**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, 2018, 16326986 equity shares of the Company, forming 99.996% of total shareholding stand dematerialized. International Securities Identification Number (ISIN) : INEO68L01016.

**(n)** **Liquidity of Shares**The Equity Shares of the Company are traded at the BSE and the NSE.

**(o) Plant Locations of the Company**

| S.No. | UNIT | Location |
|---|---|---|
| 1. | Manufacturing and Warehousing | B-16, Lawrence Road Industrial Area, New Delhi – 110035 |
| 2. | Warehousing | WZ - 50, Shakurpur, New Delhi – 110034 |
| 3. | Manufacturing and Warehousing | Plot No. 359, 360 & 361 Phase – IV B, Sector – 17, HSIIDC, Bahadurgarh, Haryana |

**(p)** **Address for Correspondence**The shareholders may address their communications/ suggestions/ grievances / queries to Ms. Poonam Chahal at B-16, Lawrence Road Industrial Area, Delhi – 110035 Phone +91-11-27156381 Fax +91-11-27156383

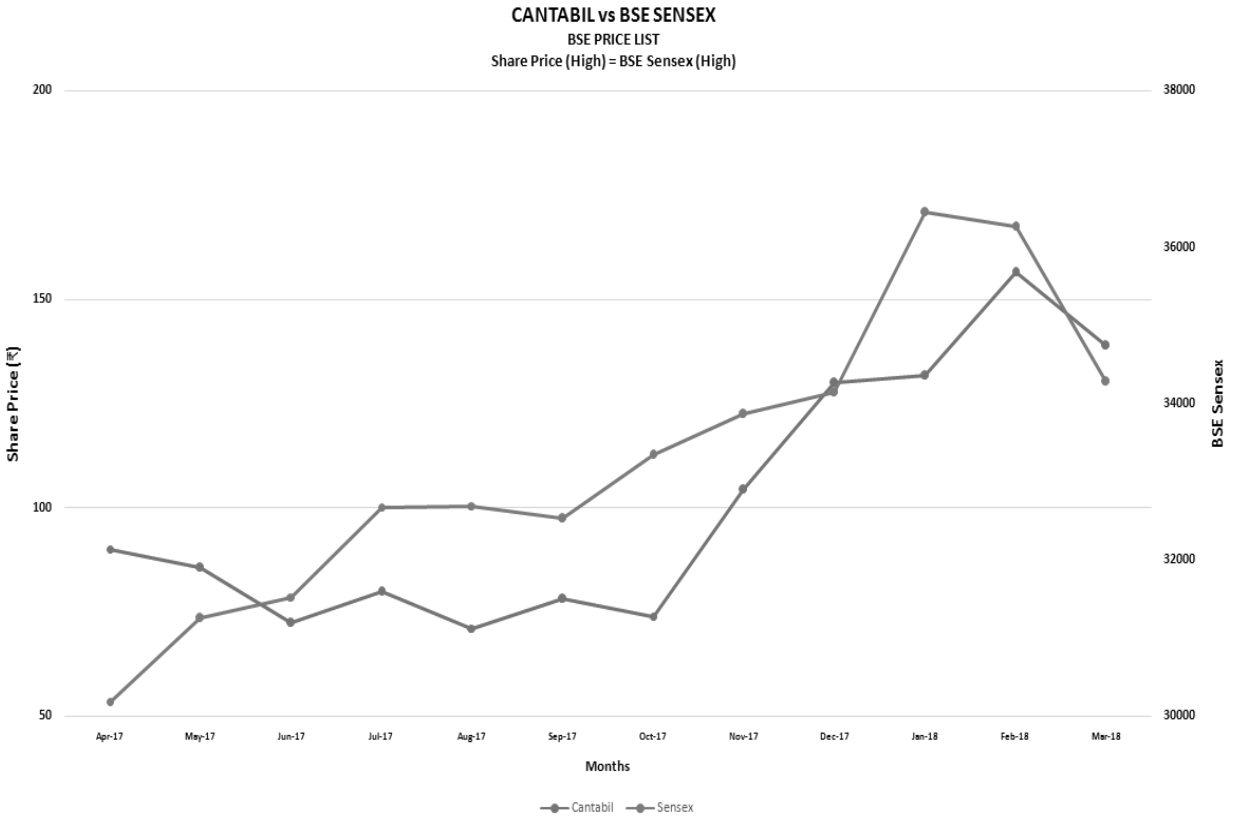
**(q)** **Commodity price risk and or foreign exchange risk and hedging activities**:The Company has not undertaken any forex or hedging transaction during the financial year under review.

**(r)** **Disclosures with respect to demat suspense account/ unclaimed suspense account:**There was nil balance of Equity shares shares in the unclaimed shares escrow demat account.

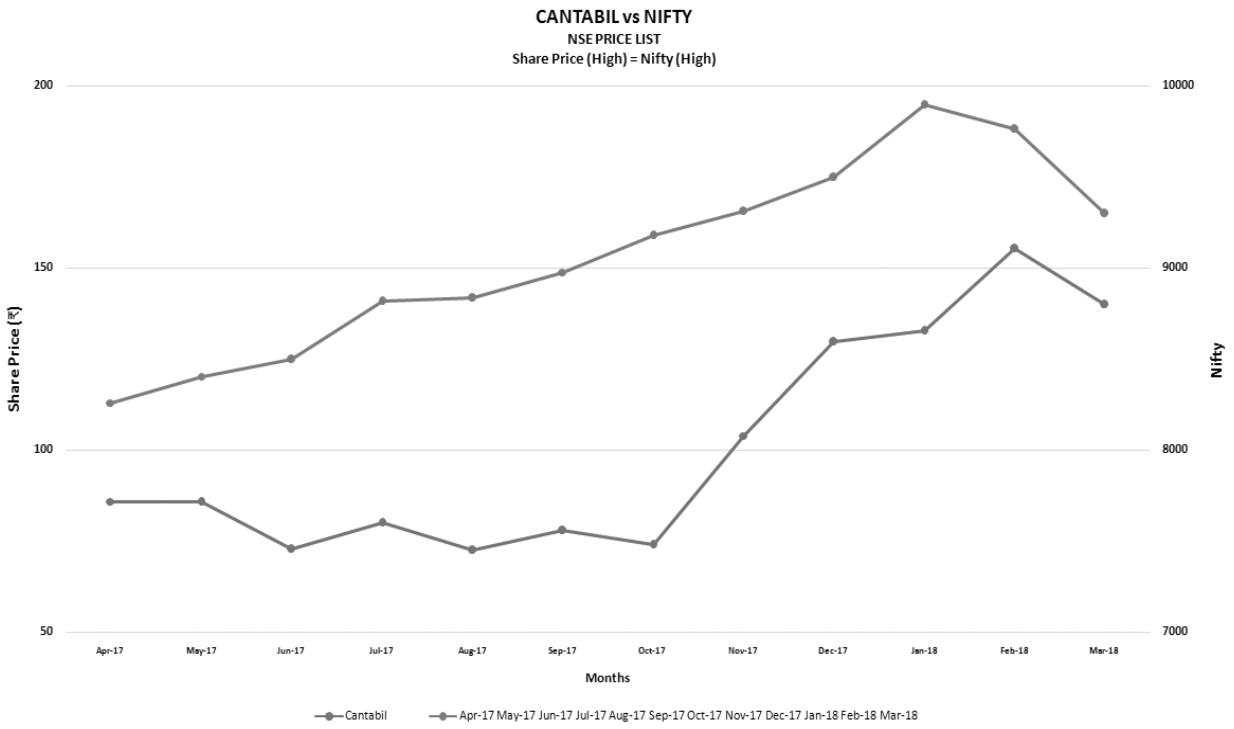
**(s) Market Price Data**

| Months | BSE | | NSE | |
|---|---|---|---|---|
| | High Price | Low Price | High Price | Low Price |
| Apr-17 | 90 | 76.55 | 85.90 | 66.05 |
| May-17 | 85.5 | 65.1 | 85.70 | 65.10 |
| Jun-17 | 72.25 | 65.25 | 72.80 | 64.50 |
| Jul-17 | 79.9 | 67 | 79.95 | 67.55 |
| Aug-17 | 71 | 63.4 | 72.40 | 61.60 |
| Sep-17 | 78 | 64.6 | 77-80 | 63.6 |
| Oct-17 | 73.9 | 67.1 | 74.00 | 67.20 |
| Nov-17 | 104.25 | 71 | 103.95 | 89.90 |
| Dec-17 | 129.9 | 81.25 | 129.75 | 81.60 |
| Jan-18 | 131.7 | 110.45 | 132.75 | 110.25 |
| Feb-18 | 156.35 | 103.35 | 155.20 | 102.0 |
| Mar-18 | 138.81 | 07.8 | 140.00 | 106.60 |

**(t) (A) Performance Comparison Performance in comparison to BSE Sensex, i.e. CANTABIL Vs. SENSEX**



**(B) 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 Share Holders | Number of Shares | Amount (In Rs.) | % to total Value of Shares |
|---|---|---|---|---|---|
| Upto 5000 | 6469 | 92.36 | 733262 | 7332620 | 4.4909 |
| 5001 to 10000 | 259 | 3.69 | 210297 | 2102970 | 1.2880 |
| 10001 to 20000 | 105 | 1.49 | 161726 | 1617260 | 0.9905 |
| 20001 to 30000 | 42 | 0.59 | 105926 | 1059260 | 0.6488 |
| 30001 to 40000 | 28 | 0.39 | 98526 | 985260 | 0.6034 |
| 40001 to 50000 | 18 | 0.25 | 84829 | 848290 | 0.5195 |
| 50001 to 100000 | 31 | 0.44 | 242085 | 2420850 | 1.4827 |
| 100001 and above | 52 | 0.74 | 14690957 | 146909570 | 89.9762 |
| Total | 7004 | 100.00 | 16327608 | 163276080 | 100.0000 |

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

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

The said policy is uploaded on the website of the Company and can be accessed through following link: http://www.cantabilinternational.com/policesVIGIL_MECHANISM_OR_WHISTLE_BLOWER_POLICY.pdf

**(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.

**(iii) Insider Trading**

In compliance with the SEBI regulation on prevention of insider trading, 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 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 SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, 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

**(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.

**7. Non-compliance of any requirement of Corporate Governance Report of sub paras (2) to (10) of Schedule V of Listing Regulations 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 is as above:**

| 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**

**Sd/-**

**Place : New Delhi** **VIJAY BANSAL**

**Date : 14.08.2018** **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 Statement for the year ending 31st March, 2018 and to the best of our knowledge and belief, we state that:

(1) These Statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These Statement 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.

**(Vijay Bansal)** **(Shivendra Nigam)**

**Chairman and Managing Director** **Chief Financial Officer**

Place: New Delhi

Date: 14.08.2018

## 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, 2018 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 : 14.08.2018**
**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. I hereby further confirm that the Company has in respect of the Financial Year ended March 31, 2018, 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.

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

**Date : 14.08.2018**

**INDUSTRY AND ECONOMIC OVERVIEW:**

In world's economic context, India is the second largest producer of textiles and garments after China. It is also world's third largest producer of cotton after China and the USA and the second largest cotton consumer after China. Indian textile industry currently estimated to be US $108 billion and expected to reach US $209 billion in the year 2021. The textiles industry is also labour intensive and is one of the largest employers and employs about 105 million people directly and indirectly.

The Indian textile industry presently contributes around 14 percent to industrial production, and 4 percent to GDP, 17 percent to the country's exports, and 21 percent employment. India has a share of approximately 5% of the global textile and apparel trade. India is bestowed with abundance of natural resources like cotton, jute and silk. Indian products are in great demand for their fine craftsmanship, designing, embellishment etc. Since ages the Indian textile weavers and fabric designers are recognized as one of the best in the world. The versatility and the vibrancy of the Indian textile products keep it in the forefront in world's business arena always. At present industry is growing at 9-10 percent with Indian economy. Indian textile industry currently possesses a share of 4.7% in world market of textiles and clothing. India and china in Asian sub-continent are likely to perform better in comparison to other countries in the coming years due to fast changing geo-political scenario.

Despite that 2017-18 was an unusually difficult year for the Textiles & Clothing Industry in India. India's export of clothing is declined, probably first time over a decade, by more than 700M USD. The country's import of clothing continues to increase by over 170M USD. The major supplies are from China and Bangladesh. Zero rated duty of imports from Bangladesh has opened gates for big value imports of apparel and other textile products into India. The major growth drivers of the global apparel market will be the developing economies, mainly China and India, both growing in double digits. China will become the biggest apparel market in market size, while India will be the second most attractive apparel market by 2025 the possible FTA with the EU could be a game changer for India's clothing exports. This requires a leap of faith by India, to harvest the opportunity, more so given the US's increasing protectionism and China's hegemonic ambitions.

As expected, GST the biggest tax reform in India still experiencing the teething issues like technical glitches, input credits/refunds etc. The ability of the SME sectors to adapt the process is also a concern and export processes are still a complex issue as in the past. GST continue to present challenges for the Clothing industry because of dominant position of SME's in the industry, who are not geared to meet the challenges presented.

The global luxury industry is slowly and gradually making in roads in the Indian industry and showing the signs of growth suggesting it's going to stay here for long. It has seen steady growth over the recent past and it is commonly believed to be one of the most appealing and profitable industries in the world. In addition to its economic value, luxury fashions brands help develop the best fashion products for the market. The luxury fashion brand management is complex in general, and the luxury fashion brands should adopt a coherent approach in order to succeed. The downward brand extension, co-branding or passing off of luxury features to non-luxury segment brands may help the sustainably faster growth and expansion of the market for the later segment.

E-Commerce continue to be a challenge for brick and mortar model of retail, however, growth rate in E-commerce in India showed a small decline of 3% approx, with a total penetration of 3% of total retail in 2017. Studies forecasted 2018 as the year of offline retail, borne out by the advent of Walmart/Flipkart combo and Amazon's entry into bricks and mortar retail as well. Fast fashion from the likes of Zara, H&M and deep discounting by online, has pushed brick and mortar independents into distress. The quantum of overall discounting in the clothing Industry in India has steep raised in three years time. Percentage of goods sold at MRP continues to decline sharply. India is to get the advantage of focused market as compare to wobbly global market.

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Initiative will be taken into consideration by Government of India. The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India. The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC s 60th anniversary and a khadi outlet. The Textiles Ministry

will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans. The Textile Ministry of India earmarked Rs 690 crore (US$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

Some of initiatives taken by the government to further promote the industry are as under:

» The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.

» The allocation to the Ministry of Textiles has increased by 14 per cent to USD 1.1 billion

» The Government of India plans to introduce incentive package for the power loom sector, including of social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.

The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), with a provision of one-time capital subsidy for eligible benchmarked machinery at the rate of 15% for garmenting and technical textiles segments and at the rate of 10% for weaving, processing, jute, silk and handloom segments. The launch of India Handloom Brand and integrated scheme for development of silk industry help them for the strategic enhancement of Indian textiles quality to international standards in these segments.

The Ministry of Textiles is implementing Integrated Processing Development Scheme (IPDS) to enable the textile processing sector in meeting environmental standards through appropriate technology including marine, riverine and Zero Liquid Discharge (ZLD). The Government of India provides financial assistance up to 50 % of project cost for Common Effluent Treatment Plants (CETPs). Ministry has approved 4 projects in Rajasthan and 2 projects in Tamil Nadu.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US$ 85 billion, is expected to reach US$ 160 billion by 2025. The Indian cotton textile industry is expected to showcase a stable growth in FY 2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand. Overall growth in the sector has also witnessed a spurt in investment during the last five years. The industry attracted Foreign Direct Investment (FDI) worth US$ 2.82 billion during April 2000 to December 2017.

