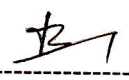
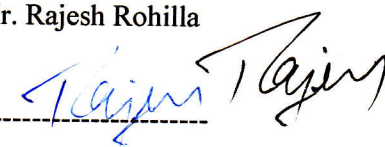
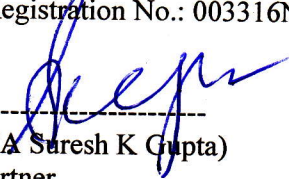
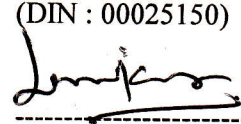




FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

| S.No. | Particulars | Details |
|-------|--|--|
| 1. | Name of the Company | Cantabil Retail India Limited |
| 2. | Annual financial statements for the year ended | 31 st March, 2015 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Nil |
| 5. | To be signed by- | |
| | <ul style="list-style-type: none">Managing Director | <ul style="list-style-type: none">Mr. Vijay Bansal (DIN : 01110877)  |
| | <ul style="list-style-type: none">CFO | <ul style="list-style-type: none">Mr. Rajesh Rohilla  |
| | <ul style="list-style-type: none">Auditor of the Company | <ul style="list-style-type: none">For M/s Suresh & Associates Chartered Accountants (Registration No.: 003316N)  (CA Suresh K Gupta) Partner Membership No. : 080050 |
| | <ul style="list-style-type: none">Audit Committee Chairman | <ul style="list-style-type: none">Mr. Lalit Kumar (DIN : 00025150)  |

CANTABIL RETAIL INDIA LTD.

CANTABIL^{ITALY}
International Clothing

Annual Report
2014-15



Cantabil Retail India Limited

CANTABIL^{ITALY}
International Clothing



BOARD OF DIRECTORS

| | | |
|--------------------------|---|------------------------------------|
| Mr. Vijay Bansal | : | Chairman - cum - Managing Director |
| Mr. Deepak Bansal | : | Whole-Time Director |
| Mr. Anil Bansal | : | 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 | Registrar & Transfer Agent | Beetal Financial and Computer Services Pvt. Ltd., |
| Chief Financial Officer | - | Mr. Rajesh Rohilla | | Beetal House, 3rd Floor, |
| | | | | 99, Madangir, Behind Local |
| Auditors | - | M/s Suresh & Associates | | Shopping Complex, |
| | | Chartered Accountants | | Near Dada Harsukhdas Mandir, |
| | | New Delhi | | New Delhi - 110062 |
| Secretarial Auditor | - | M/s Sanjay Grover & Associates | | |
| | | Company Secretaries | | |
| | | New Delhi | | |
| Registered Office | | B-16, Ground Floor, Lawrence Road, | | |
| | | Industrial Area, Delhi - 110035 | | |

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Banker

Oriental Bank of Commerce
 Standard Chartered Bank Ltd.
 Axis Bank Ltd.
 HDFC Bank Ltd.
 State Bank of India
 Union Bank of India
 ICICI Bank Ltd.
 Yes Bank Ltd.

CHAIRMAN'S STATEMENT



Dear Shareholders,

I am delighted to write to you once again to update you on the performance of Cantabil Retail India Limited. I would like to say that another eventful year has passed by and we are glad to share thoughts with you on our performance and prospects through this annual report.

INDUSTRY OVERVIEW:

The Indian retail industry has presently emerged as one of the most dynamic and fast paced industries as several players have started to enter the market and growth in Apparel Industry in India is increasing manifold with the change in lifestyle, earnings and urbanization of the customers. The worldwide consumers are accepting the apparel fashion products produced in India. The emergence of branded apparel outlets, shopping malls are also increasing rapidly all over India.

The apparel retailing in India consists of 95% of total sales in department stores; 70% in hypermarkets etc. The apparel fashion retail brands have been elevating the business and economy in India rapidly. The men's wear segment portrays the highest scope of growth. Presently, the growth rate is more for women's wear; growing at 12%, and is expected to gain

majority share in future. Other apparel segments such as kids wear are also increasing very rapidly

COMPANY'S PERFORMANCE:

According to Principal Business Activities of the Company (All the business activities contributing 10% or more of the total turnover of the Company) :

| For the Financial Year 2014-15 | | | | | | |
|--------------------------------|---|------------------------------------|----------|---------------------|------------------------|--------------------|
| S. No. | Name and Description of main products / services | % to total turnover of the company | ITC CODE | Unit Of Measurement | Net Sale Qty (In '000) | Net Sale (In Lacs) |
| 1. | Men's or Boy's Suits, Balzer, Trouser, Denim, Cargo, Capri & Jackets | 40.02 | 6203 | Pieces | 521.05 | 5533.87 |
| 2. | Men's or Boy's Shirts | 32.60 | 6205 | Pieces | 662.01 | 4507.75 |
| 3. | Mens and Women's Winter jerseys, pullovers, prewinter, cardigans, waistcoat article | 7.44 | 6110 | Pieces | 110.13 | 1029.45 |
| 4. | Other Sale(Other Garments & Accessories) | 19.94 | - | Pieces | 467.76 | 2758.08 |
| TOTAL | | | | | 1760.95 | 13829.16 |

As of 1st April 2014, the company had 143 stores. 12 new stores were opened, and 9 non-performing stores were closed, with a net increase of 3 stores during the year. The strategy of investing in the growth of the company's own retail business continues to be pursued with conservative aggressiveness.

As a result, we start 2015 with confidence that the business will continue to deliver high-quality growth and generate long-term value to all stakeholders.

Our network of Retail Partners, in particular, continues to strengthen and become more sophisticated day by day. It is together that we invest in the updation of shops, in the services we provide, in the value of our brands, and in the style and quality of our collections. All this is driven by a philosophy of being in direct contact with the market and as close as possible to the final consumer.

ACKNOWLEDGEMENTS

I am delighted to thank the entire Board for their continuing commitment and engagement. During the year, Mr. Brij Mohan Aggarwal resigned from the Board. However, we were delighted to welcome Mrs. Renu Jagdish.

And finally, I would like to record my appreciation to all our shareholders and also our customers, suppliers, vendors, and lenders for their unstinted support to the Company and for the confidence and trust consistently reposed in our organization throughout. We will continue to strive towards attaining the company's goals.

Thank You,

VIJAY BANSAL
CHAIRMAN

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 27th (Twenty Seventh) Annual General Meeting of **CANTABIL RETAIL INDIA LIMITED** will be held on Wednesday, 30th day of September 2015 at 9:00 A.M. at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi - 110 074 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2015 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Bansal (DIN 01111104), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Suresh & Associates, Chartered Accountants as the Statutory Auditors of the Company and fix their remuneration or manner thereof.

SPECIAL BUSINESS

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

4. **To consider and approve re-appointment of Mr. Vijay Bansal, Chairman cum 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 Sections 197 and 198 of the Companies Act, 2013 (the "Act") read with Schedule V thereto and the rules made thereunder, as amended from time to time, approval of the members be and is hereby accorded to the re-appointment of Mr. Vijay Bansal as Managing Director of the Company designated as Chairman-cum- Managing Director, whose office shall not be liable to retire by rotation, for a further period of three years w.e.f 1st April, 2015 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on 12th February 2015, enumerated herein below:

- A. Salary:** Upto Rs. 84,00,000/- (Rupees Eighty Four Lacs 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 (except as mentioned in part C) and grant increase from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 84,00,000/- (Rupees Eighty Four Lacs Only).
- B. Commission:** Not exceeding 1% of the Net Profits of the Company as may be determined by the Board in accordance with the provisions of the Act.
- C. Perquisites and Allowances:**
 - (i) Conveyance Allowance: Rs. 1600/- per month.
 - (ii) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.
 - (iii) Leave travel concession/allowance: For self and family as per rules of the Company
 - (iv) Company car and telephone: Expenses in relation to use of Company car and telephone for official purpose.
 - (v) Provision for driver/Allowance for driver's salary: As per rules of the Company.
- D. Other Benefit:**
 - (i) Leave: As per the rules of the Company.
 - (ii) Company's contribution to provident fund: As per the rules of the Company.
 - (iii) Gratuity: As per rules of the Company.
 - (iv) Encashment of leave: As per the 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."

E. Minimum Remuneration:

Where in any Financial Year, the Company incurs a loss or its profit are inadequate, the Chairman-cum-Managing Director shall be paid remuneration within the minimum remuneration specified in Schedule V of the Companies Act, 2013.

F. 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 Managing Director his three months' salary in lieu of three months notice in writing.

The Board may, in its absolute discretion, pay to him lower remuneration than the remuneration stipulated hereinabove and increase it from time to time on the recommendation of the Remuneration Committee.

"RESOLVED FURTHER THAT Mr. Anil Bansal, Whole-Time Director and/or Ms. Poonam Chahal, Company Secretary, be and are hereby severally authorized to do all the necessary acts, deeds and things, as and when required to give effect to this Resolution."

5. 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 197 and 198 of the Companies Act, 2013 (the "Act") read with Schedule V thereto and the rules made thereunder, as amended from time to time, approval of the members be and is hereby accorded to the re-appointment of Mr. Deepak Bansal as Whole-Time Director of the Company, whose office shall be liable to retire by rotation, for a further period of three years w.e.f. 1st April, 2015 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on 12th February 2015, enumerated herein below:

A. Salary:

Upto Rs. 84,00,000/- (Rupees Eighty Four Lacs 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 (except as mentioned in part C) and grant increase from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 84,00,000/- (Rupees Eighty Four Lacs Only).

B. Commission:

Not exceeding 1% of the Net Profits of the Company as may be determined by the Board in accordance with the provisions of the Act.

C. Perquisites and Allowances:

- (i) Conveyance Allowance: Rs. 1600/- per month.
- (ii) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.
- (iii) Leave travel concession/allowance: For self and family as per rules of the Company.
- (iv) Company car and telephone: Expenses in relation to use of Company car and telephone for official purpose.
- (v) Provision for driver/Allowance for driver's salary: As per rules of the Company.

D. Other Benefit:

- (i) Leave: As per the rules of the Company.
- (ii) Company's contribution to provident fund: As per the rules of the Company.
- (iii) Gratuity: As per rules of the Company.

(iv) Encashment of leave: As per the 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."

E. 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.

F. 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) If at any time, the Whole-Time Director ceases to be a Director of the Company for whatsoever cause/ reason, he shall cease to be the Whole Time Director of the Company.
- (v) The appointment may be terminated by either party giving the other party three months notice in writing on the expiry of which, the appointment will come to an end. It is hereby agreed that the Company may terminate his appointment by paying to the Whole-Time Director his three months' salary in lieu of three months notice in writing.

The Board may, in its absolute discretion, pay to him lower remuneration than the remuneration stipulated hereinabove and increase it from time to time on the recommendation of the Nomination and Remuneration Committee.