**INDIAN RETAIL INDUSTRY:**

The Indian retail industry is one of the fastest growing in the world. Retail sector in India is undergoing a definite transformation in terms of its structure and scale. The sector has been on a path of steady growth since the last decade and half due to many factors such as growing urbanisation, rapid economic growth and the resultant rise in purchasing power and consumerism. The visible aspects of the transformation are proliferating shopping malls, e-commerce operators, modern retail, foreign retailers and fast upgrading traditional retailers.

Retail industry in India is expected to grow to US$ 1.3 trillion by FY 2020, registering a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20. Still India is in the nascent stage, with organised retail having less than 10% share and top 3 retailers combined having a market share of less than 2%, but globally, India is the fifth largest preferred retail destination. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities. Healthy economic growth, changing demographic profile, increasing disposable incomes, urbanisation, changing consumer tastes and preferences are the other factors driving growth in the organised retail market in India. India's population is taking to online retail in a big way. The online retail market is expected to grow from US$ 6 billion to US$ 70 billion during FY 15 - FY 20. It is too early to predict how the sector would look like in future, but certain broad trends are visible, such as the slow but steadily rising importance of

modern retail and e-commerce. This would impact the traditional retailers who are still the main stay of Indian retail and have implications for employment and livelihood.

Increasing participation from foreign and private players has given a boost to Indian retail industry. India's price competitiveness attracts large retail players to use it as a sourcing base. Global retailers such as Walmart, GAP, Tesco and JC Penney are increasing their sourcing from India and are moving from third-party buying offices to establishing their own wholly-owned/wholly-managed sourcing and buying offices. In future, even large retailers may start offering a number of options for order and fulfilment such as home delivery, store pick-up, or in-store payment thereby taking away some aspects of competitive advantage enjoyed by small retailers.

The Government of India has introduced reforms to attract Foreign Direct Investment (FDI) in retail industry. The government has approved 51 per cent FDI in multi-brand retail and increased FDI limit to 100 per cent (from 51 per cent) in single brand retail, and plans to allow 100 per cent FDI in e-commerce, under the arrangement that the products sold must be manufactured in India to gain from the liberalised regime.

India's retail sector, particularly the groceries and budget apparel segments, is poised to hit a purple patch. A host of factors a shift towards organised retail, improved business models, demographics, and rising per capita income may lift the sector's profitability to a different plane. Indian organised retail sector has seen a dream run in the past 2 years. The improving prospects are evident in the stock prices of listed retail firms, which have been major wealth generators in the last year.

India's $ 670 billion retail market is still mostly unorganised, with nearly 93% of it happening through small mom-and-pop stores or stand-alone outlets. The shift to organised chains has been on in the last decade, but only at a snail's pace. But that's changing now. Demonetisation and implementation of GST (goods and services tax) have been tailwinds for organised retail in India, allowing them to gain share from unorganised trade, this has boosted the sales of almost all organised players. Leading chains are expecting double-digit growth in same-store sales by March 2019, compared to an average of 7.5% in the last four years. Same-store sales are the total revenue from stores that have been open for the previous one year; it is a preferred measure of growth for retail chains.

However, not everyone is chasing sales growth. Many are also increasing their profits by optimising the business and rectifying mistakes. Over the last five years, retailers have "retooled their business models after a decade of learning, instead of reckless expansion…with an increased focus on improving store economics, while staying focused on costs, return ratios and balance sheets." As retail majors benefit from this course correction and the government pushes for organised trade, there is a third growth lever waiting to kick in. And that may be the real accelerator. India's gross domestic product (GDP) per capita is about $1,800. According to sources, the $2,000 level is a critical threshold. India has seen significant boom in the discretionary spends once it crosses $2,000 in other countries. China, for instance, crossed the $2,000 threshold in 2006. Since then, retail sales in the country have tripled. Similarly, in Russia (since 2001) and Brazil (since 1986), retail sales have doubled.

There has been an increase in purchasing power and increase in fashion demand of the consumer has given a steep boost to apparel retail industry. Easy buying power due to easy availability of credit which has given a push to higher value items. There has been a clear shift in consumer mindset when it comes to buying. They are more educated and well informed. They have become more experimenting and are willing to try and buy products which they haven't used till now. Significant growth in discretionary income and changing lifestyle are among the major growth drivers of Indian retail industry.

With GST taking its shape, it will lead to better supply chain structure, better cash flows, pricing, and profitability. Rural markets show high growth potential if tapped with the right set of products and pricing. With increasing investments in infrastructure, connectivity to such towns is now becoming easier. This helps the retailer to increase reach in such high potential markets. We can expect social networks to soon evolve as retail channels. This is because companies are investing heavily in providing services to customers directly, this trend will evolve and will transform the current shopping session into a well-known retailing session. New players, new business models, rising customer expectations will all likely change retail's future landscape. Retailing is more than brick-and-mortar, and retailers who are agile enough to adapt and innovate their way through changes continue to grow and thrive in new and unexpected ways. The future of the retail industry looks promising, as more and more Government policies have come into play, making it favorable to do business.

Regulatory framework governing retail sector in India is also undergoing constant changes as the governments from time to time try to find the right balance between various concerns such as efficiency, growth and employment. Various reforms measures such as allowing foreign investment in wholesale trade and food retail, have been undertaken with a view to improve the supply chain, minimise wastages, especially in food, and better prices for producers and consumers. The modern trade (organised retail) is expected to be one of the main drivers of growth in retail sector in the coming years. However, this can create severe pressure on small retailers causing job loss and distress in the sector over the next 5 - 6 years. A situation may arise in future, which may be similar to the present distress in the agricultural sector leading to farmer's suicides in India.

To curb such nuances of the system, trade or sector, policies and framework be crafted which would facilitate coexistence of both organised and unorganised retail and better prospects for the overall retail sector and their customers. Broadly, these policies and regulations may be divided into three categories: transformative, collaborative and restrictive.

Transformative measures such as tax breaks, infrastructural support, assistance in reaching out to more customers by leveraging digital retail/e-commerce etc can be provided to small retailers to enable them to compete with large retailers. Under collaborative arrangements they should also be encouraged to connect to retail aggregators to take advantage of e-commerce facilities, and reach a larger number of customers in a cost effective manner. Under restrictive practices traditional retailers running into millions would need at least 5 - 7 years to prepare themselves to face the competition from the former. Competition Commission of India should be tasked with looking into cases of unfair trade practices such as predatory pricing in this sector.

Retail transformation which has taken decades in other countries is happening in a short span of time in India with different retail formats emerging simultaneously. In this context, it would be expected that a cautious approach to opening up the sector to foreign investments and a proactive approach to transforming the traditional retailers and making them competitive, before any further liberalisation measures are undertaken in this sector.

**BUSINESS REVIEW:**

Financial Year 2018 was the beginning of our Growth strategy and delivering promises and we continue to move along firmly towards this goal. We added 20 new stores during the year and were able to achieve overall revenue growth of 22.73% in FY 18. As of March 31, 2017, the Cantabil brand was sold on a total floor area of approx. 163210 sq. ft. and which has increased to 185702 sq. ft. as of March 31, 2018.

The Company, by focusing on quality and range, continues to increase its average ticket value and adopting strategic approach which can be sustainable and profitable in the longer run. Increasing productivity of stores is a key focus area of the Company while continuously deepening the presence. We continue to drive the customer experiences to better & higher levels by improvement in store visual and ambiance. A lot of initiatives, including digital payment systems and EMI payment system with Bajaj finance, were undertaken to enhance customer loyalty backed with enhanced experiential shopping journeys.

**FINANCIAL OVERVIEW:**

Company's Revenue has increased during the year under review. Total revenue of the company increased to Rs. 19864.73 Lakhs during the financial year ended march 31, 2018, as compared to Rs. 16157.79 Lakhs during the previous financial year 2016-17. Company's EBIDTA during the financial year ended March 31, 2018 of Rs. 2123.46 Lakhs have also increased against Rs. 1853.83 Lakhs during the financial year ended March 31, 2017.

The year under review, your Company retained its position in the market. However, the Company is confident that it will improve its performance in the financial year 2018-19 significantly. As of today we have crossed 200 stores spread across northern, eastern and western parts of the country.

**OUT LOOK:**

We strongly feel that the benefit of the stable Government has pleasantly throwing the "feel good" factor across textile and clothing industry. The Company was not only sustained but scaled up its performance in the midst of two major disruptions during the last two financial years, and despite headwinds, it has strengthened its business and financial

position. The formalisation of the economy provides long term advantages to organised players and the Company is well-poised to resume its growth trajectory as the opportunities unfold.

Further, internal drive to improve profitability by reducing the overall operation costs and further the interest rates were went down and giving strength to the buying power of the company and reduction in finance cost by reducing the overall debt cost, will further benefit the Company with improved profitability. Company is confident to obtain the up gradation in the credit rating, which will further help the Company to obtain the funding at much more reasonable cost and with limited financial and non-financial covenants.

**STRENGTHS AND OPPORTUNITIES:**

There is a significant shift of consumer towards organized retail resulting into big boost to the industry as a whole. Consumption in India is undergoing a gradual, yet tectonic shift. Consumer expenditure in India is expected to grow at 12 per cent year-on-year till 2022, driving the consumption of the growing urban population, two-thirds of which live in tier 2. Therefore, aspirational demand for branded products from these new geographies is expected to surge over the next few years. The Company has strong brand positioning at Pan India level to cater the various consumer segments to deliver high-quality products. Increase in spending power of the consumer is also a key factor for improvement in sales in branded retail. The organised retail formats have developed at a fast pace and provide a strong platform for enhanced spends by consumers towards branded products. The Company with its focus of expansion in Tier B and C town is expected to provide a thrust to renewed demand. Company is continuing to focus on its Brand leadership within the consumer segment with unparalleled reach in diversified geographical presence. With the smooth functioning and improvement in tax structure of GST, Company is expecting more strength in the model itself.

**RISK & THREATS:**

The suspected hurdle continues to be the disregard for pricing discipline across industry players with sales growth being pursued through aggressive discounts and price reductions throughout the year. The biggest risk in recent times has been the impact of macro events on consumer sentiments and continued practice of lower pricing creates confusion in consumers mind and forcing them to make other product quality secondary. Indian market is flourishing with Brands including foreign brands which are adding more challenges to domestic retail brands. The state of external environment, including factors like interest rates, inflation, and growth in economic activity, rationalisation of tax structure, job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company.

Adding challenge from E-commerce players will continue to add pressure to the Brick and mortar model. Traditional brick-and-mortar brands are adopting digital channels for engaging with and selling to Indian consumers while defending their competitive positioning. Building online brands is helping companies to not only reach a wider audience, but also test the market before committing to a large-scale investment.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACIES:**

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. Company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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.

The Company has established and maintained 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'). The Company has proper and adequate internal control procedures commensurate with the size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviewed by the management and well-documented policies and guidelines to ensure reliability of financial and all other records and to prepare financial statements and other data. 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. The Company is continuously upgrading its internal control systems by measuring state of controls at various locations. Controls by an ERP system have been strengthened with help of review conducted Internal Auditors.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The standalone Ind AS financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The details of the financial performance of the Company are appearing in the Balance Sheet, Statement of Profit & Loss, Cash flow statement and Statement of changes in equity forming part of this Annual Report. For financial highlights please refer heading 'FINANCIAL RESULTS' of Directors Report.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:**

Cantabil Retail India Limited (CRIL) firmly believes that its employees are the key assets of the company. The goal of the Human Resources Department is to enable the organization to achieve its strategic objectives, while ensuring employees are engaged and motivated. At CRIL, HR's success is measured by its ability to align and integrate processes profitability. The employees are evaluated and reviewed on Key Result Areas (KRAs) to assess the skills and plan for their future growth.

Training needs are identified to meet individual requirements through in-house training and on-the-job training. Trainings are classified on the basis of requirements like individual development on soft skills, professional & technical skill and management development program. Current efforts are also include building skills, attracting and retaining talent and nurturing and developing leadership potential.

During the year under review, there was a cordial relationship with all the employees. There was no loss of production on account of any industrial unrest. The directors would like to acknowledge and appreciate the contribution of all the employees towards the performance of company. As on March 31, 2018, the company directly employed more than 1216 persons.

**CAUTIONARY STATEMENT:**

Statement in the Management discussion and Analysis describing Company's objective, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates changes in the Government regulations, tax laws, statute and other incidental factors.

# INDEPENDENT AUDITOR'S REPORT

**To**

**The Members of**

**Cantabil Retail India Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Cantabil Retail India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone 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, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.

   e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 controls over financial reporting 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) 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, as amended, 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 52 to the standalone Ind AS financial statements.

      ii. There are no material foreseeable losses on long term contracts including derivative contracts therefore, no such provision is required to be made.

      iii. There has been no delay in transferring amounts, 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)**

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

**Place : New Delhi**
**Date : May 25, 2018**

# 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 financial statements for the year ended March 31, 2018, we report that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this program, certain fixed assets 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 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, 2013in respect of loans, investments, guarantees, and security.

v. The Company has not accepted any deposits under provisions of sections 73 to 76 or any other relevant provisions of the Companies Act' 2013.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is 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 material statutory dues with the appropriate authorities.

b) According to the information and explanations given to us, below given dues of income tax, sales tax, service tax, duty of excise, value added tax and cess have not been deposited with the appropriate authorities on account of dispute.

| 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 of Service Tax | 86,35,176 | FY 2012-13 | Hon'ble High court of Delhi |

viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans availed by the company were applied for the purposes for which those are raised.

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 and according to information given to us the company is not a nidhi Company. Accordingly paragraph 3(xii) of the order is not applicable.

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 25, 2018**

# ANNEXURE -B TO THE INDEPENDENT AUDITOR'S

**Reprt 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, 2018 in conjunction with our audit of the standalone 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 tocompany'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 amaterial 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 providea basis for our audit opinion on the Company's internal financial controls system overfinancial reporting.