"RESOLVED FURTHER THAT Mr. Anil Bansal, Whole-Time Director and/or Ms. Poonam Chahal, Company Secretary, be and are hereby severally authorized to do all the necessary acts, deeds and things, as and when required to give effect to this Resolution."

6. To consider and approve re-appointment of Mr. Anil 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 197 and 198 of the Companies Act, 2013 (the "Act") read with Schedule V thereto and the rules made thereunder, as amended from time to time, approval of the members be and is hereby accorded to the re-appointment of Mr. Anil Bansal as Whole-Time Director of the Company, whose office shall be liable to retire by rotation, for a further period of three years w.e.f 1st April, 2015 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on 12th February 2015, enumerated herein below:

- A. Salary, Allowances & Perquisites: Upto Rs.9,60,000/- (Rupees Nine Lac Sixty Thousand 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 and grant increase from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs.9,60,000/- (Rupees Nine Lac Sixty Thousand Only).
- B. The Board may, in its absolute discretion, pay to him lower remuneration than the remuneration stipulated hereinabove and increase it from time to time on the recommendation of the Remuneration Committee.
- C. 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."

"RESOLVED FURTHER THAT Mr. Vijay Bansal, Chairman-cum- Managing Director and/or Ms. Poonam Chahal, Company Secretary, be and are hereby severally authorized to do all the necessary acts, deeds and things, as and when required to give effect to this Resolution.

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

Place : New Delhi
Date : 15th July, 2015

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the share capital of the Company carrying voting rights. A member holding more than ten percentage 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 annexed to this report.

2. Members/Proxies should bring the duly filled Attendance Slip at the Annual General Meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to Special Businesses at the meeting, is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday 24th September, 2015 to Wednesday 30th September, 2015 (both days inclusive).
5. Members who would like to ask any questions on the accounts are requested to send their questions at Corporate Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.

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 Harsukhdas Mandir, New Delhi-110062.

6. 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 correspondence etc. sent by the Company via email.
7. 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.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
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 Register of Member and any other documents as required to be made available, 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 27th Annual General Meeting of the Company inter alia indicating the process and manner of 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 27th Annual General Meeting of the Company inter alia indicating the process and manner of 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 27th 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 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. Voting through Electronic means:

In terms of the provisions of clause 35B of the Listing Agreement and Sections 108 & 109 of the companies Act, 2013 read with companies (Management and Administration) Rules, 2014, 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 instructions for shareholders voting electronically are as under:

- (i) The voting period begins at 10 A.M. on Saturday, 26th September, 2015 and ends at 5 P.M. on Tuesday, 29th September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 24th September, 2015 of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----------------------|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 given on the label of the envelope of annual report / notice dispatched to the shareholders. 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 | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (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 i.e. 10th July, 2015 may follow the same instructions as mentioned above for e-Voting.
- (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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. Vijay Bansal is the promoter of the Company. He was appointed as Chairman-cum-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-cum-Managing Director on 8th August 2012 by the Board on the recommendation of Remuneration Committee and approval of the members in the Annual General Meeting held on 29th September 2012. In view of the experience and invaluable contribution in the growth of the Company, Mr. Vijay Bansal was re-appointed as Chairman-cum-Managing Director of the Company on 12th February 2015 by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1st April 2015. The re-appointment is subject to the approval of members.

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

| General information | | | |
|---------------------------------|---|---|-------------|
| 1. | Nature of industry | We are in the business of designing, manufacturing, branding and retailing of apparels. | |
| 2. | Date or expected date of commencement of commercial production | Company was incorporated in 1989 and duly commenced its business long ago. | |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions Appearing in the prospectus | Not applicable | |
| 4. | Financial performance based on given indicators | As on 31 st March, 2015: | Rs. in Lacs |
| | | Total Revenue | 13884.69 |
| | | Profit before Tax & Depreciation | 893.80 |
| | | Profit before Tax | 257.34 |
| | | Provisions for Deferred Tax Liability/ (Assets) | (31.77) |
| | | Profit after Tax | 289.11 |
| 5. | Foreign investment or collaboration, if any | Not applicable | |
| Information about the appointee | | | |
| 1. | Background details | Mr. Vijay Bansal is Graduate from Kurukshetra University. He is the founder promoter of our Company. He promoted Kapish Products Private Limited in 1989 and thereafter launched CANTABIL brand in 2000. | |
| 2. | Past remuneration | For the period 2014-15 :- Aggregate value of salary and perquisites: Rs. 35,52,200/- | |
| 3. | Recognition or Awards | Mr. Vijay Bansal was conferred with Delhi Udyog Ratan Award 2008 by the Government of Delhi. | |
| 4. | Job profile and his suitability | Mr. Vijay Bansal is the Chairman-cum-Managing Director of the Company having overall experience of 26 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. | |
| 5. | Remuneration proposed | A. Salary: Upto Rs. 84,00,000/- (Rupees Eighty Four Lacs Only) per annum. B. Commission: Not exceeding 1% of the Net Profits of the Company as may be determined by the Board in accordance with the provisions of the Act. C. Perquisites and Allowances: - Conveyance Allowance: Rs1600/- per month. - Medical Reimbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company. - Leave travel concession/allowance: For self and family as per rules of the Company . - Company car and telephone: Expenses in relation to use of Company car and telephone for official purpose. - Provision for driver/Allowance for driver's salary: As per rules of the Company. | |

| | | |
|-------------------|---|---|
| 6. | Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person | The proposed remuneration is commensurate with size and nature of the business of the company and big responsibility Mr. Vijay Bansal is carrying. The remunerations do differ from company to company in the industry depending on the respective operations. |
| 7. | Pecuniary relationship directly or indirectly with the company, or relationship with The managerial personnel, if any | <p>Apart from drawing remuneration as Managing Director of the Company, there is no other pecuniary relationship with the Company. Mr. Vijay Bansal is related to following managerial personnels of the Company:</p> <ul style="list-style-type: none"> Mr. Deepak Bansal : Whole-Time Director <p>He holds 5676342 Equity Shares of Rs. 10/- each (34.76%) of your Company in his personal capacity.</p> |
| Other information | | |
| 1. | Reasons of loss or inadequate profits | Since past few years retail industry is going through rough phase. Therefore, Company incurred huge losses consecutively for three years. But now Company has revived and showed a growth path but still the profits are not adequate. |
| 2. | Steps taken or proposed to be taken for improvement | Focus has been placed on promotion and marketing of products 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 profitsof the company. |
| 3. | Expected increase in productivity and profits in measurable terms | Company has made operational new factory at HSIIDC Bahadurgarh (Haryana) where production facilities will be added further in the year 2015-16 to improve the quality and the production capacity to achieve the sales turnover with improved profitability. Besides that company has also planned to add few more retail stores at strategic locations to increase the sales turnover. |

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

Yours Directors, therefore, recommend the resolution as set out in item no. 4 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-cum-Managing Director.

ITEM NO. 5

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 8th August 2012 by the Board on the recommendation of Remuneration Committee and approval of the members in the Annual General Meeting held on 29th September 2012.

He is looking after marketing operation and network of the retail outlets of the Company all over India. He has promoted "online marketing" business which is found satisfactory to the Company enhancing the revenue of the Company. 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 2015, 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:

| | | |
|---------------------|--|---|
| General information | | |
| 1. | Nature of industry | We are in the business of designing, manufacturing, branding and retailing of apparels. |
| 2. | Date or expected date of commencement of commercial production | Company was incorporated in 1989 and duly commenced its business long ago. |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions Appearing in the prospectus | Not applicable |

| | | | | |
|---------------------------------|---|---|--|-------------|
| 4. | Financial performance based on given indicators | As on 31 st March, 2015: | | Rs. in Lacs |
| | | Total Revenue | | 13884.69 |
| | | Profit before Tax & Depreciation | | 893.80 |
| | | Profit before Tax | | 257.34 |
| | | Provisions for Deferred Tax Liability/ (Assets) | | (31.77) |
| | | Profit after Tax | | 289.11 |
| 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 outlets in recent times all over India. | | |
| 2. | Past remuneration | For the period 2014-15 :- Aggregate value of salary and perquisites: Rs. 29,94,830/- | | |
| 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 the business of the company and for preparing marketing strategy and advertisements for our products. He has an overall experience of 11 years in retail apparel industry. | | |
| 4. | Remuneration proposed | <ul style="list-style-type: none">- Salary: Upto Rs. 84,00,000/- (Rupees Eighty Four Lacs Only) per annum.- Commission: Not exceeding 1% of the Net Profits of the Company as may be determined by the Board in accordance with the provisions of the Act.- Perquisites and Allowances:- Conveyance Allowance: Rs. 1600/- per month.- Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.- Leave travel concession/allowance: For self and family as per rules of the Company.- Company car and telephone: Expenses in relation to use of Company car and telephone for official purpose.- 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 with the Company. Mr. Deepak Bansal is related to following managerial personnels of the Company: <ul style="list-style-type: none">• Mr. Vijay Bansal : Chaiman-cum-Managing Director He holds 2444311 Equity Shares of Rs. 10/- each (14.97%) 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. Therefore, Company incurred huge losses consecutively for three years. But now Company has revived and showed a growth path but still the profits are not adequate. | | |

| | | |
|----|---|---|
| 2. | Steps taken or proposed to be taken for improvement | Focus has been placed on promotion and marketing of products 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 and profits in measurable terms | Company has made operational new factory at HSIIDC Bahadurgarh (Haryana) where production facilities will be added further in the year 2015-16 to improve the quality and the production capacity to achieve the sales turnover with improved profitability. Besides that company has also planned to add few more retail stores at strategic locations to increase the sales turnover. |

Yours Directors, therefore, recommend the resolution as set out in item no. 5 for your approval.

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

ITEM NO. 6

Mr. Anil 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 8th August 2012 by the Board on the recommendation of Remuneration Committee and approval of the members in the Annual General Meeting held on 29th September 2012. Mr. Anil Bansal is a post graduate. Due to his in-depth knowledge of demographic composition, he effectively manages stores in Delhi & NCR and plays an important role in implementing different schemes to promote our brand. In view of the contribution of Mr. Anil Bansal towards the growth of the Company, he was re-appointed as Whole-Time Director on 12th February 2015 by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1st April 2015. The re-appointment is subject to the approval of members.