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

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

1. pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, ordisposition 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, includingthe possibility of collusion or improper management override of controls, material mis statements 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place : New Delhi**
**Date : May 25, 2018**

# BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| **A. ASSETS** | | | | |
| **Non-current Assets** | | | | |
| a) Property, Plant and Equipment | 3 | 5,454.47 | 5,649.70 | 5,444.78 |
| b) Capital work-in-progress | 3 | 15.56 | 18.60 | 30.68 |
| c) Investment Property | 4 | 376.37 | 513.23 | 520.10 |
| d) Other Intangible Assets | 5 | 32.43 | 31.35 | 25.82 |
| e) Financial Assets | | | | |
| (i) Investments | 6 | 10.00 | 10.00 | 10.00 |
| (ii) Trade Receivables | 7 | 10.00 | 0.75 | 14.40 |
| (iii) Loans | 8 | 634.47 | 490.51 | 401.62 |
| (iv) Deposits with Banks | 9 | 7.19 | 1.79 | 1.79 |
| f) Deferred Tax Assets (Net) | 10 | 1,738.01 | 344.45 | 283.05 |
| g) Other non-current assets | 11 | 373.93 | 373.93 | 367.96 |
| **Total Non Current Assets** | | **8,652.44** | **7,434.32** | **7,100.19** |
| **Current Assets** | | | | |
| a) Inventories | 12 | 8,106.00 | 7,332.70 | 5,305.65 |
| b) Financial assets | | | | |
| (i) Investments | 13 | 5.41 | 4.97 | 3.78 |
| (ii) Trade receivables | 14 | 1,039.64 | 981.58 | 936.04 |
| (iii) Cash & cash equivalents | 15 | 258.91 | 98.03 | 110.84 |
| (iv) Other financial assets | 16 | - | 31.40 | 25.71 |
| c) Current Tax Assets (Net) | 17 | 0.20 | - | 15.10 |
| d) Other current assets | 18 | 1,026.56 | 388.68 | 219.57 |
| **Total Current Assets** | | **10,436.71** | **8,837.36** | **6,616.69** |
| **Total Assets** | | **19,089.15** | **16,271.67** | **13,716.89** |
| **B. EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| a) Equity Share capital | 19 | 1,632.76 | 1,632.76 | 1,632.76 |
| b) Other Equity | 20 | 9,039.99 | 6,850.03 | 6,275.09 |
| **Total Equity** | | **10,672.75** | **8,482.79** | **7,907.85** |
| **Liabilities** | | | | |
| **Non- current liabilities** | | | | |
| a) Financial Liablities | | | | |
| (i) Borrowings | 21 | 697.72 | 356.98 | 438.33 |

| | | | | |
|---|---|---|---|---|
| (ii) Trade Payables | 22 | 7.90 | 5.41 | 4.29 |
| (iii) Other financial liabilities | 23 | 463.10 | 370.50 | 387.95 |
| b) Provisions | 24 | 229.10 | 209.04 | 197.51 |
| **Total Non Current Liabilities** | | **1,397.83** | **941.93** | **1,028.07** |
| **Current Liabilities** | | | | |
| a) Financial Liablities | | | | |
| (i) Borrowings | 25 | 3,631.77 | 3,545.85 | 2,902.08 |
| (ii) Trade Payables | 26 | 2,610.11 | 2,679.67 | 1,398.57 |
| (iii) Other financial liabilities | 27 | 476.16 | 311.72 | 276.18 |
| b) Other Current Liabilities | 28 | 97.54 | 159.09 | 84.38 |
| c) Provisions | 29 | 203.01 | 134.19 | 119.76 |
| d) Current Tax Liabilities (Net) | 30 | - | 16.43 | - |
| **Total Current Liabilities** | | **7,018.57** | **6,846.95** | **4,780.97** |
| **Total Equity & Liabilities** | | **19,089.15** | **16,271.67** | **13,716.89** |

**Accompanying Notes 1 to 59 forms integral part of these Financial Statements**

**As per our attached report of even date**

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)**
Managing Director
DIN : 01110877

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

DATE: MAY 25, 2018
PLACE: DELHI

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

**(CS Poonam Chahal)**
Company Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

| Particulars | Note No. | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|---|
| **I Income** | | | |
| Revenue From Operations | 31 | 19,767.18 | 16,106.35 |
| **II** Other Income | 32 | 97.54 | 51.44 |
| **III Total Income (I + II)** | | **19,864.73** | **16,157.79** |
| **IV Expenses** | | | |
| Cost of Materials Consumed | 33 | 5,002.17 | 5,056.60 |
| Purchase of Stock-In-Trade | 34 | 2,686.28 | 1,903.98 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade-(Increase)/Decrease | 35 | (663.67) | (2,109.14) |
| Employee Benefits Expense | 36 | 3,709.71 | 2,469.08 |
| Excise Duty on Sale of Goods | 37 | 104.92 | 434.15 |
| Finance Costs | 38 | 665.99 | 586.28 |
| Depreciation and amortisation expense | 3,4 & 5 | 883.78 | 798.57 |
| Other expenses | 39 | 6,901.87 | 6,549.29 |
| **Total Expenses** | | **19,291.04** | **15,688.81** |
| **V Profit before exceptional items and tax (III-IV)** | | 573.69 | 468.98 |
| **VI Exceptional Items** | 42 | 189.14 | (5.07) |
| **VII Profit Before Tax (V+VI)** | | **762.83** | **463.92** |
| **VIII Tax expense:** | 43 | | |
| Current Tax (MAT) | | 155.53 | 118.52 |
| MAT Credit Entitlement | | (311.97) | - |
| Deferred Tax Assets | | 30.67 | (61.40) |
| Deferred Tax on previously unrecognised Tax losses | | (1,110.14) | - |
| **Total Tax Expense** | | **(1,235.91)** | **57.12** |
| **IX Profit for the year (IX-X)** | | **1,998.74** | **406.79** |
| **X OTHER COMPREHENSIVE INCOME (OCI)** | 44 | | |
| Items that will not be reclassified to profit or loss | | | |
| - Re-measurement gains/(losses) on defined benefit plans | | (7.69) | (34.05) |
| -Deferred Tax (Charge)/Reversal | | 2.12 | 10.52 |
| **Total Other Comprehensive Income for the year** | | **(5.57)** | **(23.53)** |
| **Total Comprehensive Income for the year** | | **1,993.17** | **383.27** |

| | | | |
|---|---|---|---|
| **XI Earnings per Equity Share** | 45 | | |
| Basic ( in Rs.) | | 12.24 | 2.49 |
| Diluted ( in Rs.) | | 12.24 | 2.49 |

**Accompanying Notes 1 to 59 forms integral part of these Financial Statements**

**As per our attached report of even date**

**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)**
Managing Director
DIN : 01110877

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

DATE: MAY 25, 2018
PLACE: DELHI

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

**(CS Poonam Chahal)**
Company Secretary

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

| Particulars | For the year ended March 31, 2018 | | For the year ended March 31, 2017 | |
|---|---|---|---|---|
| **A. Cash flow from operating activities :** | | | | |
| **Net Profit before tax** | | **762.83** | | **463.92** |
| *Adjustments for :* | | | | |
| Depreciation and amortisation | 883.78 | | 798.57 | |
| Income on investment property | (0.67) | | - | |
| (Profit)\Loss on sale of fixed assets | (50.30) | | 0.82 | |
| Finance costs | 620.80 | | 559.91 | |
| Rent expense on lease equilisation | 193.52 | | 164.64 | |
| Re-measurement gains/(losses) on employee defined benefit plans | (7.69) | | (34.05) | |
| Interest Income (Net) as per Ind AS 109 | (27.46) | | (18.91) | |
| Fair value gain on investments | (0.44) | | (1.19) | |
| Deferred Revenue on government grant | (4.19) | | - | |
| Capital Assets written off | 0.04 | | 4.25 | |
| Interest income | (14.75) | 1,592.64 | (2.24) | 1,471.79 |
| **Operating profit / (loss) before working capital changes** | | **2,355.46** | | **1,935.71** |
| *Movements in Working capital :* | | | | |
| Inventories | (773.30) | | (2,027.04) | |
| Trade receivables | (67.31) | | (31.90) | |
| Financial Assets & current assets | (760.79) | | (264.58) | |
| Trade payables | (67.07) | | 1,282.22 | |
| Other financial liabilities | 156.23 | | 30.13 | |
| Other current liabilities | (61.55) | | 74.71 | |
| Provisions, Current tax assets/liabilities | 65.52 | **(1,508.27)** | 56.41 | **(880.05)** |
| **Cash generated from operations** | | **847.19** | | **1,055.65** |
| Income Tax Paid | | (149.00) | | (101.00) |
| **Net cash flow from/(used in) operating activities (A)** | | **698.19** | | **954.65** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of fixed assets, inlcuding capital work in progress & capital advances | (795.86) | | (954.00) | |
| Proceeds from sale of fixed assets | 172.15 | | 1.82 | |
| Proceeds from Investment property | 131.00 | | - | |
| Investments in fixed deposits | (5.40) | | - | |
| Interest received | 14.75 | **(483.36)** | 2.24 | **(949.94)** |
| | | **(483.36)** | | **(949.94)** |
| Net Income tax (due) / refunds | | 0.20 | | (16.43) |
| **Net cash flow from / (used in) investing activities (B)** | | **(483.16)** | | **(966.36)** |

| | | | | |
|---|---|---|---|---|
| **C. Cash flow from financing activities** | | | | |
| Proceeds from long-term borrowings | 1,174.21 | | - | |
| Prepayment of long-term borrowings | (612.33) | | - | |
| Repayment of long-term borrowings | (81.16) | | (84.96) | |
| Net increase / (decrease) in working capital borrowings | 85.92 | | 643.77 | |
| Finance cost | (620.80) | **(54.16)** | (559.91) | **(1.09)** |
| **Net cash flow from/(used in) financing activities (C)** | | **(54.16)** | | **(1.09)** |
| **Net increase / (decrease) in Cash and cash equivalents (A+B+C)** | | **160.87** | | **(12.80)** |
| Cash and cash equivalents at the beginning of the year | | 98.03 | | 110.84 |
| **Cash and cash equivalents at the end of the year** | | **258.91** | | **98.03** |
| **Components of Cash & Cash Equivalents (Refer Note No. 15)** | | | | |
| Cash in hand | | 33.08 | | 28.88 |
| Balances with Scheduled Banks-Current Accounts | | 225.83 | | 69.15 |
| **Cash & Cash equivalents in Cash Flow Statement** | | **258.91** | | **98.03** |

**Accompanying Notes 1 to 59 forms integral part of these Financial Statements**
**As per our attached report of even date**

**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)**
Managing Director
DIN : 01110877

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

DATE: MAY 25, 2018
PLACE: DELHI

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

**(CS Poonam Chahal)**
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

| | Attributable to the equity shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| | Equity Share Capital | Securities Premium Reserve | Lease Equilisation Reserve | Deferred Revenue | Other Comprehensive Income | Retained Earnings | Total Equity |
| As at April 1, 2016 | 1,632.76 | 8,756.10 | - | 157.07 | (9.45) | (2,628.63) | 7,907.85 |
| Remeasurement of post employment benefit obligation, net of tax (item of OCI) | - | - | - | - | (23.53) | - | (23.53) |
| Deferred Tax on Post employment benefit obligation | - | - | - | - | - | (10.52) | (10.52) |
| Reserve Created during the year | - | - | 141.94 | 97.70 | - | - | 239.64 |
| Reserve utilised during the year | - | - | - | (30.57) | - | - | (30.57) |
| Depreciation on government grant receivable net of Deferred Revenue | - | - | - | - | - | (6.87) | (6.87) |
| Profit for the year | - | - | - | - | - | 406.79 | 406.79 |
| As at March 31, 2017 | 1,632.76 | 8,756.10 | 141.94 | 224.21 | (32.98) | (2,239.23) | 8,482.79 |
| Remeasurement of post employment benefit obligation, net of tax (item of OCI) | - | - | - | - | (5.57) | - | (5.57) |
| Reserve Created during the year | - | - | 161.80 | 84.37 | - | - | 246.16 |
| Reserve utilised during the year | - | - | - | (49.38) | - | - | (49.38) |
| Profit for the year | - | - | - | - | - | 1,998.74 | 1,998.74 |
| As at March 31, 2018 | 1,632.76 | 8,756.10 | 303.73 | 259.19 | (38.55) | (240.49) | 10,672.75 |

**Accompanying Notes 1 to 59 forms integral part of these Financial Statements**
**As per our attached report of even date**

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

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

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

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

DATE: MAY 25, 2018
PLACE: DELHI

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

**(CS Poonam Chahal)**
Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1 Company Overview

Cantabil Retail India Limited ('the company') having CIN : L74899DL1989PLC034995 is a public limited company domiciled in India and incorporated on February 9, 1989 under the provisions of the Companies Act applicable in India. 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". 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. The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 25th May, 2018.

## 2 Significant accounting policies

### 2.1 Statement of Compliance

Company has adopted Indian accounting Standard (Referred to as "Ind AS") as notified by Companies (Indian Accounting Standards) Rules 2015 read with Section 133 of the Companies Act, 2013 with effect from 1 April 2017. Previous period has been restated as per Ind AS.

These are the company's first financial statements for the year ended 31 March 2018 that has been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, read with Ind AS based Schedule III, under the Companies Act, 2013.

For all periods up to and including for the year ended 31 March 2018, the company's financial statements have been prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule, 2014.

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at April 1, 2016 throughout all periods presented in this statement, as if these policies had always been in effect and are covered by Ind AS 101 ''First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India (''Indian GAAP") which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP to Ind AS is disclosed in Note 48 to these financial statements The Company's financial statements provide comparative information in respect to the previous year. In addition, the company presents Balance Sheet as at the beginning of the previous year, which is the transition date to Ind AS.

**Exemptions and Exceptions availed**

The Company has prepared the financial statements in accordance with Ind AS for the year ending March 31, 2018. In preparing such statements the opening balance sheet was prepared at April 1, 2016, the company's date of transition to Ind AS. The note explains principal adjustments made in order to restate its Indian GAAP financial statements including the balance sheet as at April 1, 2016 and financial statements as at and for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS :

**EXEMPTIONS:**

**i) Property, Plant & Equipment**

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP financial statements as their deemed cost at the transition date to Ind AS (i.e. April 1, 2016)

**ii) Deemed cost of Investment Properties:**

The Company has elected to continue with the carrying value for all of its Investment Properties as recognised in the previous GAAP financial statements as their deemed cost at the transition date

to Ind AS (i.e. April 1, 2016).

**EXCEPTIONS :**

**i) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

**ii) Classification and Measurement of financial assets**

Ind AS 101 requires an entity to assess the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS

**2.2 Basis of measurement**

The financial statements are prepared on Historical Cost basis except for certain 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 priniples. 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.

**2.3 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.

**2.4 Use of Estimates**

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, 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. Any revision to accounting estimates is recognized in the period in which the same is determined.

**2.5 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 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.

All other assets are classified as non-current.

A liability is current when it is:

» Expected to be settled in normal operating cycle;

» 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.

All other liabilities are classified as non-current.

**2.6 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 |

**2.7 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.

**2.8 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.

Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses.

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 of 5 years.

**2.9 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.

**2.10 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.

» Finished goods and work in progress: 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, project material at site are valued at cost. The stock of waste is valued at net realisable value.

**2.11 Cash and Cash Equivalents**

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

change in value.

**2.12 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 or minus, in the case of financial assets not recorded at fair value through profit or loss.

**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 (FVOCI).

**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.

**2.13 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 signify cant 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.

**2.14 Impairment of Non-Financial Assets**

The Company, in accordance with the Indian Accounting Standard (Ind AS) 36 "Impairment of Assets" , has adopted the practice of assessing at each Balance Sheet date whether there is any Indication that an asset may be impaired. If any such Indication exists, then the company provides for the loss for impairment of Assets after estimating the recoverable amount of the assets.

**2.15 Provisions, Contingent Liabilities and Contingent Assets**

Provision are measured at the Present value of the management's 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.

**2.16 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and it is probable that future economic benefits will flow to the entity. Amount of sales are net of goods and service tax, sale returns , trade allowances and discounts but inclusive of excise duty.

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the products have been transferred to the buyer, and the amount of revenue can be measured reliably.

Revenue from the provision of services is recognised as per stage of completion at the balance sheet date.

Company continues to account for export benefits on accrual basis.

Dividend income is recognized when the right to receive the income is established.

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate , using the effective interest rate method (EIR).

**2.17 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.

**2.18 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 Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act,1961.

**b) Deferred Tax**

Deferred tax is recognised for temporary differences. However, Deferred Tax Assets is recognised to the extent that, it is probable that taxable income will be available against which the same can be realised. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realized.