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

| | | | |
|---------------------------------|--|--|-------------|
| General information | | | |
| 1. | Nature of industry | We are in the business of designing, manufacturing, branding and retailing of apparels. | |
| 2. | Date or expected date of commencement of commercial production | Company was incorporated in 1989 and duly commenced its business long ago. | |
| 3. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions Appearing in the prospectus | Not applicable | |
| 4. | Financial performance based on given indicators | As on 31 st March, 2015: | Rs. in Lacs |
| | | Total Revenue | 13884.69 |
| | | Profit before Tax & Depreciation | 893.80 |
| | | Profit before Tax | 257.34 |
| | | Provisions for Deferred Tax Liability/ (Assets) | (31.77) |
| | Profit after Tax | 289.11 | |
| 5. | Foreign investment or collaboration, if any | Not applicable | |
| Information about the appointee | | | |
| 1. | Background details | Mr. Anil Bansal is a Post Graduate. He has been associated with Cantabil since he joined us as general manager . | |
| 2. | Past remuneration | For the period 2014-15 :- Aggregate value of salary and perquisites: Rs. 360,000/- | |

| | | |
|-------------------|---|---|
| 3. | Job profile and his suitability | Mr. Anil Bansal is a Whole-Time Director of the Company. As a Director, he is responsible for HR, Advertisement, Warehouse, Inventory Management & Project Divisions of our Company. Due to his indepth knowledge of demographic composition he effectively manages our stores in Delhi & NCR and plays an important role in implementing different schemes to promote our brand. |
| 4. | Remuneration proposed | Salary, Allowances & Perquisites: Upto Rs.9,60,000/- (Rupees Nine Lac Sixty Thousand Only) per annum . |
| 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. Anil 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 with the Company. None of the managerial personnel is related to him. He holds 160 Equity Shares of Rs. 10/- each 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. Therefore, Company incurred huge losses consecutively for three years. But now Company has revived and showed a growth path but still the profits are not adequate. |
| 2. | Steps taken or proposed to be taken for improvement | Focus has been placed on promotion and marketing of products 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 and profits in measurable terms | Company has made operational new factory at HSIIDC Bahadurgarh (Haryana) where production facilities will be added further in the year 2015-16 to improve the quality and the production capacity to achieve the sales turnover with improved profitability. Besides that company has also planned to add few more retail stores at strategic locations to increase the sales turnover. |

Yours Directors, therefore, recommend the resolution as set out in item no. 6 for your approval.

Mr. Anil Bansal is interested in this resolution as it concern to him.

By Order of the Board of Directors

For Cantabil Retail India Limited

Place : New Delhi
Date : 15th July, 2015

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

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT

(Pursuant to Clause 49(VIII)(E)(1) of the Listing Agreement)

| Name of Director | Mr. Vijay Bansal | Mr. Deepak Bansal | Mr. Anil Bansal |
|---|--|---|---|
| Date of Birth & Age | 15.08.1959 55 Years | 03.11.1983 31 Years | 16.03.1975 40 Years |
| Nationality | Indian | Indian | Indian |
| Appointed on | 09.02.1989 | 01.10.2006 | 01.05.2009 |
| Expertise in specific functional areas | Mr. Vijay Bansal is responsible for the overall management and supervision of the business of the company. He is having a rich experience in the field of manufacturing and marketing of ready-made garments and accessories. He is at the helm of affairs, guiding the group of people to its present status in the industry and also setting high performance standards. | Mr. Deepak Bansal is responsible for diversifying the business of the Company and for preparing marketing strategy and advertisements for our products. He identified the retailing mantra and built a robust retail network – a critical success factor in apparel retailing industry, thus gaining a competitive edge over other players in the industry. | Mr. Anil Bansal is responsible for HR, Advertisement, Warehouse, Inventory Management & Project Divisions of our Company. |
| Brief Resume | Mr. Vijay Bansal is a Chairman-cum- Managing Director of a Company. He is Graduate from Kurukshetra University. He is the founder promoter of our Company. He promoted Kapish Products Private Limited in 1989 and thereafter launched CANTABIL brand in 2000. He was conferred with Delhi Udyog Ratan Award 2008 by Government of Delhi. | Mr. Deepak Bansal is a Whole-Time Director of the Company. He is Graduate in Mathematics from Delhi University. He has an overall experience of 11 years in retail apparel industry. | Mr. Anil Bansal is a Whole-Time Director of the Company and plays an important role in implementing different schemes to promote our brand. He effectively manages stores in Delhi & NCR. |
| List of other Directorships | KPS Products Pvt. Ltd. | KPS Products Pvt. Ltd. | Dolphin Packaging Pvt. Ltd. |
| Membership/ Chairmanship of various Board Committees | Cantabil Retail India Ltd. - Member : Audit Committee - Member : Stakeholders' Relationship Committee | NIL | Cantabil Retail India Ltd. —Member : Stakeholders' Relationship Committee |
| Shareholding in Cantabil Retail India Limited | 5676342 Shares | 2444311 Shares | 160 Shares |

DIRECTORS' REPORT

To

The Shareholders,

Cantabil Retail India Limited

Your Directors have immense pleasure in presenting the 27th Annual Report on the business and operations of the Company together with the Audited Statements of Accounts of the Company for the year ended 31st March 2015.

FINANCIAL HIGHLIGHT:

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 Lacs)

| Particulars | For the year ended | |
|---|--------------------|------------------|
| | March 31, 2015 | March 31, 2014 |
| Sales/ Income from operations (including excise duty) | 13867.77 | 11126.03 |
| Other Income | 16.92 | 16.80 |
| Profit/ (Loss) before Finance Cost, Depreciation, Extraordinary & Exceptional items & Tax | 1448.97 | (271.33) |
| Finance Cost | 494.94 | 475.22 |
| Depreciation | 636.47 | 155.67 |
| Exceptional Items | (60.22) | (17.40) |
| Extraordinary Items | - | 11.45 |
| Profit/ (Loss) before tax | 257.34 | (908.16) |
| Provision for Tax including deferred tax (Assets) / liabilities and wealth tax | (31.77) | 2.34 |
| Net Profit/ (Loss) for the year | 289.11 | (910.50) |
| Credit/ (Debit) Balance B/F from previous year | (3414.32) | (2503.82) |
| Depreciation adjustment | (21.99) | - |
| Profit available for appropriation | - | - |
| Surplus/ (Deficit) carried to Balance Sheet | (3147.21) | (3414.32) |

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

REVIEW OF PERFORMANCE

The Textile and Clothing segment has shown reasonable growth during the year. Inflationary trend continued to hurt even during the current year also which has restricted the discretionary spend in market resulting in flat to marginal growth in domestic business in general consumer product categories. However the company has been successful to convert its losses into profits and brightening its future by taking strong strategic decisions which have helped the company to come out of low remunerative regime of market competition.

Company recorded total revenue of Rs. 13884.69 Lacs in Financial Year 2014-15 as against Rs. 11142.83 Lacs in Financial Year 2013-14. The Profit after taxes has improved from a negative of (910.50) lacs to a profit of Rs. 289.11 lacs thereby recording an improvement in profitability of 131.75%.

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

RESERVE & SURPLUS

The company has not transferred any amount to the reserve and surplus as it has accumulated losses 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 commitments which affect the financial position of the company between the end of the Financial Year and date of report.

DIVIDEND

No dividend on equity shares has been recommended by the Board for the year ended 31st March, 2015 keeping in view the accumulated losses and inadequate profits of the previous years.

SHARE CAPITAL

The paid up share capital of the company as on March 31, 2015 was Rs.163,276,080/-. During the year under review, the company did not issue any class or category of shares 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.

INITIAL PUBLIC OFFER:

Your Company came up IPO by issuing of 77.78 lac shares and raising Rs. 105 crores through 100% Book Building Route in 2010. The management is pleased to inform you that the IPO proceeds of Rs. 105 Crore have been fully utilized towards the completion of the Objects of IPO.

CORPORATE GOVERNANCE

The new Companies Act, 2013 and amended Listing Agreement have strengthened the governance regime in the country.

Cantabil Retail India Limited is committed in conducting business of your Company with the highest level of integrity and transparency. The commitment of your Company is clearly reflected in the business activities of the Company. Your Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. Your Company is committed to embrace the new law in letter and spirit. Report on Corporate Governance as stipulated by clause 49 of the Listing Agreement with the stock exchanges forms a part of the Annual Report. The Compliance Certificate received from a Practicing Company Secretary is attached to the Report on Corporate Governance.

CODE OF CONDUCT:

As per Clause 49(II)(E), the Board of the Company has adopted the Code of Internal Procedure & Conduct for Regulating, Monitoring and Reporting Trading by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015. Annual Compliance Report for the year ended 31st March 2015 has been received from all the Board members and Senior Management of the Company regarding the compliance of all provisions of Code of Conduct.

The Code of Conduct adopted by your Company is attached to the Report as a part of Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS:

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.

LISTING FEES:

The equity shares of your company are listed on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India Limited. The Annual Listing fee for the Financial Year 2015-2016 has been paid.

DEMATERIALISATION OF SHARES:

Your Company has entered into agreements with the National Securities Depository Limited (NSDL) and Central Depository Services (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.

DEMAT SUSPENSE ACCOUNT:

As per the Registrar to the Issue M/s. Beetal Financial & Computer Pvt. Ltd., there is no unclaimed share lying in the Escrow Account of the Company which is required to be disclosed in view of the compliance of the provisions of Clause 5A of the Listing Agreement.

DIRECTORS:

DIRECTORS AND KEY MANAGERIAL PERSONNELS

Your Directors intrinsically believe in the philosophy of Corporate Governance and are committed to it for the effective functioning of the Board. All directors, key managerial personnel and senior management have confirmed to comply with the company's Code of conduct.

• WOMAN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Company shall have at least one Woman Director on the Board of the Company. The Board of Directors proposed the appointment of Mrs. Renu Jagdish (DIN 06971367), as a Non-Executive - Independent Director at their meeting held on 14.08.2014 and she was appointed as a Non-Executive - Independent Director in the Annual General Meeting held on 30.09.2014.

• DIRECTOR RETIRING BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and the Article 125 of the Articles of Association of the Company Mr. Deepak Bansal retires by rotation and being eligible offer himself for re-appointment.

Mr. Deepak Bansal aged 32 years has been actively involved in looking after marketing as well as the operation of the retail outlets of the Company all over India.

• APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Mr. Vijay Bansal

Mr. Vijay Bansal (DIN 01110877) was appointed as Chairman-cum-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-cum-Managing Director on 8th August 2012 by the Board on the recommendation of Remuneration Committee and approval of the members in the Annual General Meeting held on 29th September 2012. In view of the experience and invaluable contribution in the growth of the Company, Mr. Vijay Bansal was re-appointed as Chairman-cum-Managing Director of the Company on 12th February 2015 by the Board on the recommendation of Nomination and Remuneration Committee for a period of three years w.e.f. 1st April 2015. The re-appointment is subject to the approval of members.

Mr. Deepak Bansal

Mr. Deepak Bansal (DIN 01111104) was appointed as Whole-Time Director for a period of five years w.e.f. 15th September, 2012 at a remuneration approved by shareholders in Annual General Meeting held on 30th September, 2012. As the Company has earned inadequate profits during the previous years, therefore in view of this and pursuant to the provisions of Companies Act, 2013 and subject to approval of shareholders, the Board in its meeting held on 12th February, 2015, decided to re-appoint Mr. Deepak Bansal as Whole-Time Director on revised terms and conditions w.e.f. 1st April, 2015 and also revised his remuneration effective from 1st April, 2015.

Mr. Anil Bansal

Mr. Anil Bansal (DIN 02443104) was appointed as Whole-Time Director for a period of five years w.e.f. 15th September, 2012 at a remuneration approved by shareholders in Annual General Meeting held on 30th September, 2012. As the Company has earned inadequate profits during the previous years, therefore in view of this and pursuant to the provisions of Companies Act, 2013 and

subject to approval of shareholders, the Board in its meeting held on 12th February, 2015, decided to re-appoint Mr. Anil Bansal as Whole-Time Director on revised terms and conditions w.e.f. 1st April, 2015 and also revised his remuneration effective from 1st April, 2015.

- Details of the proposal for appointment and re-appointment of above directors are mentioned in the explanatory statement under Section 102 of the Companies Act, 2013 of the Notice of the 27th Annual General Meeting.

The boards recommend their re-appointment.

Note: Brief resume of the Director proposed to be appointed and re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership / chairmanship of the Board/ Committees, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

KEY MANAGERIAL PERSONNEL

As on 31st March 2015, company has following Key Managerial Personnel In compliance of provisions of Section 203 of the Companies Act, 2013:

- | | |
|-----------------------|--------------------------------|
| 1. Vijay Bansal | Chairman-cum-Managing Director |
| 2. Deepak Bansal | Whole-Time Director |
| 3. Anil Bansal | Whole-Time Director |
| 4. Ms. Poonam Chahal | Company Secretary |
| 5. Mr. Rajesh Rohilla | Chief Financial Officer |

BOARD INDEPENDENCE:

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges 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 following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

| S.NO. | NAME | APPOINTMENT | RESIGNATION |
|-------|--------------------------|-------------|-------------|
| 1. | Mr. Lalit Kumar | 11/09/2009 | - |
| 2. | Mr. Arun Kumar Roopanwal | 11/09/2009 | - |
| 3. | Mrs. Renu Jagdish | 30/09/2014 | - |
| 4. | Mr. Brij Mohan Aggarwal | 11/09/2009 | 14/08/2014 |

DECLARATION OF INDEPENDENCE BY DIRECTORS:

The Non-Executive-Independent Directors of the Company, viz. Mr. Lalit Kumar, Mr. Arun Kumar Roopanwal and Mrs. Renu Jagdish have affirmed that they continue to meet all the requirements specified under Section 149(6) in respect of their position as an "Independent Director" of Cantabil Retail India Limited.

A statement on declaration given by independent directors under Section 149(6) forms as part of this report in Annexure – 1.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR:

The details of directors or key managerial personnel who were appointed or resigned during the year are given in Annexure – 2.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the Annual Accounts for the year ended as on 31st March 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the company for that period;

- (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 2015 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's / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Delhi. The Agenda of the Board / Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met four times in Financial Year 2014-2015 viz., on 26.05.2014, 14.08.2014, 14.11.2014, 12.02.2015 . 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:

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently three Committees of the Board, as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

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

REMUNERATION POLICY & BOARD EVALUATION

The Board on the recommendation of the Nomination & Remuneration Committee has framed following policies for selection and appointment of Directors, senior management and their remuneration, including criteria for determining qualifications, positive attributes, independence of directors, board diversity etc.:

- **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT**

The Policy of the Company on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-Section (3) of Section 178, is appended as Annexure-3 to this Report.

- **COMPANY'S POLICY ON DIRECTORS' REMUNERATION**

Remuneration Policy of the company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The Remuneration Policy adopted by your Company is appended in Annexure – 4.

• PERFORMANCE EVALUATION OF DIRECTORS

The criteria for performance evaluation of directors cover the areas relevant to their functioning as member of Board or its Committees thereof. The manner in which the performance evaluation of the board and its committees, the chairman and the directors individually has been carried out has been explained in the Corporate Governance Report.

However, the criteria for performance evaluation of Independent Directors is appended in Annexure-5.

• BOARD DIVERSITY POLICY

The Board of Directors of the Company formulated the Board Diversity Policy pursuant to Clause 49 of the Listing Agreement, draft of which is appended in Annexure-6.

STATUTORY AUDITORS:

The appointment of Statutory Auditors of the Company, M/s Suresh & Associates, Chartered Accountants, to be ratified at the ensuing Annual General Meeting. The Company has received a letter from Suresh & Associates to the effect that their appointment, if ratified at the ensuing Annual General Meeting, would be within the limits prescribed under Section 139 of Companies Act, 2013 and they are not disqualified for such ratification within the meaning of Section 141 of the said Act and Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT:

The observation made by the Auditors with reference to notes on accounts for the year ended 31st March 2015 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.

COMMENTS ON AUDITORS' REPORT

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

SECRETARIAL AUDITORS:

The board had appointed Mr. Sanjay Grover, Company Secretary in Practice for carrying out secretarial audit in terms of the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2014-2015. The report of the secretarial auditors is annexed as a part to this annual report. The report does not contain any qualification or adverse remarks.

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 Clause 49 of the Listing Agreement.

AUDIT COMMITTEE:

In accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee, which consists of two Non-Executive-Independent Directors of the Company viz Mr. Lalit Kumar (Chairman of the Audit Committee) and Dr. Arun Kumar Roopanwal (Member) and one Executive Director Mr. Vijay Bansal (Member). 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 Clause 49 of the Listing Agreement, have been described separately under the head Audit Committee in Report of Corporate Governance.

The Audit committee held four (4) meetings during the year. The members of the audit committee are:

| | | |
|--------------------------|----------|----------------------|
| 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 to the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Your company has accumulated losses during previous Financial Years. Therefore, constitution of corporate social responsibility committee is not required for the year under review.

RISK MANAGEMENT POLICY

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

Company has identified various strategic, operational, financial risks which may impact company adversely; however, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the company. The draft of Risk Management Policy is appended in Annexure-7, which is also 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.

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, your Company has formulated a Policy on Related Party Transactions which is also 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 Audit & Secretarial firms to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Equity Listing Agreement.

• 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 www.cantabilinternational.com.

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-8.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has provided loans and guarantees and made investments pursuant to Section 186 of the Companies Act, 2013, as detailed in Annexure-9.

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 below:

(a) The ratio of the remuneration (avg. per month) of each director to the median remuneration of the employees of the Company for the Financial Year:

| | In Rupees | | |
|---------------|--------------------------|---------------------------|------------------------------|
| Directors | Remuneration of Director | Median Salary of Employee | Ratio to Median Remuneration |
| Vijay Bansal | 296,000 | 10,478 | 28.25 |
| Deepak Bansal | 249,569 | 10,478 | 23.82 |
| Anil Bansal | 30,000 | 10,478 | 2.86 |

(b) The percentage increase in remuneration (avg. per month) of each director, chief executive officer, chief financial officer, company secretary in the Financial Year:

| | In Rupees | | | |
|---|-----------------------------|-----------------------------|--------------------------|---|
| Directors, Chief Financial Officer, Company Secretary | Remuneration (F.Y. 2014-15) | Remuneration (F.Y. 2013-14) | Increase in Remuneration | Percentage increase in remuneration (%) |
| Vijay Bansal | 296,000 | 203,300 | 92,700 | 45.60 |
| Deepak Bansal | 249,569 | 168,548 | 81,022 | 48.07 |
| Anil Bansal | 30,000 | 30,000 | - | - |
| Rajesh Rohilla | 177,217 | 133,300 | 43,917 | 32.95 |
| Poonam Chahal | 87,100 | 76,208 | 10,892 | 14.29 |

(c) The percentage increase in the median remuneration of employees in the Financial Year: 6.81%

(d) The number of permanent employees on the rolls of Company: 974

(e) The explanation on the relationship between average increase in remuneration and Company performance:

There exists no relationship between average increase in remuneration and Company performance as there is no key parameters for any variable component of remuneration.

(f) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

| | |
|--|---------------|
| Aggregate Remuneration of Key Managerial Personnel (KMP) (in rupees) | 10,078,830 |
| Revenue (in rupees) | 1,382,916,833 |
| Remuneration of KMPs (as % of revenue) | 0.73 |
| Profit before Tax (PBT) (in rupees) | 28,910,898 |
| Remuneration of KMP (as % of PBT) | 34.86 |

(g) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

| Particulars | F.Y. 2014-15 | F.Y. 2013-14 | % Change |
|--|--------------|--------------|----------|
| Price of Share (BSE) (in rupees) (as at the closing date of the respective F.Y.) | 50.50 | 17 | 197.05 |
| No. of Share | 16327608 | 16327608 | N.A. |
| Market Capitalization (in rupees) | 824,544,204 | 277,569,336 | 197.05 |
| Earning Price Ratio (EPS) | 1.77 | -5.58 | N.A. |

| Particulars | F.Y. 2014-15 | F.Y. 2013-14 | % Change |
|-----------------------|--------------|--------------|----------|
| Price Earnings Ratio | 28.53 | - | N.A. |
| IPO Price (in rupees) | 135 | 135 | N.A. |
| % to IPO Price | 37.41 | 12.59 | 24.82 |

- (h) 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. 2014-15 (in rupees) | F.Y. 2013-14 (in rupees) | Increase in Value Terms (in rupees) | % Increase in Remuneration |
|--|-----------------------------|-----------------------------|---|-------------------------------|
| Average Salary of employee other than managerial personnel | 13,100 | 11,995 | 1,105 | 9.21 |
| Average salary of managerial personnel | 167,977 | 122,271 | 45,706 | 37.38 |

- (i) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

| Key Managerial Personnel | In Rupees | | | Remuneration As % of Turnover | Remuneration As % of Profit |
|--------------------------|--------------|---------------|------------|----------------------------------|--------------------------------|
| | Remuneration | Turnover | Profit | | |
| Vijay Bansal | 3,552,200 | 1,382,916,833 | 28,910,898 | 0.26 | 12.29 |
| Deepak Bansal | 2,994,830 | 1,382,916,833 | 28,910,898 | 0.22 | 10.36 |
| Anil Bansal | 360,000 | 1,382,916,833 | 28,910,898 | 0.03 | 1.25 |
| Poonam Chahal | 1,045,200 | 1,382,916,833 | 28,910,898 | 0.08 | 3.62 |
| Rajesh Rohilla | 2,126,600 | 1,382,916,833 | 28,910,898 | 0.15 | 7.36 |

- (j) The key parameters for any variable component of remuneration availed by the directors: None.
- (k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.
- (l) 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.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-10.

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS):

The NEAPS is a web based application designed by NSE for corporates. 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 corporates. 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 CONTROL

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 appended in Annexure – 11.

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 were observed.

ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Commitment to shareholder's and other stakeholder's interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

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 below:

A. CONSERVATION OF ENERGY:

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.