**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.

**2.19 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.

**2.20 Borrowing Cost**

General and Specific Borrowing Cost that are directly attributable to the acquisition or construction or production of qualifying assets are capitalized as part of the cost of such assets upto the date when such assets are ready for intended use. Qualified assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are charged as expenses in the year in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

**2.21 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.

**2.22 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**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense on straight line basis over the lease term.

**2.23 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.

**2.24 Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received 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.

## 3 Property, Plant and Equipment

(Rs. In Lakhs)

| Particulars | Land (Freehold) | Buildings | Plant and Machinery | Furniture and Fixtures | Vehicles | Office Equipments | Electrical Installation and Equipments | Computers | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost :** | | | | | | | | | | |
| **As at April 1, 2016** | **662.44** | **3,194.47** | **965.04** | **475.44** | **63.78** | **17.29** | **39.43** | **26.89** | **5,444.78** | **30.68** |
| Additions | - | 3.22 | 292.11 | 613.04 | - | 47.45 | 4.17 | 44.83 | 1,004.83 | 18.60 |
| Disposals | - | - | 16.15 | 24.92 | - | 0.04 | - | 1.47 | 42.59 | - |
| Adjustments* | - | - | - | - | - | - | - | - | - | (30.68) |
| **As at March 31, 2017** | **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 | - |
| Adjustments* | - | - | (4.81) | (0.22) | - | - | - | - | (5.03) | (18.60) |
| **As at March 31, 2018** | **624.30** | **3,094.95** | **1,508.52** | **1,439.36** | **53.75** | **108.90** | **43.60** | **89.01** | **6,962.40** | **15.56** |
| **Depreciation :** | | | | | | | | | | |
| Depreciation (2016-17) | - | 303.71 | 197.86 | 201.79 | 21.59 | 17.65 | 10.88 | 30.23 | 783.71 | - |
| Disposals (2016-17) | - | - | 11.16 | 23.08 | - | 0.02 | - | 1.44 | 35.70 | - |
| Adjustments (2016-17)* | - | - | 9.31 | - | - | - | - | - | 9.31 | - |
| **As at March 31, 2017** | **-** | **303.71** | **177.38** | **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 | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2018** | **-** | **516.71** | **386.81** | **432.11** | **25.95** | **48.47** | **19.35** | **59.90** | **1,507.92** | **-** |
| **Net Book Value :** | | | | | | | | | | |
| **As at March 31, 2018** | **624.30** | **2,578.24** | **1,121.71** | **1,007.26** | **27.80** | **60.43** | **24.25** | **29.11** | **5,454.47** | **15.56** |
| **As at March 31, 2017** | **662.44** | **2,893.99** | **1,063.62** | **884.84** | **42.19** | **47.07** | **32.72** | **41.46** | **5,649.70** | **18.60** |

**4 Investment Property** (Rs. in Lakhs)

| Particulars | Land | Apartment | Total |
|---|---|---|---|
| **Gross Block** | | | |
| Opening balance at April 1,2016 | 379.03 | 141.08 | 520.10 |
| Additions (subsequent expenditure) | - | - | - |
| **Closing balance at March 31,2017** | **379.03** | **141.08** | **520.10** |
| Additions (subsequent expenditure) | - | - | - |
| Disposal | 130.33 | - | 130.33 |
| **Closing balance at March 31, 2018** | **248.70** | **141.08** | **389.78** |
| **Depreciation and impairment** | | | |
| Opening balance at April 1, 2016 | - | - | - |
| Depreciation | - | 6.87 | 6.87 |
| Closing balance at 31 March 2017 | - | 6.87 | 6.87 |
| Depreciation | - | 6.54 | 6.54 |
| **Closing balance at March 31, 2018** | **-** | **13.41** | **13.41** |
| Net Block | | | |
| As at April 1, 2016 | 379.03 | 141.08 | 520.10 |
| As at March 31, 2017 | 379.03 | 134.21 | 513.23 |
| **As at 31 March 2018** | **248.70** | **127.67** | **376.37** |

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

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Rental income derived from investment properties | 10.22 | 5.39 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 0.72 | 0.93 |
| Profit arising from investment properties before depreciation and indirect expenses | 9.49 | 4.46 |
| Less – Depreciation | 6.54 | 6.87 |
| Profit arising from investment properties before indirect expenses | 2.96 | (2.41) |

**Fair Value**

The fair value of investment property as at March 31, 2018 is ₹ 415 lakhs (approx) [as at March 31, 2017 ₹ 400 lakhs (approx), as at April 1,2016 ₹ 390 lakhs (approx)] after considering the relevant assumptions that market participants would use when pricing investment properties under current market conditions.

**5 Other Intangible Assets**

| Particulars | Computer Software | Brands / Trademarks | Total |
|---|---|---|---|
| Cost : | | | |
| As at April 1, 2016 | 25.59 | 0.22 | 25.82 |
| Additions | 11.12 | 2.40 | 13.52 |
| Disposals | - | - | - |
| Adjustments | - | - | - |
| **As at March 31, 2017** | **36.71** | **2.62** | **39.33** |

(Rs. In Lakhs)

| | | | |
|---|---|---|---|
| Additions | 12.63 | - | 12.63 |
| Disposals/Transfer | - | - | - |
| Adjustments | - | - | - |
| **As at March 31, 2018** | **49.34** | **2.62** | **51.96** |
| Amortisation : | | | |
| Amortisation (2016-17) | 7.34 | 0.64 | 7.99 |
| Disposals (2016-17) | - | - | - |
| Adjustments (2016-17) | - | - | - |
| **As at March 31, 2017** | **7.34** | **0.64** | **7.99** |
| Amortisation | 11.16 | 0.38 | 11.54 |
| Disposals | - | - | - |
| Adjustments | - | - | - |
| **As at March 31, 2018** | **18.50** | **1.03** | **19.53** |
| **Net Book Value :** | | | |
| **As at March 31, 2018** | **30.84** | **1.59** | **32.43** |
| **As at March 31, 2017** | **29.37** | **1.98** | **31.35** |

**6 Investments**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Investments** | | | |
| **Long Term, Unquoted, fully paid equity shares at cost** | | | |
| Bahadurgarh Footwear Development Services Pvt. Ltd. for 20 Equity Share of Rs.50,000/- each | 10.00 | 10.00 | 10.00 |
| **TOTAL** | **10.00** | **10.00** | **10.00** |

**7 Trade Receivables**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Unsecured, considered good | 10.00 | 0.75 | 14.40 |
| Doubtful | 31.94 | 31.94 | 57.38 |
| **Total** | 41.94 | 32.69 | 71.77 |
| Less: Allowance for bad and doubtful debts | 31.94 | 31.94 | 57.38 |
| **Total** | **10.00** | **0.75** | **14.40** |

**8 Loans**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Loans (Unsecured, considered good)** | | | |
| Security Deposits | 634.47 | 490.51 | 401.62 |
| **Total** | **634.47** | **490.51** | **401.62** |

**9 Deposits with Banks** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Other Financial Assets** | | | |
| Fixed Deposits with Banks | 7.19 | 1.79 | 1.79 |
| **Total** | **7.19** | **1.79** | **1.79** |

**10. Deferred tax assets (Net)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Accelerated depreciation | 196.01 | 194.54 | 165.59 |
| Leave Encashment Payable | 13.06 | 15.18 | 17.07 |
| IPO Expenses | - | 9.71 | 19.42 |
| Bonus Payable | 47.48 | 32.36 | 27.65 |
| Gratuity Payable | 61.46 | 58.52 | 53.31 |
| Ind AS Adjustments | (2.12) | 34.14 | - |
| MAT Credit Entitlement Current Year | 155.53 | - | - |
| MAT Credit Entitlement Previous Year | 156.44 | - | - |
| Unreognised Tax Losses | 1,110.14 | - | - |
| **Total** | **1,738.01** | **344.45** | **283.05** |

**Reconciliation of Deferred Tax (Net)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Opening Balance | 344.45 | 283.05 | 255.70 |
| Tax (income)/expense during the year recognised in profit or loss | (26.43) | 71.92 | 27.35 |
| Tax (income)/expense during the year recognised in OCI | (2.12) | (10.52) | - |
| MAT Credit Entitlement Current Year | 155.53 | - | - |
| MAT Credit Entitlement Previous Year | 156.44 | - | - |
| Effect of Unrecognised Tax Losses | 1,110.14 | - | - |
| **Closing balance of deferred Tax** | **1,738.01** | **344.45** | **283.05** |

*Company is paying Minimum Alternate Tax (MAT) in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liabilities. Accordingly, company has availed MAT Credit entitlement for the taxes paid (MAT) in earlier years as well as in current year. Also, the company is having virtual certainity with convincing evidence that sufficient future taxable income will be available to set off the unabsorbed tax losses and accordingly deferred tax assets on such losses have been created. (Read with Note no 45)

**11 Other Non Current Assets** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Capital Advances | 373.93 | 373.93 | 367.96 |
| **Total** | **373.93** | **373.93** | **367.96** |

**12 Inventories**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Inventories** | | | |
| (Valued at lower of cost or net realisable value on FIFO basis) | | | |
| **Raw Materials** | | | |
| In hand | 322.88 | 202.93 | 271.89 |
| In transit | 20.98 | - | - |
| **Work in Progress** | 873.82 | 1,344.18 | 826.45 |
| **Finished Goods** | | | |
| In hand | 5,238.50 | 4,629.93 | 3,101.22 |
| In transit | - | - | - |
| **Stock in Trade** | | | |
| In hand | 1,479.26 | 996.80 | 943.46 |
| In transit | 14.93 | 9.36 | - |
| **Stores & Spares** | | | |
| In hand | 155.64 | 149.49 | 162.62 |
| **Total** | **8,106.00** | **7,332.70** | **5,305.65** |

**13 Investments**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Investments at Fair Value through OCI** | | | |
| **In Quoted equity shares** | | | |
| 1600 Equity shares of Nova Iron & Steel Co. Ltd @6.75 each (PY @11.80 each) | 0.11 | 0.19 | 0.11 |
| **In Quoted Mutual Funds** | | | |
| 833.903 Units of HDFC Equity Fund (G) @ 591.57 each (PY @ 543.77 each) | 4.93 | 4.53 | 3.48 |
| 910.61 Units of IDFC Imperial Equity Fund-Plan A (G) @40.4 each (PY @26.82 each) | 0.37 | 0.24 | 0.19 |
| **Total** | **5.41** | **4.97** | **3.78** |
| Aggregate book value of quoted investments | 1.64 | 1.64 | 1.64 |
| Aggregate market value of quoted investments | 5.41 | 4.97 | 3.78 |

**14 Trade Receivables** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Trade Receivables (Unsecured, considered goods) | 1,039.64 | 981.58 | 936.04 |
| **Total** | **1,039.64** | **981.58** | **936.04** |

**15 Cash and Cash Equivalents**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balances with banks | 225.83 | 69.15 | 82.16 |
| Cash on hand | 33.08 | 28.88 | 28.68 |
| **Total** | **258.91** | **98.03** | **110.84** |

**16 Other Financial Assets**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Unsecured, considered good | | | |
| Other Receivables | - | 31.40 | 25.71 |
| **Total** | **-** | **31.40** | **25.71** |

**17 Current Tax Assets (Net)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Advance Tax | 149.00 | - | 50.00 |
| TDS Receivable | 6.73 | - | 3.03 |
| Less: Provision For Income Tax-MAT | (155.53) | - | (37.92) |
| **Total** | **0.20** | **-** | **15.10** |

**18 Other Current Assets**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Capital Advances. | 1.00 | 7.09 | 4.19 |
| **Advances other than Capital Advances** | | | |
| Inter Corporate Loan | 412.25 | 12.22 | 10.00 |
| Prepaid Expenses | 223.75 | 201.02 | 109.60 |
| Advances to Suppliers | 20.55 | 5.15 | 8.28 |
| Advances to Staff | 5.36 | 4.59 | 7.09 |
| **Total (a)** | **662.91** | **230.08** | **139.16** |
| Deposit and Balances with Government Authorities | 363.65 | 158.60 | 80.41 |
| **Total (b)** | **363.65** | **158.60** | **80.41** |
| **Total (a) + (b)** | **1,026.56** | **388.68** | **219.57** |

## 19 Share Capital

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Numbers of shares in lakhs | Rs. in lakhs | Numbers of shares in Lakhs | Rs. in lakhs | Numbers of shares in lakhs | Rs. in lakhs |
| **Authorised Share Capital** Equity shares of Rs. 10/- each | 170.00 | 1,700.00 | 170.00 | 1,700.00 | 170.00 | 1,700.00 |
| | **170.00** | **1,700.00** | **170.00** | **1,700.00** | **170.00** | **1,700.00** |
| **Issued Share Capital:** Equity shares of Rs. 10/- each | 163.28 | 1,632.76 | 163.28 | 1,632.76 | 163.28 | 1,632.76 |
| | **163.28** | **1,632.76** | **163.28** | **1,632.76** | **163.28** | **1,632.76** |
| **Subscribed and fully paid up:** Equity shares of Rs. 10/- each | 163.28 | 1,632.76 | 163.28 | 1,632.76 | 163.28 | 1,632.76 |
| | **163.28** | **1,632.76** | **163.28** | **1,632.76** | **163.28** | **1,632.76** |

**Terms / rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

(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, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Numbers of shares in lakhs | Rs. in lakhs | Numbers of shares in Lakhs | Rs. in lakhs | Numbers of shares in lakhs | Rs. in lakhs |
| Balance at the beginning of the period | 163.28 | 1,632.76 | 163.28 | 1,632.76 | 163.28 | 1,632.76 |
| Change in equity share capital during the period | - | - | - | - | - | - |
| Balance at the end of reporting period | 163.28 | 1,632.76 | 163.28 | 1,632.76 | 163.28 | 1,632.76 |

(ii)Details of shares held by each shareholder holding more than 5% shares:

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Numbers of shares held in lakhs | % holding in that class of share | Numbers of shares held in lakhs | % holding in that class of share | Numbers of shares held in lakhs | % holding in that class of share |
| Equity shares with voting rights | | | | | | |
| Mr. Vijay Bansal | 61.13 | 37.44% | 61.13 | 37.44% | 58.23 | 35.67% |
| Mrs. Sushila Bansal | 28.12 | 17.22% | 28.12 | 17.22% | 28.12 | 17.22% |
| Mr. Deepak Bansal | 25.67 | 15.72% | 25.67 | 15.72% | 25.17 | 15.42% |
| Punjab National Bank | - | 0.00% | - | 0.00% | 10.84 | 6.64% |

**20 Other Equity**

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Securities Premium Reserve:** | | | |
| Balance at the beginning of the reporting period | 8,756.10 | 8,756.10 | 8,756.10 |
| Add : Premium on issue of equity share | - | - | - |
| **Balance at the end of the reporting period** | **8,756.10** | **8,756.10** | **8,756.10** |
| **Lease Equilisation Reserve:** | | | |
| Balance at the beginning of the reporting period | 141.94 | - | - |
| Addition | 161.80 | 141.94 | - |
| Deduction | - | - | - |
| **Balance at the end of the reporting period** | **303.73** | **141.94** | **-** |
| Deferred Revenue Reserve: | | | |
| Balance at the beginning of the reporting period | 224.21 | 157.07 | 157.07 |
| Addition | 84.37 | 97.70 | - |
| Deduction | (49.38) | (30.57) | - |
| **Balance at the end of the reporting period** | **259.19** | **224.21** | **157.07** |
| **Retained Earnings:** | | | |
| Balance at the beginning of the reporting period | (2,272.21) | (2,648.61) | (3,135.61) |
| Add: Profit for the year* | 1,998.74 | 406.79 | 506.98 |
| Less: Depreciation on subsidy net of deferred revenue** | - | (6.87) | - |
| **Items of other comprehensive income recognised directly in retained earnings** | | | |
| Remeasurement of post employment benefit obligation net of tax (item of OCI) | (5.57) | (23.53) | (9.45) |
| **Balance at the end of the reporting period** | **(279.04)** | **(2,272.21)** | **(2,638.08)** |
| **Total Other Equity** | **9,039.99** | **6,850.03** | **6,275.09** |

(*Refer Note no 45)
(**Refer Note no 54)

**Non Current Liabilities**

**21 Financial Liabilities**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Borrowings** | | | |
| Term loans | | | |
| a. From Banks | | | |
| Secured | 421.45 | 189.22 | 256.58 |
| b. From Non banking Financial institutions | | | |
| Secured | 276.26 | 167.76 | 181.75 |
| **Total** | **697.72** | **356.98** | **438.33** |

**Disclosure of repayment terms** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| 1. Oriental Bank Of Commerce Plant & Machinery Term Loans | 117.69 | 189.22 | 242.52 |
| 2. ICICI BANK LTD. Furniture & fixture, Plant & Machinery Term Loans | 303.77 | - | - |
| 3. ICICI Bank Car Loans | - | - | 3.18 |
| 4. ICICI Bank Car Loans | - | - | 10.88 |
| 5. PNB HOUSING | 109.67 | - | - |
| 6. PNB HOUSING | 166.59 | - | - |
| 7. Religare Finvest Ltd. Term Loans | - | 167.76 | 181.75 |
| **Total** | **697.72** | **356.98** | **438.33** |

1 Term Loan of Rs. 300 lakhs, Tenure-60 months proportionate principal and actual interest @ Base Rate+ 4.00% p.a., secured against the hypothecation of Plant & Machinery at HSIIDC Bahadurgarh(Haryana). 31 installments pending.