We have a Diesel Fired Boiler for garment steam pressing in our Finishing Unit with a yearly consumption of 28500 ltrs. approximately of diesel with finishing of approximately 1250000 garments.

Steps for Conservation of Energy taken by us are given below.

At Factory Level :-

1. On & Off Time : We have a strict schedule of switching off the boiler during lunch time i.e. 1.30 pm to 2 pm every day. This helps us to save on diesel consumption during idle period.
2. Regular Servicing & Repair : We ensure regular maintenance & servicing of our boiler & other plant & machineries for better performance and to avoid sudden break down.
3. Boiler Testing : To comply with the Govt. norms, we have outsourced the testing of our Boiler through authorised dealer of boiler which provides us regular testing report for the same and improvement if any required.
4. Prevention of Scaling : We use a special chemical to prevent any scaling in the tubes as recommended by the experts.
5. Use of Insulated Pipeline : We use an Insulated Pipeline to ensure good steam quality & it minimize any steam loss.

6. **Minimizing Waste of Diesel :** We have a regular practice of not switching on any equipment unless all our workers are at their designated spots. This helps us to save wastage of diesel as well as conservation of electricity.

At Corporate Office Level:-

We have replaced all the regular Tube Lights at our Corporate Office with LED lights to conserve electricity & save money.

At Retail Outlet Level :-

We have also taken some steps at our Retail Outlets by installing Power Saving units and by using LED Lights instead of Halogens to save energy & money and we have asked the showroom staff to switch on only one AC during lean hours between 10 am to 5 pm.

B. POLLUTION CONTROL

The operations of the company are not spreading the pollution and effluents. As the company has no activities under its operation requiring the water and water resources as an industrial input they are being used only for the normal usage of human consumption or for office and administrative purposes.

C. TECHNOLOGY ABSORPTION

The particulars regarding absorption of technology is given below as per Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

Research and Development (R & D):

(1) Specific areas in which R & D is carried out by the Company:

Manufacture of fashion garments as per Indian and International trends and standards are the areas in which general research and development work pertaining to the manufacturing process is carried out by the Company.

(2) Benefits derived as a results of the above R&D:

Product improvement.

(3) Future Plan of Action:

Appropriate actions are being planned.

(4) Expenditure on R&D:

(a) Capital: There is no capital expenditure on R&D.

(b) Recurring : Amount incurred though not material but included in manufacturing cost.

Technology Absorption, Adaptation and Innovation :

(1) Efforts in brief made towards technology absorption, adaptation and innovation:

The Company is monitoring the technological up-gradation taking place in other countries in the field of garment manufacturing and the same are being reviewed for implementation.

(2) Benefit derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Product Improvement.

(3) In case of imported Technology (Imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished:

(a) Technology Imported:

(b) Year of Import

(c) Has technology been fully absorbed

(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of actions:

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings and Outgo :

| | |
|------------------------------------|---|
| a) Imports on CIF basis | NIL |
| b) Expenditure in Foreign Currency | Payment of USD 12000/- (INR 7,29,000) towards access to WGSN website for latest Fashion Trends. |
| c) Earning in Foreign Currency | NIL |

GENERAL

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

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

ACKNOWLEDGEMENT

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

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

Sd/-

Place : New Delhi

VIJAY BANSAL

Date : 15th July, 2015

Chairman

ANNEXURE – 1

(I)

DECLARATION BY INDEPENDENT DIRECTORS

To

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

Subject: Declaration under Section 149(6) of the Companies Act, 2013

I, Lalit Kumar, [Director Identification Number -00025150] hereby declare the following with respect to criteria(s) as provided in clauses (b) to (f) of sub-Section (6) of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and of sub-clause (1) of Clause 49 II B of the Equity Listing Agreement:

- (1) (i) I am/ was not a promoter of the company or its holding, subsidiary or associate company;
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (2) I had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding Financial Years or during the current Financial Year;
- (3) None of my relatives have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding Financial Years or during the current Financial Year;
- (4) Neither me nor any of my relatives-
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three Financial Years immediately preceding the Financial Year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three Financial Years immediately preceding the Financial Year, of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - (iii) holds together with my relatives two percent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (5) I am above 21 years of age;
- (6) I possess appropriate skills, experience and knowledge in one of the fields of finance/ law/ management/ sales/ marketing/ administration/ research/ corporate governance/ technical operations.

I further declare the following with respect to each of the criteria as provided in sub-clause (2) of Clause 49 II B of the Equity Listing Agreement:

- a. I do not serve as an independent director in more than seven listed companies.
- b. I am not serving as a Whole-Time director in any listed company and therefore the requirement to serve as an independent director in not more than three listed companies is not applicable to me.

Date : 20/04/2015
Place : New Delhi

Sd/-
Lalit Kumar
DIN: 00025150

ANNEXURE – 1**(II)****DECLARATION BY INDEPENDENT DIRECTORS**

To

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

Subject: Declaration under Section 149(6) of the Companies Act, 2013

I, Arun Kumar Roopanwal, [Director Identification Number -00406817] hereby declare the following with respect to criteria(s) as provided in clauses (b) to (f) of sub-Section (6) of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and of sub-clause (1) of Clause 49 II B of the Equity Listing Agreement:

- (1) (i) I am/ was not a promoter of the company or its holding, subsidiary or associate company;
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (2) I had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding Financial Years or during the current Financial Year;
- (3) None of my relatives have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding Financial Years or during the current Financial Year;
- (4) Neither me nor any of my relatives-
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three Financial Years immediately preceding the Financial Year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three Financial Years immediately preceding the Financial Year, of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - (iii) holds together with my relatives two percent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (5) I am above 21 years of age;
- (6) I possess appropriate skills, experience and knowledge in one of the fields of finance/ law/ management/ sales/ marketing/ administration/ research/ corporate governance/ technical operations.

I further declare the following with respect to each of the criteria as provided in sub-clause (2) of Clause 49 II B of the Equity Listing Agreement:

- a. I do not serve as an independent director in more than seven listed companies.
- b. I am not serving as a Whole-Time Director in any listed company and therefore the requirement to serve as an independent director in not more than three listed companies is not applicable to me.

Sd/-

Date : 20/04/2015

Place : Ghaziabad

Arun Kumar Roopanwal

DIN: 00406817

ANNEXURE – 1

(III)

DECLARATION BY INDEPENDENT DIRECTORS

To

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

Subject: Declaration under Section 149(6) of the Companies Act, 2013

I, Renu Jagdish, [Director Identification Number 06971367] hereby declare the following with respect to criteria(s) as provided in clauses (b) to (f) of sub-Section (6) of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and of sub-clause (1) of Clause 49 II B of the Equity Listing Agreement:

- (1) (i) I am/ was not a promoter of the company or its holding, subsidiary or associate company;
(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (2) I had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding Financial Years or during the current Financial Year;
- (3) None of my relatives have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding Financial Years or during the current Financial Year;
- (4) Neither me nor any of my relatives-
 - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three Financial Years immediately preceding the Financial Year;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three Financial Years immediately preceding the Financial Year, of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - (iii) holds together with my relatives two percent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (5) I am above 21 years of age;
- (6) I possess appropriate skills, experience and knowledge in one of the fields of finance/ law/ management/ sales/ marketing/ administration/ research/ corporate governance/ technical operations.

I further declare the following with respect to each of the criteria as provided in sub-clause (2) of Clause 49 II B of the Equity Listing Agreement:

- a. I do not serve as an independent director in more than seven listed companies.
- b. I am not serving as a Whole-Time director in any listed company and therefore the requirement to serve as an independent director in not more than three listed companies is not applicable to me.

Sd/-

Date : 20/04/2015

Place : New Delhi

Renu Jagdish

DIN: 06971367

ANNEXURE – 2
DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR:

| S.No | DIN | Name | Category | Date of Appointment | Date Of Resignation |
|------|----------|---------------------|-------------------------------------|---------------------|---------------------|
| 1. | 00157253 | Brij Mohan Aggarwal | Non- Executive-Independent director | 11/09/2009 | 14/08/2014 |
| 2. | 06971367 | Renu Jagdish | Non- Executive-Independent director | 30/09/2014 | - |

ANNEXURE –3
POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

In pursuance of the provisions of Section 134(3)(e), the Company's policy to consider appointment and removal of all Directors, Key Managerial Personnel (KMP) and Senior Management Personnels of the Company has been formulated by the Nomination And Remuneration Committee and approved by the Board of Directors.

Applicability:-

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:

1. Managing Director/Whole-Time Director:
 - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, at the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-Time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

ANNEXURE – 4

REMUNERATION POLICY OF CANTABIL RETAIL INDIA LIMITED

GENERAL

The remuneration policy of the Directors, Key Managerial Personnel (KMP) & Employees of the Cantabil Retail India Limited has been designed to keep pace with the business environment and market linked positioning. The Nomination & Remuneration Committee determines and recommends to the board the compensation payable to Directors. Remuneration for the Executive Directors consists of a fixed component.

The company had set up a Remuneration Committee on September 11, 2009 to review and recommend the quantum and payment of annual salary and commission and finalize service agreements and other employment conditions of the Executive Directors. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors. Accordingly, during the Financial Year ending March 31, 2014, the Compensation Committee has been renamed as the Nomination and Remuneration Committee.

As on March 31, 2015, the committee has three Non-Executive-Independent Directors as its members in accordance with the prescribed guidelines. Mr. Lalit Kumar is the Chairman of the Committee and Dr. Arun Kumar Roopanwal and Mrs. Renu Jagdish are the other members. Company Secretary of the company is acting as the secretary to the committee.

KEY DEFINITIONS

“Board of Directors” or “board”, in relation to a company, means the collective body of the Directors of the company;

“Company” means Cantabil Retail India Limited;

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board;

“Act” means Companies Act, 2013 and rules made thereunder; including any statutory modification or amendment thereto;

“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 including the Functional Heads;

“Key Managerial Personnel”, in relation to a company, means-

- The Chief Executive Officer or the Managing Director or the Manager;
- The Company Secretary;
- The Whole-Time Director;
- The Chief Financial Officer; and
- Such other officers as may be prescribed by Central Government.

BOARD OF DIRECTORS

The company's Board comprised of 6(six) Directors. Out of 6(six) Directors, 1(one) is the Chairman-cum-Managing Director, 2(two) are Whole-Time Directors and remaining 3(three) are Non-Executive-Independent Directors.

Cantabil Retail India Limited has the following members on the Board as on 31.03.2015.:

| S.NO. | NAME | DESIGNATION |
|-------|--------------------------|------------------------------------|
| 1. | Mr. Vijay Bansal | Chairman-cum-Managing Director |
| 2. | Mr. Deepak Bansal | Whole-Time Director |
| 3. | Mr. Anil Bansal | Whole-Time Director |
| 4. | Mr. Lalit Kumar | Non-Executive-Independent Director |
| 5. | Mr. Arun Kumar Roopanwal | Non-Executive-Independent Director |
| 6. | Ms. Renu Jagdish | Non-Executive-Independent Director |

INDEPENDENT DIRECTORS

Independent Director shall have the same meaning as assigned to it in the Act and Equity Listing Agreement.

SENIOR MANAGEMENT TEAM consists of:

- Chief Financial Officer
- Head- Legal & Company Secretary
- Head- Sales & Marketing
- Head-Operations and Supply Chain
- Head-Sourcing
- Head-Supply Chain
- Head- HRM

KEY MANAGERIAL PERSONNEL

| S.NO. | NAME | DESIGNATION |
|-------|--------------------|-----------------------------------|
| 1. | Mr. Vijay Bansal | Chairman-cum-Managing Director |
| 2. | Mr. Deepak Bansal | Whole-Time Director |
| 3. | Mr. Anil Bansal | Whole-Time Director |
| 4. | Mr. Rajesh Rohilla | Chief Financial Officer |
| 5. | Ms. Poonam Chahal | Head- Legal and Company Secretary |

THE NOMINATION & REMUNERATION COMMITTEE CHARTER

Please refer to the document on 'Nomination & Remuneration Committee (N&RC) Charter' issued separately.

KEY PRINCIPLES OF THE REMUNERATION POLICY

While designing remuneration for Directors, Key Managerial Personnel, Senior Management, the following set of principles act as guiding factors:

- Aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- Minimize complexity and ensure transparency;
- Link to Long Term Strategy as well as annual business performance of the company;
- Promotes a culture of meritocracy and is linked to key performance and business drivers;
- Reflective of line expertise, market competitiveness so as to attract the best talent;
- Delegation of any of the power to the secretary of the committee or any other authorised person.

REMUNERATION PAID TO WHOLE-TIME DIRECTORS/EXECUTIVE DIRECTORS/MANAGING DIRECTORS

The remuneration to be paid to Executive Directors shall be recommended by the Nomination and Remuneration Committee and recommended to the Board for approval, subject to the subsequent approval by the shareholders at the general meeting and central Government, wherever required.

The remuneration to be paid to Executive Directors shall also be as per the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provision of the Act and the rules made thereunder.

Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Director.

At the Board meeting, only the Non-Executive-Independent Directors and the Executive Directors (not interested in the resolution) shall participate in approving the remuneration paid to the Executive Directors. The remuneration to be arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position in the company.

REMUNERATION POLICY STRUCTURE

The remuneration structure for the Executive Directors would include the following components:

a BASIC SALARY

- Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market
- Are set in the home currency of the Executive Director and reviewed annually
- Will be subject to an annual increase as per recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors.

b COMMISSION

- Executive Directors will be allowed remuneration, by way of commission which is in addition to the Basic Salary, Perquisites and any other allowances, benefits and amenities.
- 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 Sections 197 & 198 of Companies Act, 2013.
- The amount of Commission shall be paid subject to recommendations of the Nomination and Remuneration committee and approval of the Board of Directors.

c PERQUISITES AND ALLOWANCES

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

d CONTRIBUTION TO PROVIDENT AND OTHER FUNDS

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

- Contribution to Provident and Superannuation Funds
- Gratuity

e MINIMUM REMUNERATION

If in any Financial Year during the tenure of the Executive Directors, the company has no profits or its profits are inadequate, they shall be entitled to, by way of Basic Salary, Perquisites, allowances not exceeding the ceiling limit specified under Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

f PROVISIONS FOR EXCESS REMUNERATION:

If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

g REMUNERATION TO NON-EXECUTIVE DIRECTOR & INDEPENDENT DIRECTOR OF THE COMPANY

- The remuneration shall be fixed as per the conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013.

- The Non-Executive-Independent Directors of the company may receive remuneration by way of fees for attending meeting of the board or committees at such rate as may be decided by the board which shall not exceed the limit prescribed by the Central Government from time to time. An Independent Director shall not be entitled to any stock option of the Company.

REMUNERATION PHILOSOPHY FOR KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT & OTHER EMPLOYEES

The Remuneration for the Key Managerial Personnel, Senior Management and other employees at the company would be guided by the external competitiveness and internal parity through annual benchmarking surveys.

Internally, performance ratings of all the company's employees would be spread across a normal distribution curve. The rating obtained 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 must be made.

Compensation can also be determined based on identified skill sets critical to success of Cantabil Retail India Limited. It is determined as per management review of market demand and supply.

GRADE STRUCTURE

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

- An individual's experience, skill, competencies and knowledge relevant to the job; and
- An individual's performance and potential contribution to the company.

| Employee Group | Parameters to Focus |
|-----------------------|---|
| Leadership | High Weightage to company performance & emphasis to Long Term Incentives and Benefits |
| Middle management | High weightage to individual performance & lesser variable component. |
| Staff | No Variable, Fixed Income& some social security. |
| Workman | No variable, Fixed Income. Better than industry pay. Focus on Providing necessary and statutory benefits. |

WORKMEN COMPENSATION

Workmen are paid wages in accordance to the settlement with the recognized union of the workers as per best industry practices, as applicable. Where there is no union workmen wages as per the best industry practice and applicable statutory compliances.

PERFORMANCE FRAMEWORK

With the objective of building a high performance culture at Cantabil Retail India Limited, PACE – Performance, Appreciation & Competency Evaluation, a new Performance Measurement System (PMS) has been introduced. This system also ensures the following:-

- Align organizational and individual Goals (KRA)
- Provide data for making critical decisions related to the employees
- Drive the right employee behaviors
- Support employee development

The goals are cascaded to the functional heads and from them, to their reporting managers. This process is carried on right upto the lower levels. In this manner, the company's annual business goals are cascaded to the lower levels of the organization. Similarly, the senior management's performance also contingent on their leadership, guidance and also the achievement of the goals of their teams.

The employees are rated on the basis of achievements of these goals and also a defined competency framework. He weightages of these depend on the level within the organization.

MODIFICATION

The Audit Committee or the Board of Directors of the company can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with the regulations and/or accommodate organizational changes within the Company.

ANNEXURE – 5

POLICY FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

Regulatory Framework :

- The Companies Act 2013 requires performance evaluation of individual directors – including independent directors, self evaluation of performance of the board of directors (“Board”) and the committees of the Board (“Committees”).
- The listing regulations require that:
The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors. The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.”

Preface :

Independent directors are now confronted with complex oversight accountability, corporate performance and they might also have to endure greater personal risks and liability. Investors, regulators, stakeholders and the society at large are increasingly demanding that boards demonstrate leadership, control and deliver on their responsibilities and their company’s results – the expectation from the board is to go beyond compliance.

In this context, it is often seen that despite illustrious names on boards, they fail to deliver on the expectations due to a variety of reasons including:

- Lack of clarity on the roles of directors and the board as a whole; role ambiguity slows decision-making and causes unnecessary director conflicts
- Poor process management hinders effective board preparation, meeting management and communications
- Lack of alignment and agreement on company strategy which hampers a board’s ability to prioritize issues and set their near term agenda
- Weak team dynamics fracture boards and lead to power struggles
- Such failures underscore the fact that boards must be concerned with, in addition to organizational and management performance, their own performance.

Companies today are facing scarcity of talented directors who demonstrate the right skills, courage and expertise.

With a view to improving performance and effectiveness, progressive boards are now increasingly deploying board performance evaluation tools to identify areas of improvement benchmarking themselves against leading practices. Realizing the trends and challenges, the regulators around the world have mandated board evaluations.

Evaluation:

As a member of the Board, the performance of Independent Directors as well as the performance of the Board as a whole and its Committees shall be evaluated annually. Evaluation of the performance of each Director shall be done by all other Directors. The appointment and re appointment of Independent Directors on the Board shall be subject to the outcome of the yearly evaluation process.

An annual performance evaluation of an Independent Director shall be carried out by all other Directors at the end of the Financial Year in the form of questionnaire mentioned herein below:

| S.No. | Particulars |
|-------|---|
| 1. | Is the attendance of Non-Executive-Independent Directors at meetings satisfactory? |
| 2. | Do the Non-Executive-Independent Directors show willingness to spend time and effort learning about the company and its business? |
| 3. | What has been their contribution to the development of (i) Strategy and (ii) risk management |
| 4. | How effectively have they followed up matters about which they have expressed concern? |
| 5. | How good are their relationship with other board members, the company secretary and senior management? |
| 6. | Are they up-to-date with the latest developments in areas such as the Corporate Governance framework and financial reporting and in the industry and market conditions? |

| S.No. | Particulars |
|-------|---|
| 7. | How well do they communicate with other board members, senior management and others? (e.g. shareholders) |
| 8. | Can they present their views convincingly, yet diplomatically? |
| 9. | Do they participate in discussion related to Internal Audit Report, Cost Audit Report and Secretarial Audit Report? |

ANNEXURE – 6

BOARD DIVERSITY POLICY

This Board Diversity Policy (“the Policy”) for the Boards of Directors (“the Board”) of Cantabil Retail India Limited (“the Company”) has been formulated by the Board of Directors pursuant to Clause 49 of the Listing Agreement and is devised in consultation with the Nomination and Remuneration Committee (the “Committee”) of the Board.

PURPOSE

This Policy sets out the Company’s approach to ensuring adequate diversity in its Board of Directors .

VISION

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

SCOPE

- The Diversity in the Board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately leads to better business success and sustainability.
- The Policy sets out the approach to have diversity on the Boards of the Company in terms of thought, experience, knowledge, perspective and gender in the Board.
- The Policy of the company applies to the Board only. It does not apply to diversity in relation to employees of the Company.

POLICY STATEMENT

The Company believes that a diverse board will enhance the decision making of the Board by utilizing the difference in skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of services, and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board, and all appointments will be based on merit, having due regard to the overall effectiveness of the Board. Nomination and Remuneration Committee of the Company is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new directors.

VALUE STATEMENTS

- We believe diversity is important to board effectiveness because it will encourage a diversity of perspectives which we believe will fuel creativity and innovation.
- We commit that appointments to the Board will be based on merit as well as complementing and expanding the skills, knowledge and experience of the Board as a whole.
- We recognize and embrace the benefits of having a diverse Board, and see increasing diversity at Board level as an essential element in maintaining a competitive advantage.
- A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

ESSENCE

The basic essence of policy of diversity is to provide a framework that should enable qualified people to be seen as potential directors when they might have otherwise been overlooked. They also encourage boards to recognize that ‘differences’ can be leveraged as assets. The ultimate objective is to have a board that offers a broad range of perspectives that are directly relevant to the business and organizational needs.

MEASURABLE OBJECTIVES

- The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.
- For all Non-Executive Director appointments, and where appropriate Executive Director appointments, use open advertising or the services of external executive search firms to facilitate the search;
- Consider candidates from a wide range of backgrounds, including those without public company board experience;
- Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board; and
- Ensure that the specification for a new Director is equally suited to both female and male applicants.