2 Term Loan of Rs. 436.60 lakhs, Tenure-42 months including 6 months of morotorium, to be repaid in 36 equal installments payable monthly @ 1 Year MCLR is 8.20% p.a. and spread is 0.70 % p.a. repayable over the period April , 2018 to March, 2021 secured by way of company's movable Fixed Assets including Plant & Machinery and Furniture & fixtures. Personal Guarantees which should necessarily include the guarantees of Mrs. Sushila Bansal, Mr. Deepak Bansal & Mr. Vijay Bansal. 36 installments pending.

3 Auto Loan of Rs. 35.04 lakhs, Tenure-36 months by equated monthly installment (EMI) of Rs. 1,13,460/- @10.24% p.a.repayable over the period July 15, 2014 to June 15,2017.

4 Auto Loan of Rs. 39.70 lakhs, Tenure-36 months by equated monthly installment (EMI) of Rs. 1,28,568/- @10.25% p.a.repayable over the period Jan 15,2015 to December 15,2017.

5 Loan against property of Rs. 119.50 lakhs, Tenure- 122 months by equated monthly installment (EMI) of Rs. 1,55,524/- Interest payable @ 9.75 % p.a. repayable over the period December 10, 2017 to January 10, 2028 against mortgage of Shop No GF SR 20, Ansal Plaza, Vaishali, villgae Hassanpur , Ghaziabad, Uttar Pardesh and Shop No. F07 and F08, Mittal Mall Sector 25 Part II, Panipat, Haryana-132103. 118 installments pending.

6 Loan against property of Rs. 181.50 lakhs, Tenure- 121 months by equated monthly installment (EMI) of Rs. 2,38,689/- Interest payable @ 10.00 % p.a. repayable over the period December 10, 2017 to December 10, 2027 Floating against mortgage of Plot No. J 27, Mayfield Garden, Sector 51, Gurgaon Haryana - 122001. 117 installments pending.

7 Term Loan of Rs. 200.00 lakhs, Tenure-120 months by equated monthly installment (EMI) of Rs. 3,10,533/- @14% p.a. repayable over the period July 01, 2015 to June 01, 2025 ,secured against collateral security of two plots at Mayfield Garden, Gurgaon (Haryana). Closed on August 14, 2017.

**22 Trade Payables**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Total outstanding dues of micro, small & medium enterprises (Refer Note No. 55) | - | - | - |
| Total outstanding dues of creditors other than micro, small & medium enterprises | 7.90 | 5.41 | 4.29 |
| | - | - | - |
| **Total** | **7.90** | **5.41** | **4.29** |

**23 Other Financial Liabilities** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Security Deposit Received | 463.10 | 370.50 | 387.95 |
| **Total** | **463.10** | **370.50** | **387.95** |

**24 Provisions**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Provision for Gratuity | 201.04 | 171.44 | 155.47 |
| Provision for Leave Encashment (Refer Note No. 46) | 28.07 | 37.61 | 42.04 |
| **Total** | **229.10** | **209.04** | **197.51** |

**Current Liabilities**

**25 Financial Liabilities**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Borrowings | | | |
| From Banks (Secured) | 3,631.77 | 3,545.85 | 2,902.08 |
| **Total** | **3,631.77** | **3,545.85** | **2,902.08** |

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

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans repayable on demand from banks | | | |
| 1. ICICI Bank Ltd. | 1,445.66 | - | - |
| 2. Standard Chartered Bank | 888.73 | 979.93 | 876.20 |
| 3. Oriental Bank of Commerce | 1,297.38 | 1,573.57 | 1,266.51 |
| 4. Axis Bank Ltd. | - | 992.35 | 759.37 |
| **TOTAL** | **3,631.77** | **3,545.85** | **2,902.08** |

1 Interest payable @ MCLR - 6M is 8.15 % p.a. and spread is 0.70% and WCDL Interest payable @ MCLR 3M is 7.90% 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 Books-debts , Bills whether documentary or clean, outstanding monies, receivables, both and future in a form and manner satisfactory to the Bank .Pari passu charge by way of equitable mortgage on residential property located at 28, Road no. 78, Punjabi Bagh (West), New Delhi, owned by Deepak Bansal.Personal Guarantees which include the guarantees of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal ( Director and Guarantor) and Smt. Sushila Bansal (Guarantor).

2 Interest payable @ one month MCLR + 2% p.a. (variable) to be applied on daily balances on the Overdraft Facility. Interest, commission and other charges as approriate,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 OBC. Mortgage on residential property located at 28, Road no. 78, Punjabi Bagh (West), New Delhi, owned by Deepak Bansal. Value considered post deduction of pari passu charge on the property by ICICI Bank Ltd. and Personal Guarantees which include the

guarantees of of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal ( Director and Guarantor) and Smt. Sushila Bansal (Guarantor).

3 Interest payable @ one year MCLR +4.00% p.a. chargeable on monthly rests, Secured Against hypothecation of stocks of raw material,stock-in-process, Finished goods,stores & Spares of garment manufacturing unit and receivables on pari-passu basis with ICICI Bank Ltd. and Standard Chartered Bank. Further secured against Equitable/Registered Mortgage of immovable properties of the company's Land alongwith Building at Plot No. 359,360 & 361 Phase 4B, HSIIDC Industrial Estate, Bahadurgarh (Haryana) total Plot area 12150 Sq. Mtr. and further Secured against Pari-Passu charge over entire current assets and entire movable fixed assets (excluding vehicles) of the company both present and future and Personal Guarantee of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal ( Director and Guarantor) and Smt. Sushila Bansal (Guarantor).

4 Interest payable @ 3M MCLR+2.95% p.a. payable monthly,Secured against First Pari Passu charge by way of hypothecation of entire Current assets of the company both present and future and First parri passu charge by way of hypothecation of entire movable fixed assets of the company both present and future excluding vehicles except immovable properties of the company specifically mortgage to other lenders and Pari passu charge (alongwith Standard Chartered Bank) by way of EM of residential property in the name of Deepak Bansal (promoter/director), situated at 28, Road no. 78, Punjabi Bagh (West), New Delhi, admeasuring 1127.50 sq. yds. The same is also secured by way of personal guarantee of Mr. Vijay Bansal (CMD), Mr. Deepak Bansal ( Director and Guarantor) and Smt. Sushila Bansal (Guarantor).

**26 Trade Payables**

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Total outstanding dues of micro, small & medium enterprises (Refer note no 55) | - | - | - |
| Total outstanding dues of creditors other than micro, small & medium enterprises | 2,610.11 | 2,679.67 | 1,398.57 |
| **Total** | **2,610.11** | **2,679.67** | **1,398.57** |

**27 Other Financial Liabilities**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Current maturities of long term borrowings | 218.33 | 78.35 | 81.95 |
| **Other Payables** | | | |
| Salary & Wages payable | 215.43 | 183.70 | 156.80 |
| Expenses payable | 42.39 | 49.68 | 37.43 |
| **Total** | **476.16** | **311.72** | **276.18** |

**28 Other Current Liabilities**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Statutory dues | 65.63 | 81.70 | 73.46 |
| Others | | | |
| Provision for Excise Duty not due for payment (on stock lying at Factory) | - | 37.45 | - |
| Other Payables | 31.91 | 39.94 | 10.92 |
| **Total** | **97.54** | **159.09** | **84.38** |

**29 Provisions** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Provision for Gratuity | 22.04 | 17.94 | 17.06 |
| Provision for Leave encashment | 8.63 | 11.52 | 13.21 |
| Provision for Bonus | 172.33 | 104.72 | 89.48 |
| **Total** | **203.01** | **134.19** | **119.76** |

**30 Current Tax Liabilities (Net)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Provision For Income Tax-MAT | - | 118.52 | - |
| Less: Advance Tax | - | (101.00) | - |
| Less: TDS Receivable | - | (1.09) | - |
| **Total** | **-** | **16.43** | **-** |

**31 Revenue from operations**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Sale of Products (including excise duty) | 19,553.40 | 16,050.82 |
| Sale of Services | 161.62 | 6.13 |
| **Sub Total** | **19,715.02** | **16,056.95** |
| Other operating revenues | 52.16 | 49.40 |
| Revenue From Operations | 19,767.18 | 16,106.35 |
| **Total** | **19,767.18** | **16,106.35** |

**32 Other income**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Interest income | 42.21 | 21.15 |
| Other income | 55.33 | 30.29 |
| **Total** | **97.54** | **51.44** |

**33 Cost of Materials Consumed**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Inventory at the beginning of the year | 352.42 | 434.51 |
| Purchases | 5,113.81 | 4,951.28 |
| Cartage Inward | 35.44 | 23.23 |
| **Sub Total** | **5,501.67** | **5,409.02** |
| Less: Inventory at the end of the year | 499.50 | 352.42 |
| **Total** | **5,002.17** | **5,056.60** |

**34 Purchase of Stock in Trade**

(Rs. In Lakhs)

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Traded goods - Apparel and Accessories | 2,686.28 | 1,903.98 |
| **Total** | **2,686.28** | **1,903.98** |

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

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Inventories at the end of the year: | | |
| Work-in-progress | 873.82 | 1,344.18 |
| Finished goods | 5,238.50 | 4,629.93 |
| Stock in Trade | 1,494.18 | 1,006.16 |
| **Total (a)** | **7,606.50** | **6,980.27** |
| Inventories at the beginning of the year: | | |
| Work-in-progress | 1,344.18 | 826.45 |
| Finished goods | 4,629.93 | 3,101.22 |
| Stock in Trade | 1,006.16 | 943.46 |
| Reversal of Provision for Excise Duty not due for payment (on Opening Finished stock lying at Factory) | (37.45) | - |
| **Total (b)** | **6,942.82** | **4,871.14** |
| **Net (increase) / decrease** | **(663.67)** | **(2,109.14)** |

**36 Employee benefits expense**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Salaries and Wages | 3,498.88 | 2,289.04 |
| Contributions to provident and other funds | 170.37 | 135.98 |
| Staff welfare expenses | 40.46 | 44.05 |
| **Total** | **3,709.71** | **2,469.08** |

**37 Excise duty on Sales**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Excise duty on Sales | 104.92 | 434.15 |
| **Total** | **104.92** | **434.15** |

**38 Finance costs**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Interest** | | |
| Interest on Borrowings from Banks & Financial Institutions | 445.69 | 423.56 |
| **Other Interest** | | |
| Interest on Secuirty Deposits | 17.22 | 20.55 |
| Unwinding of discount and effect of changes in | 45.19 | 26.38 |

(Rs. In Lakhs)

| | | |
|---|---|---|
| discount rate on provisions | | |
| **Other Borrowing Costs** | | |
| Bank Charges | 157.89 | 115.80 |
| **Total** | **665.99** | **586.28** |

**39 Other Expenses**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Consumption of stores and spare parts | 24.27 | 33.26 |
| Job Work Charges | 1,960.46 | 2,311.54 |
| Power and Fuel | 432.41 | 397.43 |
| Rent including Lease Rentals | 2,446.44 | 2,034.05 |
| Repairs and Maintenance - Plant & Machinery | 28.88 | 30.21 |
| Repairs and Maintenance - Building & Others | 92.65 | 99.44 |
| Insurance | 35.71 | 26.26 |
| Rates and Taxes | 20.85 | 12.47 |
| Communication | 35.51 | 42.92 |
| Travelling and Conveyance | 98.39 | 111.67 |
| Printing and Stationery | 43.19 | 46.64 |
| Freight and Forwarding | 117.42 | 109.33 |
| Commission | 608.17 | 461.70 |
| Showroom Expenses | 347.82 | 363.09 |
| Security Expenses | 52.62 | 46.18 |
| Festival Expenses | 27.67 | 17.34 |
| Business Promotion | 15.05 | 22.39 |
| Advertisement & Publicity Expenses | 252.56 | 245.09 |
| Legal and Professional Charges | 160.37 | 97.05 |
| CSR Expenditure (Refer Note No. 40) | 9.07 | - |
| Payments to Auditors (Refer Note No. 41) | 10.90 | 10.58 |
| Balance written off (Securities & Others ) | 43.33 | 1.94 |
| Provision for Bad & Doubtful Debts | - | 10.83 |
| Miscellaneous Expenses | 38.14 | 17.89 |
| **Total** | **6,901.87** | **6,549.29** |

**40 Details of CSR expenditure:**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| a) Gross amount required to be spent during the year | 9.07 | - |
| (b) Amount spent during the year: | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 9.07 | - |

**41 Payments to the Auditors comprises** (Rs. In Lakhs)

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Statutory Audit Fees | 8.00 | 8.05 |
| Tax Audit Fees | 2.00 | 1.73 |
| Limited Review | 0.90 | 0.81 |
| **Total** | **10.90** | **10.58** |

**42 Exceptional items**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Profit\(Loss) on Sale of Fixed Assets | 50.30 | (5.07) |
| Transitional credit under GST | 138.84 | - |
| **Total** | **189.14** | **(5.07)** |

**43 a) Income Tax Expenses***

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Current Tax | 155.53 | 118.52 |
| MAT Credit Entitlement | (311.97) | - |
| Deferred Tax Charge/Credit | 30.67 | (61.40) |
| Deferred Tax on previously unrecognosed tax losses | (1,110.14) | - |
| **Total Income Tax Expense Recognised in statement of profit & Loss** | **(1,235.91)** | **57.12** |

(* Refer footnote to Note No. 10)

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

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Current Income Tax on Re-measurement Losses on Defined Benefit Plans | (2.12) | (10.52) |
| **Total Income Tax Expense Reported in the Statement of Profit or Loss** | **(2.12)** | **(10.52)** |

**c) Reconciliation of effective tax rate**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Profit before Tax** | 762.83 | 463.92 |
| Enacted tax rate in India | 33.06% | 33.06% |
| Expected tax expenses | 252.19 | 153.37 |
| Additional deduction under Income Tax Act, 1961 | (1,893.36) | (411.67) |
| Expenses disallowed under Income Tax Act, 1961 | 403.14 | 304.90 |
| **Reported Income Tax Expense** | **(1,238.03)** | **46.60** |

**d) Reconciliation of Unrecognised Tax Credit** (Rs. In Lakhs)

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Opening Balance | - | - |
| Tax credit for current year | 155.53 | - |
| Unrecignised Tax credit for earlier years | 156.44 | - |
| **Closing Balance** | **311.97** | **-** |

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

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| The Disaggregation of changes to OCI by each type of reserve in equity is : | - | - |
| Re-measurement gains (losses) on defined benefit plans | (7.69) | (34.05) |
| Deferred Tax (Charge)/Reversal | 2.12 | 10.52 |
| Total | (5.57) | (23.53) |

**45 Earnings per share**

| Particulars | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Equity Share of Face Value of Rs. 10 each | | |
| Profit attributable to equity share holders | 1,998.74 | 406.79 |
| 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.) | 12.24 | 2.49 |
| Diluted (in Rs.) | 12.24 | 2.49 |

In compliance with the provisions of Ind AS 12, the company has reviewed its deferred tax assets at the balance sheet date and is having virtual certainity with convincing evidence that sufficient future taxable income will be available to set off the unabsorbed tax losses and accordingly deferred tax assets has been created.

In terms of above, Basic and diluted EPS for the year ended as on March 31, 2018 has shown exceptional improvement for the fact of recognition of taxable temporary difference arising due to deferred tax asset of Rs. 1110.14 Lakhs on brought forward unused tax losses of Rs. 4029.17 lakhs and MAT credit entitlement for Rs. 311.97 lakhs in the current financial year ending March 31, 2018.

Before recognition of this deferred tax asset on unused tax losses in the financial year ending March 31, 2018, the profit for the year from continuing operations is Rs. 888.60 lakhs and the consequential EPS without considering the above mentioned temporary tax difference is Rs. 5.44. (Read with Note no 10)

**46 Employee benefit plans**

**(i) Gratuity**

**Summary of Results**

Summary of Key results is:-

| A. Balance Sheet | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Present Value of Defined Benefit Obligation | 223.08 | 189.38 |
| **B. Statement of Profit or Loss** | | |

(Rs. In Lakhs)

| | | |
|---|---|---|
| Defined Benefit Costs recognised in Profit or Loss | 64.90 | 57.68 |
| **C. Remeasurements - Other Comprehensive Income (OCI)** | | |
| Remeasurements of the net defined benefit liability (asset) in Other Comprehensive Income (OCI) | (7.69) | (34.05) |

**Disclosure Tables:**

**Disclosure Tables (Table 1 to Table 10) complying with the requirements of The Standard are given below:**

**1 Principal Assumptions used for the purposes of this valuation are as follows:-**

| **Financial Assumptions** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Interest Rate for Discounting | 7.30% | 7.30% |
| Salary Increase Rate | 10.00% | 10.00% |

**2 Movements in the present value of the Defined Benefit Obligations**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Opening defined benefit obligation | 189.38 | 172.53 |
| Current Service Cost | 50.44 | 44.40 |
| Interest Cost | 13.82 | 13.28 |
| Remeasurement (gains)/losses: | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | - | 4.81 |
| Actuarial (gains)/losses arising from experience adjustments | (7.69) | (38.86) |
| Past service cost, including losses/(gains) on curtailments | 0.63 | - |
| Benefit Paid | (23.51) | (6.79) |
| **Closing defined benefit obligation** | **223.08** | **189.38** |

**3 Service Cost**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Current Service Cost | 50.44 | 44.40 |
| Past Service Cost including curtailment gains/losses | 0.63 | - |
| Gains or Losses on non routine settlements | - | - |
| **Total** | **51.07** | **44.40** |

**4 Net Interest Cost (Income)**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Interest Cost on Defined Benefit Obligation | 13.82 | 13.28 |

**5 Remeasurements of the net defined benefit liability (asset)** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Actuarial (gains)/losses arising from experience adjustments | - | 4.81 |
| Actuarial (gains)/losses arising from changes in financial assumptions | (7.69) | (38.86) |
| **Components of defined benefit costs recognised in other comprehensive income** | **(7.69)** | **(34.05)** |

**6 Amount recognised in the Statement of Profit or Loss**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Service Cost | 51.07 | 44.40 |
| Net Interest Cost (Income) | 13.82 | 13.28 |
| **Defined Benefit Cost recognized in statement of Profit or Loss** | **64.90** | **57.68** |

**7 The amount included in the Balance Sheet**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Present value of defined benefit obligation | 223.08 | 189.38 |
| Funded status | (223.08) | (189.38) |
| Net liability arising from defined benefit obligation | 223.08 | 189.38 |

**8 Illustration of the components of Net Defined Benefit Obligation**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Net defined benefit liability at the start of the period | 189.38 | 172.53 |
| Service Cost | 51.07 | 44.40 |
| Net Interest Cost (Income) | 13.82 | 13.28 |
| Remeasurements | (7.69) | (34.05) |
| Benefits paid directly by the enterprise | (23.51) | (6.79) |
| **Net defined benefit liability at the end of the period** | **223.08** | **189.38** |

**9 Maturity Profile of Defined Benefit Obligation**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (i) Weighted Average duration of the defined benfit obligation | 11 yrs | 11 yrs |
| (ii) Duration of defined benefit obligation Duration (Years) | | |
| 1 | 22.04 | 17.94 |
| 2 | 21.94 | 18.09 |
| 3 | 21.20 | 18.84 |
| 4 | 23.86 | 19.18 |
| 5 | 18.36 | 17.18 |
| Above 5 | 115.67 | 98.15 |
| **TOTAL** | **223.08** | **189.38** |

(Rs. In Lakhs)

| | | |
|---|---|---|
| (iii) Duration of defined benefit payments Duration (Years) | | |
| 1 | 22.83 | 18.58 |
| 2 | 24.39 | 20.10 |
| 3 | 25.28 | 22.47 |
| 4 | 30.53 | 24.54 |
| 5 | 25.21 | 23.59 |
| Above 5 | 276.11 | 234.32 |
| **Total** | **404.36** | **343.60** |

**10 Sensitivity Analyses**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**I. Changes in Defined benefit obligation due to 1% Increase/Decrease in Discount Rate, if all other assumptions remain constant.**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| a) Defined benefit obligation | 223.08 | 189.38 |
| b) Defined benefit obligation at 1% Increase in Discount rate | 209.45 | 177.77 |
| c) Defined benefit obligation at 1% Decrease in Discount rate | 238.46 | 202.47 |
| d) Decrease in Defined benefit obligation due to 1% increase in discount rate. (a-b) | 13.63 | 11.61 |
| e) Increase in Defined benefit obligation due to 1% decrease in discount rate. (c-a) | 15.38 | 13.09 |

**II. Changes in Defined benefit obligation due to 1% Increase/Decrease in Expected rate of Salary Escalation, if all other assumptions remain constant.**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| a) Defined benefit obligation | 223.08 | 189.38 |
| b) Defined benefit obligation at 1% Increase in Expected Salary Escalation rate | 237.81 | 201.61 |
| c) Defined benefit obligation at 1% Decrease in Expected Salary Escalation rate | 209.70 | 178.15 |
| d) Increase in Defined benefit obligation due to 1% increase in Expected Salary Escalation rate. (b-a) | 14.73 | 12.23 |
| e) Decrease in Defined benefit obligation due to 1% decrease in Expected Salary Escalation rate. (a-c) | 13.38 | 11.22 |

**III. Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit

obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

**(ii) Other defined benefit plans (Leave Encashment)**

**Summary of Results**

Summary of Key results is(Rs. In Lakhs):- (Rs. in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| A. Balance Sheet | | |
| Present Value of Defined Benefit Obligation | 36.70 | 49.13 |
| B. Statement of Profit or Loss | | |
| Defined Benefit Costs recognised in Profit or Loss | 50.87 | 11.75 |
| C. Remeasurements | | |
| Remeasurements recognized in net defined benefit liability (asset) | 35.89 | (10.80) |

Actuarial measurements may differ in future from the current measurements shown in this report due to actors such as:-

(i) Plan experience differing from that anticipated by the economic or demographic assumptions
(ii) Changes in economic or demographic assumptions
(iii) Changes in plan provisions or applicable law
(iv) Significant events since last actuarial valuation

**Disclosure Tables:**

Disclosure Tables (Table 1 to Table 10) complying with the requirements of The Standard are given below:

**1 Principal Assumptions used for the purposes of this valuation are as follows:-**

| Financial Assumptions | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Interest Rate for Discounting | 7.30% | 7.30% |
| Salary Increase Rate | 10.00% | 10.00% |

**2 Movements in the present value of the Defined Benefit Obligations**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Opening defined benefit obligation | 49.13 | 55.25 |
| Current Service Cost | 11.39 | 18.29 |
| Interest Cost | 3.59 | 4.25 |
| Remeasurement (gains)/losses: | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | - | 0.66 |
| Actuarial (gains)/losses arising from experience adjustments | 35.89 | (11.46) |
| Benefit Paid | (63.30) | (17.87) |
| Closing defined benefit obligation | 36.70 | 49.13 |

**3 Service Cost**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Current Service Cost | 11.39 | 18.29 |

(Rs. In Lakhs)

**4 Net Interest Cost (Income)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Interest Cost on Defined Benefit Obligation | 3.59 | 4.25 |

**5 Remeasurements of the net defined benefit liability (asset)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Actuarial (gains)/losses arising from changes in financial assumptions | - | 0.66 |
| Actuarial (gains)/losses arising from experience adjustments | 35.89 | (11.46) |
| **Components of defined benefit costs recognised in the Statement of Profit or Loss** | **35.89** | **(10.80)** |

**6 Amount recognised in the Statement of Profit or Loss**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Service Cost | 11.39 | 18.29 |
| Net Interest Cost (Income) | 3.59 | 4.25 |
| Remeasurements | 35.89 | (10.80) |
| **Defined Benefit Cost recognized in statement of Profit or Loss** | **50.87** | **11.75** |

**7 The amount included in the Balance Sheet**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Present value of defined benefit obligation | 36.70 | 49.13 |
| Funded status | (36.70) | (49.13) |
| Net liability arising from defined benefit obligation | 36.70 | 49.13 |

**8 Illustration of the components of Net Defined Benefit Obligation**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Net defined benefit liability at the start of the period | 49.13 | 55.25 |
| Service Cost | 11.39 | 18.29 |
| Net Interest Cost (Income) | 3.59 | 4.25 |
| Remeasurements | 35.89 | (10.80) |
| Benefits paid directly by the enterprise | (63.30) | (17.87) |
| Net defined benefit liability at the end of the period | 36.70 | 49.13 |

**9 Maturity Profile of Defined Benefit Obligation**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **(i) Duration of defined benefit obligation Duration Years** | | |
| 1 | 8.63 | 11.52 |
| 2 | 6.65 | 8.81 |
| 3 | 5.02 | 7.19 |
| 4 | 4.05 | 5.23 |

(Rs. In Lakhs)

| | | |
|---|---|---|
| 5 | 2.89 | 3.84 |
| Above 5 | 9.46 | 12.54 |
| **Total** | **36.70** | **49.13** |
| **(ii) Duration of defined benefit payments Duration Years** | | |
| 1. | 8.94 | 11.94 |
| 2. | 7.39 | 9.79 |
| 3. | 5.99 | 8.58 |
| 4. | 5.18 | 6.69 |
| 5. | 3.97 | 5.27 |
| Above 5 | 17.97 | 23.80 |
| **Total** | **49.44** | **66.07** |

**10 Sensitivity Analyses**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**I. Changes in Defined benefit obligation due to 1% Increase/Decrease in Discount Rate, if all other assumptions remain constant.**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| a) Defined benefit obligation | 36.70 | 49.13 |
| b) Defined benefit obligation at 1% Increase in Discount rate | 35.49 | 47.51 |
| c) Defined benefit obligation at 1% Decrease in Discount rate | 38.01 | 50.88 |
| d) Decrease in Defined benefit obligation due to 1% increase in discount rate. (a-b) | 1.22 | 1.62 |
| e) Increase in Defined benefit obligation due to 1% decrease in discount rate. (c-a) | 1.31 | 1.75 |

**II. Changes in Defined benefit obligation due to 1% Increase/Decrease in Expected rate of Salary Escalation, if all other assumptions remain constant.**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| a) Defined benefit obligation | 36.70 | 49.13 |
| b) Defined benefit obligation at 1% Increase in Expected Salary Escalation rate | 37.97 | 50.82 |
| c) Defined benefit obligation at 1% Decrease in Expected Salary Escalation rate | 35.50 | 47.54 |
| d) Increase in Defined benefit obligation due to 1% increase in Expected Salary Escalation rate. (b-a) | 1.27 | 1.69 |
| e) Decrease in Defined benefit obligation due to 1% decrease in Expected Salary Escalation rate. (a-c) | 1.20 | 1.59 |

**III. Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period.

**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) are disclosed below :-

Related Parties with whom transactions have taken place during the year :

| **(i) Director (A)** | **(ii) Enterprises in which Directors' relative are Interested (B)** |
|---|---|
| Mr. Vijay Bansal<br>Mr. Deepak Bansal<br>Mr. Basant Goyal | Greenwood Sales<br>Mahalaxmi Castles & Villas Private Limited |
| **(iii) Key Management Personnel's relative (C)** | **(iv) Key Management Personnel (D)** |
| Mr. Mukesh Hooda<br>Ms. Murti Devi<br>Mr. Bhim Singh | Mr. Shivendra Nigam (CFO-effective July 1, 2017)<br>Ms. Poonam Chahal ( Company Secretary)<br>Mr. Rajesh Rohilla ( CFO-till June 30, 2017)* |
| **(v) Enterprises in which Directors are Interested (E)** | **(vi) Director's relative (F)** |
| Global Textiles | Ms. Megha Bansal |