The Board is committed to at least maintaining the level of female representation in the medium-term, whilst ensuring that diversity in its broadest sense remains a central feature of the Board. The Committee will discuss and agree measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

REVIEW OF THE POLICY

The Board and Nomination and Remuneration Committee will conduct an annual review of this policy (which will include a review of the effectiveness of the policy), discuss any required changes and make recommendations on any proposed changes to the Board to complement the Company's objectives and strategy.

APPROVAL

| | |
|-----------------------|---|
| Company Policy Owner: | The Board of Directors of Cantabil Retail India Limited |
| Contact Person: | Poonam Chahal , Company Secretary |

DISCLOSURE OF THE POLICY

The Policy will be uploaded on the Company's website for public information. A summary of the Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives will be disclosed in the Corporate Governance Report annually.

KEY NOTES

| Term | Definition |
|-----------------------|---|
| Diversity | Includes differences that relate to gender, age, ethnicity, disability, sexual orientation and cultural background. In addition, Diversity also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills. |
| Measurable Objectives | The measurable objectives for achieving Diversity on the Board of Cantabil Retail India Limited set by the Board in accordance with this policy. |

ANNEXURE – 7

RISK MANAGEMENT POLICY

Introduction

This is in compliance with clause 49 of Listing Agreement. Cantabil Retail India Limited (the Company) recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision- making, defines opportunities and mitigates material events that may impact shareholder/ stakeholder value.

BACKGROUND

This document lays down the framework of Risk Management at Cantabil Retail India Limited and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

Risk Strategy

A company is exposed to variety of risks in the course of its business activities. Risk management therefore forms a central element in the management of the company and is geared to target management of risk with a view to securing present and future potential for success and avoiding, preventing, countering and minimizing risk. We only enter into entrepreneurial risks if we are convinced that they can generate a sustained rise in the value of the company and that we are able to control any possible implications.

Risk Management

Risk Management is the identification and measurement of risks, which can affect the organization and implementation of strategy for monitoring, controlling and mitigation of these risks by systematic actions in a planned manner. The Company has constituted a Risk Management Committee to monitor and review the risk management activities of the Company on regular basis. The Committee comprises of the Board of Directors and Senior Management Personnel of the Company. The framework for risk assessment and minimization thereto has been evaluated and company takes adequate measures for mitigating such assessed risk.

Constitution of Risk Management Committee

The Board of Directors has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirements. At present, the Risk Management Committee comprises of following Members:

1. Mr. Lalit Kumar, Chairman
2. Mr. Arun Kumar Roopanwal, Member
3. Mr. Vijay Bansal, Member

Roles and Responsibilities

The roles and responsibilities of Risk Management Committee are as follows:

1. Providing a framework that enables future activities to take place in a consistent and controlled manner
2. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats
3. Contributing towards more efficient use/ allocation of the resources within the organization
4. Protecting and enhancing assets and company image
5. Reducing volatility in various areas of the business
6. Developing and supporting people and knowledge base of the organization.
7. Optimizing operational efficiency
8. Identification & Assessment of Risks
9. Minimization of Risks by adopting various measures

Regulatory Framework

Risk Management Policy is framed as per the following regulatory requirements:

A. COMPANIES ACT, 2013**1. Provisions of the Section 134(3)**

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include-

(n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

2. Section 177(4) stipulates:

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include-

(vii) evaluation of internal financial controls and risk management systems.

3. SCHEDULE IV [Section 149(8)]

Code For Independent Directors

B. CLAUSE 49 (VI) OF THE LISTING AGREEMENT

The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

- C. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- D. The company through its Board of Directors shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

ANNEXURE –8**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 (a) | Nature of contracts/arrangements/ transactions (b) | Duration of the contracts/ arrangements/ transactions (c) | Salient terms of the contracts or arrangements or transactions including the value, if any (d) | Justification for entering into such contracts or arrangements or transactions (e) | date(s) of approval by the Board (f) | Amount paid as advances, if any (g) | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 (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 (a) | Nature of contracts/ arrangements/ transactions (b) | Duration of the contracts/ arrangements/ transactions (c) | Salient terms of the contracts or arrangements or transactions including the value, if any (d) | date(s) of approval by the Board (e) | Amount paid as advances, if any (f) |
|---------|---|--|--|--|---|--|
| 1. | M/s Drishti Enterprises Relation : Wife of Mr. Anil Bansal (Director) is the proprietor | Receiving of Services (Job Work) | 1 (one) Year | - Exclusive fabricator/job worker of the company - Goods/fabric will remain exclusive property of the company - Fabricator/job worker shall keep the manufacturing unit insured adequately - Duration : 01/04/2015 to 31/03/2016 - Value : Rs. 1,00,00,000 | 14/08/2014 | NIL |

| SL. NO. | Name(s) of the related party and nature of relationship (a) | Nature of contracts/ arrangements/ transactions (b) | Duration of the contracts/ arrangements/ transactions (c) | Salient terms of the contracts or arrangements or transactions including the value, if any (d) | date(s) of approval by the Board (e) | Amount paid as advances, if any (f) |
|---------|--|---|---|--|--------------------------------------|-------------------------------------|
| 2. | M/s Balaji Apparel Relation : Father of Mr. Anil Bansal (Director) is the proprietor | Receiving of Services (Job Work) | 1 (one) Year | <ul style="list-style-type: none"> - Exclusive fabricator/job worker of the company - Goods/fabric will remain exclusive property of the company - Fabricator/job worker shall keep the manufacturing unit insured adequately - Duration : 01/10/2014 to 30/09/2016 - Value : Rs. 3,60,00,000 | 14/08/2014 | NIL |
| 3. | M/s Balaji International Clothing Relation : Mr. Anil Bansal (Director) is the proprietor | Franchisee Services | 1 (one) Year | <ul style="list-style-type: none"> -The selling agent shall manage the showroom, exclusively for storage, display and marketing of readymade garments - the company shall be in the exclusive possession of the showroom - The selling agent shall not remove the stock or any other belongings of the Company without the prior written permission of the company. - Duration : 01/04/2015 to 31/03/2016 - Value : Rs. 25,00,000 | 14/08/2014 | NIL |
| 4. | M/s Anil Bansal-HUF Relation : Mr. Anil Bansal (Director) is the proprietor | Receiving of Services (Selling Agent) | 1 (one) Year | <ul style="list-style-type: none"> - The selling agent shall manage the showroom, exclusively for storage, display and marketing of readymade garments - the company shall be in the exclusive possession of the showroom - The selling agent shall not remove the stock or any other belongings of the Company without the prior written permission of the company. - Duration : 01/04/2015 to 31/03/2016 - Value :15,00,000 | 14/08/2014 | NIL |

| SL. NO. | Name(s) of the related party and nature of relationship (a) | Nature of contracts/ arrangements/ transactions (b) | Duration of the contracts/ arrangements/ transactions (c) | Salient terms of the contracts or arrangements or transactions including the value, if any (d) | date(s) of approval by the Board (e) | Amount paid as advances, if any (f) |
|---------|--|---|---|---|--------------------------------------|-------------------------------------|
| 5. | Mrs. Megha Bansal Relation : Wife of Mr. Deepak Bansal (Director), Daughter-in-law of Mr. Vijay Bansal (Managing Director) | Salary | 5 (Five) Years | <ul style="list-style-type: none"> - Basic Pay is increased to Rs. 1,00,000 per month - Designation : appointed as Deputy General Manager – Finance - she is also entitled to allowances & perquisites - shall also be entitled to a gratuity for half month's salary for each completed year. | 26/05/2014 | NIL |
| 6. | Mr. Deepak Bansal Relation: Director of the Company | Agreement to sell | N.A. | <ul style="list-style-type: none"> - Sale of Property-WZ-50 situated at village Shakurpur, Delhi. - If Mr. Deepak Bansal infringes the Terms & Conditions of the agreement, then the company shall be entitled to get the transaction enforced through court of law - If the Company infringes the Terms & Conditions of the agreement, then Mr. Deepak Bansal has the right to forfeit the earnest money. - The Agreement is irrevocable. - Total sale consideration is Rs. 5 crores. | 12/02/2015 | NIL |

ANNEXURE –9**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER Section 186**

| Name of the entity | Relation | Amount (Rupees in Lacs) | Particulars of loans, guarantees and investments | Purpose for which the loan, guarantee and investment are proposed to be utilised |
|--------------------------------|----------------------|-------------------------|--|--|
| M/s Ambika Steel Limited | Business Association | 135.12 | Inter-Corporate Deposit | Business Purpose |
| M/s Nova Iron & Steel Co. Ltd. | - | 0.24 | Investment in Equity Shares | Cash Management |
| HDFC Equity Fund | - | 1.30 | Investment in Equity of Mutual Fund | Cash Management |
| IDFC Imperial Equity Fund | - | 0.10 | Investment in Equity of Mutual Fund | Cash Management |

ANNEXURE –10
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2015
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**
I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated):

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Manufacture of all types of textile garments and clothing accessories | 14101 | 79.87 |
| 2 | Retail sale of readymade garments, hosiery goods, other articles of clothing and clothing accessories such as gloves, ties, braces etc | 47711 | 20.13 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| N.A. | | | |

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|--|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 10163743 | - | 10163743 | 62.25 | 10957277 | - | 10957277 | 67.11 | 4.86 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | 10163743 | - | 10163743 | 62.25 | 10957277 | - | 10957277 | 67.11 | 4.86 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 1498785 | - | 1498785 | 9.18 | 1177947 | - | 1177947 | 7.21 | -1.97 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 1498785 | - | 1498785 | 9.18 | 1177947 | - | 1177947 | 7.21 | -1.97 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1284577 | - | 1284577 | 7.87 | 1679773 | - | 1679773 | 10.29 | 2.42 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 2109921 | 881 | 2110802 | 12.93 | 1702294 | 721 | 1703015 | 10.43 | -2.5 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 868661 | - | 868661 | 5.32 | 416925 | - | 416925 | 2.55 | -2.77 |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 82599 | - | 82599 | 0.51 | 272736 | - | 272736 | 1.67 | 1.16 |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|---|--|------------|-----------------|-------------------|--|------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | 3418 | - | 3418 | 0.02 | 2315 | - | 2315 | 0.01 | -0.01 |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| HUF | 315023 | - | 315023 | 1.93 | 117620 | - | 117620 | 0.72 | 1.21 |
| Sub-total (B)(2):- | 4664199 | 881 | 4665080 | 28.57 | 4191663 | 721 | 4192384 | 25.68 | 2.89 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 6162984 | 881 | 6163865 | 37.75 | 5369610 | 721 | 5370331 | 32.89 | 4.86 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 16326727 | 881 | 16327608 | 100 | 16326887 | 721 | 16327608 | 100 | 0.00 |