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

## (ii) Transaction with Related parties

(Rs. In Lakhs)

| Particluars | Director (A) | | Enterprises in which Directors's relative are Interested (B) | | Key Management Personnel's relative (C) | | Key Management Personnel (D) (E) | | Enterprises in which Directors are Interested | | Director's relative (F) | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 |
| **A) Transaction** | | | | | | | | | | | | | | |
| **Director's Remuneration & Perquisites** | | | | | | | | | | | | | | |
| Mr. Vijay Bansal | 83.20 | 68.40 | - | - | - | - | - | - | - | - | - | - | 83.20 | 68.40 |
| Mr. Deepak Bansal | 83.20 | 60.40 | - | - | - | - | - | - | - | - | - | - | 83.20 | 60.40 |
| Mr. Basant Goyal | 24.00 | 8.00 | - | - | - | - | - | - | - | - | - | - | 24.00 | 8.00 |
| Mr. Anil Bansal | - | 5.92 | - | - | - | - | - | - | - | - | - | - | - | 5.92 |
| **Remuneration to Key Management Personnel** | | | | | | | | | | | | | | |
| Mr. Shivendra Nigam** | - | - | - | - | - | - | 19.52 | - | - | - | - | - | 19.52 | - |
| Ms. Poonam Chahal** | - | - | - | - | - | - | 13.54 | 13.23 | - | - | - | - | 13.54 | 13.23 |
| Mr. Rajesh Rohilla | - | - | - | - | - | - | 10.20 | 25.13 | - | - | - | - | 10.20 | 25.13 |
| **Remuneration Director's relative** | | | | | | | | | | | | | | |
| Ms. Megha Bansal | - | - | - | - | - | - | - | - | - | - | 12.00 | 12.00 | 12.00 | 12.00 |
| Mr. Sunil Bansal | - | - | - | - | - | - | - | - | - | - | - | 2.00 | - | 2.00 |
| Ms. Poonam Bansal | - | - | - | - | - | - | - | - | - | - | - | 1.83 | - | 1.83 |
| Ms. Rekha Bansal | - | - | - | - | - | - | - | - | - | - | - | 2.00 | - | 2.00 |
| **Purchase of Fabric** | | | | | | | | | | | | | | |
| Global Textiles | - | - | - | - | - | - | - | - | 714.19 | 315.45 | - | - | 714.19 | 315.45 |
| **Purchase of Capital Assets** | | | | | | | | | | | | | | |
| Greenwood Sales | - | - | 28.03 | 56.93 | - | - | - | - | - | - | - | - | 28.03 | 56.93 |
| **Sale of Capital Assets** | | | | | | | | | | | | | | |
| Mr. Rajesh Rohilla | - | - | - | - | - | - | 4.00 | - | - | - | - | - | 4.00 | - |
| **Services in relation to manufacturing (Stitching Job Works)** | | | | | | | | | | | | | | |
| Balaji Apparel | - | - | - | 160.66 | - | - | - | - | - | - | - | - | - | 160.66 |
| Drishti Enterprises | - | - | - | 80.48 | - | - | - | - | - | - | - | - | - | 80.48 |
| **Commission** | | | | | | | | | | | | | | |
| Mr. Bhim Singh | - | - | - | - | 3.00 | - | - | - | - | - | - | - | 3.00 | - |
| Mr. Mukesh Hooda | - | - | - | - | 7.08 | - | - | - | - | - | - | - | 7.08 | - |
| Ms. Murti Devi | - | - | - | - | 3.00 | - | - | - | - | - | - | - | 3.00 | - |
| Anil Bansal HUF | - | - | - | - | - | - | - | - | - | - | - | 3.47 | - | 3.47 |
| Balaji International Clothing | - | - | - | 1.40 | - | - | - | - | - | - | - | - | - | 1.40 |
| **Buisness Promotion (Meeting & Conferences)** | | | | | | | | | | | | | | |
| Mahalaxmi Castles & Villas Pvt Ltd | - | - | 4.00 | - | - | - | - | - | - | - | - | - | 4.00 | - |
| **Sale of garments** | | | | | | | | | | | | | | |
| Mahalaxmi Castles & Villas Pvt Ltd | - | - | 1.57 | - | - | - | - | - | - | - | - | - | 1.57 | - |
| Balaji International Clothing | - | - | - | 38.88 | - | - | - | - | - | - | - | - | - | 38.88 |
| **Secuirty Received** | | | | | | | | | | | | | | |
| Mr. Bhim Singh | - | - | - | - | 25.00 | - | - | - | - | - | - | - | 25.00 | - |
| Mr. Mukesh Hooda | - | - | - | - | 50.00 | - | - | - | - | - | - | - | 50.00 | - |
| Ms. Murti Devi | - | - | - | - | 10.00 | - | - | - | - | - | - | - | 10.00 | - |

Transaction with Related parties Cont...

(Rs. In Lakhs)

| Particluars | Director (A) | | Enterprises in which Directors's relative are Interested (B) | | Key Management Personnel's relative (C) | | Key Management Personnel (D) (E) | | Enterprises in which Directors are Interested | | Director's relative (F) | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 | 2017-2018 | 2016-2017 |
| **(B) Balance outstanding as at the end of the year** | | | | | | | | | | | | | | |
| **Receivable** | | | | | | | | | | | | | | |
| Mahalaxmi Castles & Villas Pvt Ltd | - | - | 1.55 | - | - | - | - | - | - | - | - | - | 1.55 | - |
| **Payable for Remuneration** | | | | | | | | | | | | | | |
| Mr. Vijay Bansal | 4.65 | 2.71 | - | - | - | - | - | - | - | - | - | - | 4.65 | 2.71 |
| Mr. Deepak Bansal | 4.65 | 5.08 | - | - | - | - | - | - | - | - | - | - | 4.65 | 5.08 |
| Mr. Basant Goyal | 1.74 | 1.93 | - | - | - | - | - | - | - | - | - | - | 1.74 | 1.93 |
| Mr. Shivendra Nigam** | - | - | - | - | - | - | 1.69 | - | - | - | - | - | 1.69 | - |
| Ms. Poonam Chahal** | - | - | - | - | - | - | 0.98 | 0.90 | - | - | - | - | 0.98 | 0.90 |
| Mr. Rajesh Rohilla | - | - | - | - | - | - | - | 1.06 | - | - | - | - | - | 1.06 |
| Ms. Megha Bansal | - | - | - | - | - | - | - | - | - | - | 0.95 | 0.47 | 0.95 | 0.47 |
| **Payable for Creditors** | | | | | | | | | | | | | | |
| Global Textiles | - | - | - | - | - | - | - | - | 266.31 | 263.76 | - | - | 266.31 | 263.76 |
| Greenwood Sales | - | - | - | 63.62 | - | - | - | - | - | - | - | - | - | 63.62 |
| **Payable for security deposit** | | | | | | | | | | | | | | |
| Mr. Bhim Singh | - | - | - | - | 25.00 | - | - | - | - | - | - | - | 25.00 | - |
| Mr. Mukesh Hooda | - | - | - | - | 50.00 | - | - | - | - | - | - | - | 50.00 | - |
| Ms. Murti Devi | - | - | - | - | 10.00 | - | - | - | - | - | - | - | 10.00 | - |
| **Payable for commission** | | | | | | | | | | | | | | |
| Mr. Bhim Singh | - | - | - | - | 0.30 | - | - | - | - | - | - | - | 0.30 | - |
| Mr. Mukesh Hooda | - | - | - | - | 0.85 | - | - | - | - | - | - | - | 0.85 | - |
| Ms. Murti Devi | - | - | - | - | 0.30 | - | - | - | - | - | - | - | 0.30 | - |

** As the liabilities for gratuity and leave encashment are provided on acturial 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 RECONCILIATION STATEMENTS** (Rs. In Lakhs)

**a) Reconciliation of Equity as at March 31, 2017 & April 1, 2016**

| Particulars | Note No. | As at March 31, 2017 | | | As at April 1, 2016 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP | Adjustments | Ind AS | IGAAP | Adjustments | Ind AS |
| **A Assets** | | | | | | | |
| **Non-current assets** | | | | | | | |
| a) Property, Plant and Equipment | (i) | 5,597.88 | 51.83 | 5,649.70 | 5,444.78 | - | 5,444.78 |
| b) Capital work-in-progress | | 18.60 | - | 18.60 | 30.68 | - | 30.68 |
| c) Investment Property | (ii) | 520.10 | (6.87) | 513.23 | 520.10 | - | 520.10 |
| d) Other Intangible Assets | | 31.35 | - | 31.35 | 25.82 | - | 25.82 |
| e) Financial Assets | | | | | | | |
| (i) Investments | | 10.00 | - | 10.00 | 10.00 | - | 10.00 |
| (ii) Trade Receivables | | 0.75 | - | 0.75 | 14.40 | - | 14.40 |
| (iii) Loans | (iii) | 638.73 | (148.21) | 490.51 | 483.95 | (82.33) | 401.62 |
| (iv) Deposits with Banks | | 1.79 | - | 1.79 | 1.79 | - | 1.79 |
| f) Deferred Tax Assets (Net) | (iv) | 308.18 | 36.27 | 344.45 | 283.05 | - | 283.05 |
| g) Other non-current assets | | 373.93 | - | 373.93 | 367.96 | - | 367.96 |
| **Total Non Current Assets** | | **7,501.31** | **(66.99)** | **7,434.32** | **7,182.53** | **(82.33)** | **7,100.19** |
| **Current Assets** | | | | | | | |
| a) Inventories | | 7,332.70 | - | 7,332.70 | 5,305.65 | - | 5,305.65 |
| b) Financial assets | | | | | | | |
| (i) Investments | (v) | 1.64 | 3.33 | 4.97 | 1.64 | 2.14 | 3.78 |
| (ii) Trade receivables | | 981.58 | - | 981.58 | 936.04 | - | 936.04 |
| (iii) Cash & cash equivalents | | 98.03 | - | 98.03 | 110.84 | - | 110.84 |
| (iv) Other financial assets | | 31.40 | - | 31.40 | 25.71 | - | 25.71 |
| c) Current Tax Assets (Net) | | - | - | - | 15.10 | - | 15.10 |
| d) Other current assets | (iii) | 244.26 | 144.42 | 388.68 | 137.24 | 82.33 | 219.57 |
| **Total Current Assets** | | **8,689.61** | **147.75** | **8,837.36** | **6,532.22** | **84.48** | **6,616.69** |
| **Total Assets** | | **16,190.91** | **80.76** | **16,271.67** | **13,714.75** | **2.14** | **13,716.89** |
| **B EQUITY AND LIABILITIES** | | | | | | | |
| **Equity** | | | | | | | |
| a) Equity Share capital | | 1,632.76 | - | 1,632.76 | 1,632.76 | - | 1,632.76 |
| b) Other Equity | (vi) | 6,603.77 | 246.27 | 6,850.03 | 6,115.88 | 159.21 | 6,275.09 |
| **Total Equity** | | **8,236.53** | **246.27** | **8,482.79** | **7,748.64** | **159.21** | **7,907.85** |
| **Liabilities** | | | | | | | |
| **Non- current liabilities** | | | | | | | |
| a) Financial Liablities | | | | | | | |
| (i) Borrowings | | 356.98 | - | 356.98 | 438.33 | - | 438.33 |
| (ii) Trade Payables | | 5.41 | - | 5.41 | 4.29 | - | 4.29 |
| (iii) Other financial liabilities | (vii) | 536.00 | (165.50) | 370.50 | 545.02 | (157.07) | 387.95 |

(Rs. In Lakhs)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| b) Provisions | | 209.04 | - | 209.04 | 197.51 | - | 197.51 |
| **Total Non Current Liabilities** | | **1,107.43** | **(165.50)** | **941.93** | **1,185.14** | **(157.07)** | **1,028.07** |
| **Current Liabilities** | | | | | | | |
| a) Financial Liablities | | | | | | | |
| (i) Borrowings | | 3,545.85 | - | 3,545.85 | 2,902.08 | - | 2,902.08 |
| (ii) Trade Payables | | 2,679.67 | - | 2,679.67 | 1,398.57 | - | 1,398.57 |
| (iii) Other financial liabilities | | 311.72 | - | 311.72 | 276.18 | - | 276.18 |
| b) Other current Liabilities | | 159.09 | - | 159.09 | 84.38 | - | 84.38 |
| c) Provisions | | 134.19 | - | 134.19 | 119.76 | - | 119.76 |
| d) Current Tax Liabilities (Net) | | 16.43 | - | 16.43 | - | - | - |
| **Total Current Liabilities** | | **6,846.95** | **-** | **6,846.95** | **4,780.97** | **-** | **4,780.97** |
| **Total Equity & Liabilities** | | **16,190.91** | **80.76** | **16,271.67** | **13,714.75** | **2.14** | **13,716.89** |

**b) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017**

| Particulars | Note No. | IGAAP | Adjustment | Ind AS |
|---|---|---|---|---|
| **I Income** | | | | |
| Revenue From Operations | (viii) & (ix) | 16,116.74 | (10.39) | 16,106.35 |
| **II Other income** | (iii) & (v) | 4.97 | 46.47 | 51.44 |
| **III Total Income (I + II)** | | **16,121.72** | **36.07** | **16,157.79** |
| **IV Expenses** | | | | |
| Cost of materials consumed | | 5,056.60 | - | 5,056.60 |
| Purchase of stock-in-trade | | 1,903.98 | - | 1,903.98 |
| Changes in inventories of finished goods, work-in progress and stock-in-trade - (Increase)/Decrease | | (2,109.14) | - | (2,109.14) |
| Employee benefits expense | (x) | 2,503.13 | (34.05) | 2,469.08 |
| Excise duty on sale of goods | | 434.15 | - | 434.15 |
| Finance costs | (vii) | 559.91 | 26.38 | 586.28 |
| Depreciation and amortisation expense | (ii) | 791.70 | 6.87 | 798.57 |
| Other expenses | (iii) | 6,395.04 | 154.24 | 6,549.29 |
| **Total expenses** | | **15,535.37** | **153.44** | **15,688.81** |
| **V Profit before exceptional items and tax (III-IV)** | | 586.35 | (117.36) | 468.98 |
| **VI Exceptional items** | | (5.07) | - | (5.07) |
| **VII Profit before tax (V+VI)** | | 581.28 | (117.36) | 463.92 |
| **VIII Tax expense:** | | | | |
| Current Tax (MAT) | | 118.52 | - | 118.52 |
| MAT Credit Entitlement | | - | - | - |
| Deferred tax assets | (iv) | (25.14) | (36.27) | (61.40) |
| **Total Tax Expense** | | **93.39** | **(36.27)** | **57.12** |

(Rs. In Lakhs)

| | | | | |
|---|---|---|---|---|
| **IX Profit for the year (IX-X)** | | **487.89** | **(81.10)** | **406.79** |
| **X OTHER COMPREHENSIVE INCOME (OCI)** | (xi) | | | |
| Items that will not be reclassified to profit or loss | | | | |
| - Re-measurement gains/(losses) on defined benefit plans | (x) | - | (34.05) | (34.05) |
| - Deferred Tax (Charge)/Reversal | (iv) | - | 10.52 | 10.52 |
| **Total Other Comprehensive Income for the year** | | **-** | **(23.53)** | **(23.53)** |
| **Total Comprehensive Income for the year** | | **487.89** | **(104.63)** | **383.27** |
| **XI Earnings per equity share** | | | | |
| Basic (Rs.) | | 2.99 | (0.50) | 2.49 |
| Diluted (Rs.) | | 2.99 | (0.50) | 2.49 |

**c) Notes to reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017**

**(i) Property Plant and Equipment**

Certain machineries under Property Plant and Equipments have been reinstated as per Ind AS 20 for the amount of Government Grant receivable (net of depreciation) as on March 31,2017 as compared to being deducted from the gross value of the assets concerned under previous GAAP, to be read with Note No. 54.

**(ii) Investment Property**

Investment properties shown under Inventory in earlier years have been regrouped and now these properties have been reduced as per Ind AS 40 for the amount of depreciation of Rs. 6.87 lakhs, as it was not required under previous GAAP.

**(iii) Financial Assets -Loans & Other Current Assets**

As per previous GAAP, company recognised interest free security deposits paid for leasehold properties at transaction value. Under Ind AS 109, such security deposits are required to be amortised for deemed prepaid rent and its consequential interest income has been recognised by applying present value factor. Accordingly, prepaid rent component has been recognised in other current assets which will be amortised on straight line through rent expense over the period of lease for which security deposit is given.The cumulative amortisable prepaid rent of Rs. 148.21 lakhs (Previous Year Rs. 82.33 lakhs) has been reduced from financial assets-Loans and adjusted into Other current Assets.

**(iv) Deferred Tax Assets (net)**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on account of remeasurement of post employment benefits amounting Rs. 10.52 lakhs. In addition, the various transitional adjustments lead to temporary differences and the Company has accounted for such differences amounting to Rs. 36.26 lakhs. Deferred tax adjustment are recognised in correlation to the underlying transaction in other equity.

**(v) Financial Assets - Investments**

As per previous GAAP, company recognised investments at transaction value. Under Ind AS 109, such investments are required to be recognised at fair market value i.e. cumulatively increased by Rs. 3.33

lakhs (Previous year Rs.2.14 lakhs) and such Fair value has been recognised in other income as FVTPL.

**(vi) Other Equity**

As per Ind AS 101 *transitional provisions for first time adoption of Ind AS*, all adjustements relating to Ind AS that have an impact on previos years , should be adjusted throuhgh retained earnings, accordingly the company has taken the cumulative impact of transitional provision of Rs.246.26 lakhs (previous year Rs.159.21 lakhs) to Ind AS through other equity, to be read with all notes to reconciliation of equity and statement of changes in equity.

**(vii) Financial Liabilities - Other financial liabilities**

As per previous GAAP, company recognised interest free security deposits received at transaction value. Under Ind AS 109, such security deposits are to be recognised at present value and remaining amount to be recognised as Deferred revenue amounting to Rs.165.50 lakhs (Previous year Rs.157.07 lakhs) and such revenue will be amortised on straight line over the period of agreement. Accordingly interest expense on such security deposits received have been recognised in the profit & loss by applying rate used in present value factor.

**(viii) Revenue**

Trade discounts allowed to an extent of Rs.444.55 lakhs shown as an expense in Previous GAAP is adjusted against revenue as per Ind -AS 18.

**(ix) Excise Duty on Sale of Goods**

As per Previous GAAP, excise duty should be included and shown as reduction from the gross turnover on the statement of profit and loss. However, Ind AS 18 does not specifically prescribe any guidance for inclusive presentation of excise duty. Accordingly the Company has presented revenue gross of excise duty. This resulted in increase of revenue and increase of excise duty expense to an extent of Rs.434.15 lakhs. Further, amounts collected by the seller on behalf of the government are not be included as part of the revenue as per IND-AS 18.

**(x) Remeasurement of actuarial gains/ (losses):**

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is reduced by Rs. 34.05 lakhs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI.

**(xi) Other comprehensive income**

As per Ind AS, the company translated Previous GAAP profit or loss to total comprehensive income .

**(xii) Statement of cash flows**

The transition from Indian GAAP to Ind AS does not had a material impact on the statement of cash flows.

**49 Operating Lease**

The company has entered into opertaing lease arrangements for premises. The future minimum lease rental obligation under non cancellable operating lease payable are as follows :-

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Payable not later than 1 year | 229.17 | 155.63 |
| Payable later than 1 year but not later than 5 years | 6.52 | 22.01 |
| Payable later than 5 years | - | - |

**50 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, thus there are no additional disclosures to be provided under Ind AS 108 – "Segment Reporting".

**51 Provisions**

Movement in each class of provision during the financial year are provided below:

(Rs. In Lakhs)

| Particulars | Employee benefits | Doubtful Debts |
|---|---|---|
| **As at April 1, 2016** | **227.78** | **57.38** |
| Additional Provision during the year | 35.86 | - |
| Remeasurement losses accounted for in OCI | (0.48) | - |
| Amount used during the period | 24.65 | 25.44 |
| **As at March 31, 2017** | **238.51** | **31.94** |
| Additional Provision during the year | 152.93 | - |
| Remeasurement losses accounted for in OCI | (44.85) | - |
| Amount used during the period | 86.81 | - |
| **As at March 31, 2018** | **259.78** | **31.94** |

**52 Contingent liabilities and Capital commitments (to the extent not provided for)**

**(a) Contingent liabilities**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (a) Claims against the Company not acknowledged as debt | - | - |
| (b) Guarantees - Corporate Guarantee for Subsidiary Company | - | - |
| (c) Other money for which the Company is contingently liable for :- | - | - |
| Labour Disputes | - | - |
| CENTRAL Excise Act 1944* | 86.35 | 86.35 |
| For Others | - | - |

* 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, department Central Tax, GST appealed to the HON'BLE HIGH COURT OF DELHI

It is not possible to predict the outcome of the pending litigations 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.

**(b) Capital Commitments-**

Estimated amounts of contracts remaining to be executed for opening of new showrooms on capital accounts is Rs. 40 Lakhs approx.(FY Rs. 21 Lakhs approx.)

**53 Details of Loans given, investments made and guarantee given covered under section 186(4) of The Companies Act, 2013, to meet some short term fund requirement**

(Rs. In Lakhs)

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Aamor Inox Limited | 500.00 | - |
| Bahadurgarh Footwear Development Services Private Limited | - | 10.00 |

**54 Government Grants**

The Company was eligible for subsidy amount of Rs. 62.89 Lakhs during the financial year 2016-17 for installation and commissioning of machinery under A TUFS (Technology Upgradation Fund Scheme). According to previous GAAP the grant was shown as a deduction from the gross value of the asset concerned in arriving at its book value. Consequent to issuance of ITFG clarification Bulletin 12 dated October 24,2017 issued by ICAI, the company has recognised the asset related government grant outstanding as on March 31, 2017 as deferred income in accordance with the requirements of Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance and adjustments of grant for machiney has been added to the gross block & adjustment of depreciation have been made in retained earnings.

**55 Micro, Small & Medium Enterprises :-**

The Company has sent the confirmation letter to its supplier at the year end to identify the supplier registered with Disclosure as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.As per the informatin available with the company none of its supplier has confirmed that they are registered with the Act.In view of this, the liablity of ineterst has not been provided nor is required disclosure done.

**56 Financial risk management objectives and policies**

**Financial Risk Management Framework**

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in interest rate), which may adversely impact the fair value of its financial instruments. The Company assess the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**Credit Risk**

Credit risk is a risk that counterparty will not meet its obligations under a financial assets leading into a financial loss. Credit risk includes direct risk of default and risk of deterioration of creditworthiness. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted. Financial assets consist of trade receivables, investments, loans, cash and cash equivalents, bank deposits and other financial assets.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As the Company's debt obligation with floating interest rates are in INR which is subject to insignificant change, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates.

**57 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holde Rs. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the 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 Equity plus net debt. Net debt consists of borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits.

**Capital Management (Contd.)** (Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Borrowings including interest accrued on borrowings | 4,547.82 | 3,981.18 |
| Less: cash and cash equivalents | (258.91) | (98.03) |
| **Net debt** | **4,288.91** | **3,883.14** |
| Equity | 1,632.76 | 1,632.76 |
| Other Equity | 9,039.99 | 6,850.03 |
| **Total Equity** | **10,672.75** | **8,482.79** |
| Equity and net debt | 14,961.66 | 12,365.94 |
| Gearing ratio | 0.29 | 0.31 |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

**58** Figures Relating to April 1, 2016 (date of transition) and previous year have been restated/ regrouped/ reclassified wherever necessary to make them comparable with the current year figures.

**59** Figures in Balance Sheet, Statement of Profit and loss, cash flow statement, statement of changes in equity and Notes to audited financial statements have been shown in lakhs and rounded off to the nearest thousand and have been expressed in terms of decimals of thousands.

**As per our attached report of even date**

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

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

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

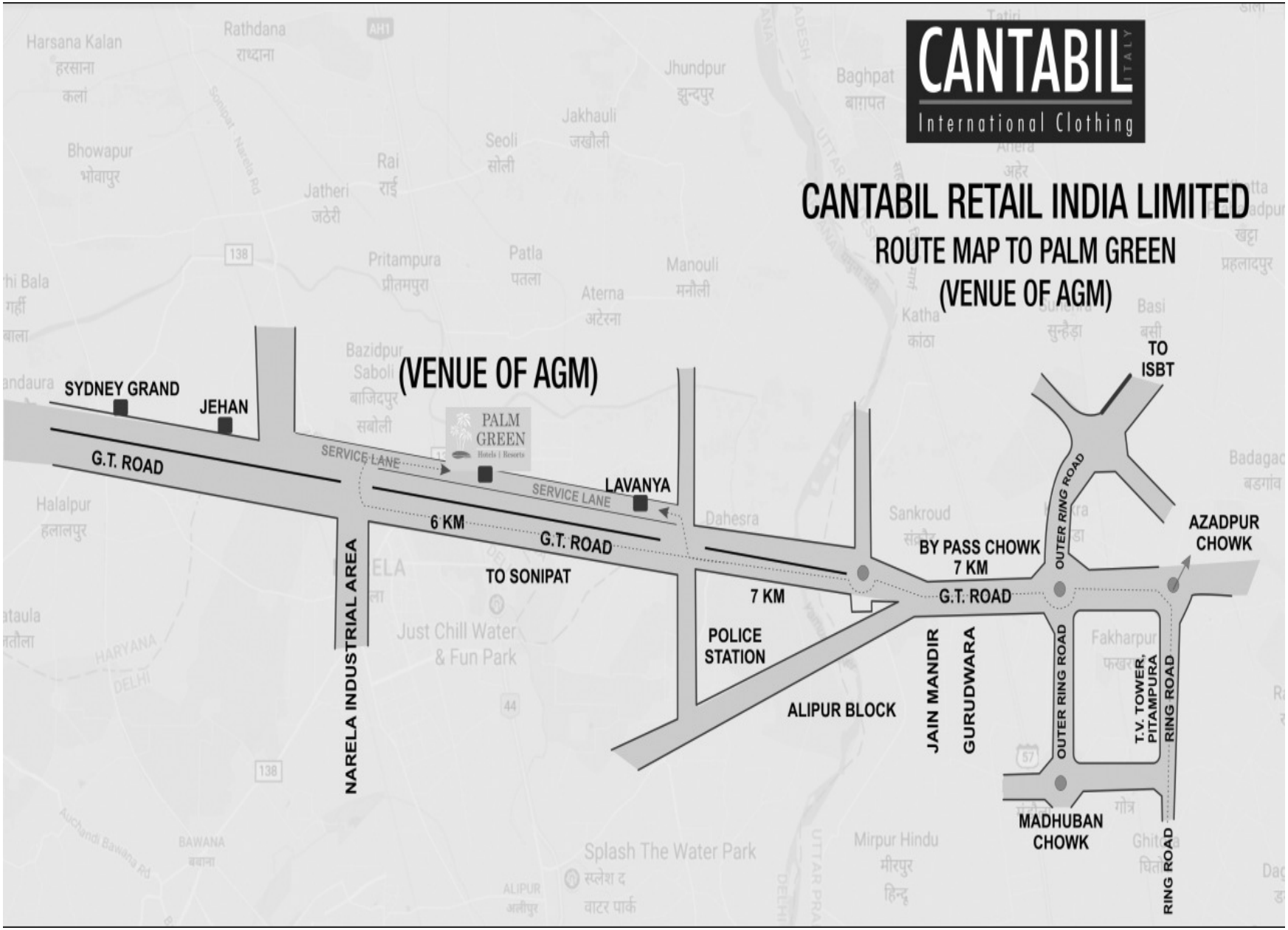
**(Vijay Bansal)**
Managing Director
DIN : 01110877

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

DATE: MAY 25, 2018
PLACE: DELHI

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

**(CS Poonam Chahal)**
Company Secretary


CANTABIL
ITALY
International Clothing
CANTABIL RETAIL INDIA LIMITED
ROUTE MAP TO PALM GREEN
(VENUE OF AGM)
(VENUE OF AGM)
PALM GREEN
Hotels | Resorts
SYDNEY GRAND
JEHAN
G.T. ROAD
SERVICE LANE
SERVICE LANE
LAVANYA
6 KM
G.T. ROAD
TO SONIPAT
NARELA INDUSTRIAL AREA
7 KM
POLICE STATION
ALIPUR BLOCK
JAIN MANDIR
GURUDWARA
BY PASS CHOWK
7 KM
G.T. ROAD
OUTER RING ROAD
TO ISBT
AZADPUR CHOWK
OUTER RING ROAD
T.V. TOWER, PITAMPURA
RING ROAD
MADHUBAN CHOWK
RING ROAD
Harsana Kalan
Rathdana
Jhundpur
Baghpat
Bhowapur
Seoli
Jakhauli
Rai
Jatheri
Pritampura
Patla
Manouli
Aterna
Bazidpur Saboli
Halalpur
Dahesra
Sankroud
Just Chill Water & Fun Park
Splash The Water Park
Mirpur Hindu
BAWANA
ALIPUR
Fakharpur
Badagac
Basi
Katha

# 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

**ATTENDANCE SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

| DP Id & Client Id / Regd. Folio No.* | | No. of Shares | |
|---|---|---|---|

Name(s) and address of the member in full _____

_____

_____

I / we hereby record my / our presence at the 30th Annual General Meeting of the Company being held on Friday, 28th day of September, 2018 at 10:00 A.M at Palm Green Hotel and Resort, Main G. T Karnal Road, Bakoli, New Delhi- 110 036

Please (✓) in the box ☐ MEMBER ☐ PROXY

_____
Signature of Member / Proxy

*Applicable for member holding shares in physical form.

Note : 1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.

## Form No. MGT-11
# PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**L74899DL1989PLC034995**
**CANTABIL RETAIL INDIA LIMITED**
**Regd. Office: B-16, Ground Floor, Lawrence Road Industrial Area,New Delhi – 110035**

Name of the Member(s) : _____

Registered Address : _____

E-mail ID : _____

DP ID and Client ID*/Folio No. : _____

I/We, being the member(s) holding ……..……. shares in the above named Company, hereby appoint

1. Name:……..……Address:……..……..

   E-mail ID:……..……..Signature:……..……or failing him

2. Name:……..……..Address:……..……..

   E-mail ID:……..……..Signature:……..……or failing him

3. Name:……..……..Address:……

   E-mail ID……..…..Signature:……..……..

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Friday, 28th day of September, 2018 at 10:00 A.M at Palm Green Hotel and Resort, Main G. T Karnal Road, Bakoli, New Delhi-110 036 and at every adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolutions | Optional** | |
|---|---|---|---|
| | **Ordinary Business** | **For** | **Against** |
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2018 together with the Report of the Board of Directors and the Auditors thereon. In this connection, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution.** | | |
| 2. | To appoint a Director in place of Mr. Basant Goyal (DIN 07659491), who retires by rotation and being eligible, offers himself for re-appointment. In this connection, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution.** | | |
| | **Special Business** | | |
| 3. | To consider and approve re-appointment of Mr. Vijay Bansal, Chairman and Managing accordance with section 197 and 198 read with Schedule V and all other provisions of the Companies Act, 2013. | | Director in applicable |
| 4 | To consider and approve re-appointment of Mr. Deepak Bansal, Whole Time Director in accordance with section 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. | | |

*Applicable for investors holding shares in electronic form.

Signed this ……day of ……..2018

Signature of Member…….....

Signature of Proxy holder(s)…….....

AFFIX REVENUE STAMP

**Note :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company situated at B-16, Ground Floor, Lawrence Road, Industrial Area, New Delhi-110035 not later than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 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.
4. **This is only optional please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.


CANTABIL
ITALY
International Clothing




**CANTABIL RETAIL INDIA LIMITED**

CIN : L74899DL1989PLC034995

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