B) Shareholding of Promoter-

| | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|--------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | SWATI GUPTA | 1160 | 0.01 | 0.00 | 160 | 0.00 | 0.00 | 0.01 |
| 2 | MEGHA BANSAL | 152333 | 0.93 | 0.00 | 193733 | 1.19 | 0.00 | 0.26 |
| 3 | VIJAY BANSAL HUF | 393385 | 2.41 | 0.00 | 413385 | 2.53 | 0.00 | 0.12 |
| 4 | DEEPAK BANSAL | 1233601 | 7.56 | 0.00 | 1901735 | 11.65 | 0.00 | 4.09 |
| 5 | SUSHILA BANSAL | 2801674 | 17.16 | 0.00 | 2811674 | 17.22 | 0.00 | 0.06 |
| 6 | VIJAY BANSAL | 5581590 | 34.18 | 0.00 | 5636590 | 34.52 | 0.00 | 0.34 |

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

| S. NO | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|-------|--|---|----------------------------------|---|----------------------------------|-------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1 | Swati Gupta At the beginning of the year Bought during the year Sold during the year At the end of the year | 1160 - 1000 160 | 0.01 - 0.01 0.00 | 1160 - 160 160 | 0.01 - 0.00 0.00 | Disposal |
| 2 | Megha Bansal At the beginning of the year Bought on 12/03/2015 Sold during the year At the end of the year | 152333 41400 - 193733 | 0.93 0.25 - 1.18 | 152333 193733 - 193733 | 0.93 1.18 - 1.18 | Acquisition |
| 3. | Vijay Bansal – HUF At the beginning of the year Bought on 25/02/2015 Sold during the year At the end of the year | 393385 20000 - 413385 | 2.41 0.12 - 2.53 | 393385 413385 - 413385 | 2.41 2.53 - 2.53 | Acquisition |

| S. NO | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|-------|------------------------------|---|----------------------------------|---|----------------------------------|-------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 4. | Deepak Bansal | | | | | |
| | At the beginning of the year | 1233601 | 7.56 | 1233601 | 7.56 | |
| | Bought during the year: | | | | | |
| | 20/01/2015 | 394534 | 2.41 | 1628135 | 9.97 | Acquisition |
| | 25/02/2015 | 215000 | 1.31 | 1843135 | 11.28 | |
| | 12/03/2015 | 58600 | 0.37 | 1901735 | 11.65 | |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | 1901735 | 11.65 | 1901735 | 11.65 | |
| 5. | Sushila Bansal | | | | | |
| | At the beginning of the year | 2801674 | 17.16 | 2801674 | 17.16 | |
| | Bought on 25/02/2015 | 10000 | 0.06 | 2811674 | 17.22 | Acquisition |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | 2811674 | 17.22 | 2811674 | 17.22 | |
| 6. | Vijay Bansal | | | | | |
| | At the beginning of the year | 5581590 | 34.18 | 5581590 | 34.18 | |
| | Bought on 25/02/2015 | 55000 | 0.34 | 5636590 | 34.52 | Acquisition |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | 5636590 | 34.52 | 5636590 | 34.52 | |

D) Shareholding Pattern of top ten Shareholders:

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

| S. NO | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|--|--|--|--|--|--|--|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| SHAREHOLDING FOR THE PERIOD – 01/04/2014 TO 31/03/2015 | | | | | | |
| 1. | Punjab National Bank At the beginning of the year Bought during the year Sold during the year At the end of the year | 1083748 - - 1083748 | 6.64 - - 6.64 | 1083748 - - 1083748 | 6.64 - - 6.64 | No Transaction |
| 2. | Felex Enterprises Private Limited At the beginning of the year Bought during the year Sold during the year At the end of the year | 311500 - - 311500 | 1.91 - - 1.91 | 311500 - - 311500 | 1.91 - - 1.91 | No Transaction |
| 3. | Arch Finance Limited At the beginning of the year Bought / Sold during the year : 30/05/2014 20/06/2014 30/06/2014 18/07/2014 08/08/2014 15/08/2014 22/08/2014 12/09/2014 16/01/2014 27/02/2015 13/03/2015 20/03/2015 At the end of the year | 255000 214924 -1000 76 14422 50 1075 -847 1301 10999 - 9091 39788 -40788 485909 | 1.56 1.32 0.0061 0.00047 0.088 0.00031 0.0066 0.0052 0.0080 0.067 0.056 0.243 0.25 2.98 | 255000 469924 468924 469000 483422 483472 484547 483700 485001 496000 486909 526697 485909 485909 | 1.56 2.88 2.87 2.87 2.97 2.96 2.97 2.96 2.97 3.04 2.98 3.23 2.98 2.98 | Acquisition Disposal Acquisition Acquisition Acquisition Acquisition Disposal Acquisition Acquisition Disposal Acquisition Disposal |

| S. NO | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|---|--|---|--|--|--|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 4. | Vaishalli Arya At the beginning of the year Bought / Sold during the year: 16/01/2015 27/02/2015 At the end of the year | 201944 85276 -9387 277833 | 1.27 0.52 0.057 1.70 | 201944 287220 277833 277833 | 1.27 1.76 1.70 1.70 | Acquisition Disposal |
| 5. | Spa Securities Ltd At the beginning of the year Bought/Sold during the year: 27/02/2015 06/03/2015 At the end of the year | 140000 336 -100 140236 | 0.86 0.0021 0.0006 0.86 | 140000 140336 140236 140236 | 0.86 0.86 0.86 0.86 | Acquisition Disposal |
| 6. | Allahabad Bank At the beginning of the year Bought during the year Sold On 16/01/2015 At the end of the year | 86672 - -3300 83372 | 0.53 - 0.020 0.50 | 86672 - 83372 83372 | 0.53 - 0.50 0.50 | Disposal |
| 7. | Religare Finvest Ltd At the beginning of the year Bought on 31/03/2015 Sold during the year At the end of the year | 75000 110000 - 185000 | 0.46 0.67 - 1.13 | 75000 185000 - 185000 | 0.46 1.13 - 1.13 | Acquisition |
| SHAREHOLDING FOR THE PERIOD – 01/04/2014 to 31/12/2014 | | | | | | |
| 8. | Dinesh Goyal At the beginning of the year Bought during the year Sold during the year At 31/12/2014 | 103074 - - 103074 | 0.63 - - 0.63 | 103074 - - 103074 | 0.63 - - 0.63 | No Transaction |
| 9. | Anita Goyal At the beginning of the year Bought during the year Sold during the year At 31/12/2014 | 100000 - - 100000 | 0.61 - - 0.61 | 100000 - - 100000 | 0.61 - - 0.61 | No Transaction |
| 10. | Dhampur Alco-Chem Limited At the beginning of the year Bought during the year Sold on 30/05/2014 At 30/05/2014 | 100000 - -100000 - | 0.61 - 0.61 - | 100000 - -100000 - | 0.61 - 0.61 - | Disposal |
| 11. | Shankar Somani On 30/05/2014 Bought / Sold during the year : 20/06/2014 30/06/2014 25/07/2014 01/08/2014 08/08/2014 15/08/2014 22/08/2014 10/10/2014 17/10/2014 07/11/2014 14/11/2014 05/12/2014 At 31/12/2014 | 114472 30996 32619 39902 4766 28838 39 72728 10111 30799 18542 13896 2292 400000 | 0.70 0.19 0.20 0.24 0.029 0.18 0.0002 0.45 0.062 0.19 0.11 0.085 0.014 2.45 | 114472 145468 178087 217989 222755 251593 251632 324360 334471 365270 383812 397708 400000 400000 | 0.70 0.89 1.09 1.33 1.36 1.54 1.54 1.98 2.05 2.24 2.35 2.44 2.45 2.45 | Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition Acquisition |

| S. NO | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|--|---|---|---|---|--|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| SHAREHOLDING FOR THE PERIOD – 01/01/2015 to 31/03/2015 | | | | | | |
| 12. | JM Financial Commtrade Limited On 01/01/2015 Bought during the year Sold during the year At the end of the year | 65294 - - 65294 | 0.40 - - 0.40 | 65294 - - 65294 | 0.40 - - 0.40 | No Transaction |
| 13. | Rajeev Jawahar On 01/01/2015 Bought / Sold during the year : 23/01/2015 27/02/2015 06/03/2015 20/03/2015 37/03/2015 At the end of the year | 59488 1505 32465 3000 152 4703 101313 | 0.36 0.0092 0.20 0.018 0.001 0.029 0.62 | 59488 60993 93458 96458 96610 101313 101313 | 0.36 0.37 0.57 0.59 0.59 0.62 0.62 | Acquisition Acquisition Acquisition Acquisition Acquisition |
| 14. | Usha D Shah On 01/01/2015 Bought during the year Sold during the year At the end of the year | 58826 - - 588260 | 0.36 - - 0.36 | 58826 - - 588260 | 0.36 - - 0.36 | No Transaction |

E) Shareholding of Directors and Key Managerial Personnel:

| S. NO | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|-------|--|--|--|--|--|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1 | Vijay Bansal At the beginning of the year Bought on 25/02/2015 Sold during the year At the end of the year | 5581590 55000 - 5636590 | 34.18 0.34 - 34.52 | 5581590 5636590 - 5636590 | 34.18 34.52 - 34.52 | Acquisition |
| 2. | Deepak Bansal At the beginning of the year Bought during the year: 20/01/2015 25/02/2015 12/03/2015 Sold during the year At the end of the year | 1233601 394534 215000 58600 - 1901735 | 7.56 2.41 1.31 0.37 - 11.65 | 1233601 1628135 1843135 1901735 - 1901735 | 7.56 9.97 11.28 11.65 - 11.65 | Acquisition Acquisition Acquisition |
| 3. | Anil Bansal At the beginning of the year Bought on 25/02/2015 Sold during the year At the end of the year | 160 - - 160 | 0.00098 - - 0.00098 | 160 - - 160 | 0.00098 - - 0.00098 | No Transaction |
| 4. | Lalit Kumar At the beginning of the year Bought on 25/02/2015 Sold during the year At the end of the year | - - - - | - - - - | - - - - | - - - - | Nil Holding |

| S. NO | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Reason |
|-------|------------------------------|---|----------------------------------|---|----------------------------------|-------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 5. | Arun Kumar Roopanwal | | | | | |
| | At the beginning of the year | - | - | - | - | Nil Holding |
| | Bought on 25/02/2015 | - | - | - | - | |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | - | - | - | - | |
| 6. | Renu Jagdish | | | | | |
| | At the beginning of the year | - | - | - | - | Nil Holding |
| | Bought on 25/02/2015 | - | - | - | - | |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | - | - | - | - | |
| 7. | Rajesh Rohilla | | | | | |
| | At the beginning of the year | - | - | - | - | Nil Holding |
| | Bought on 25/02/2015 | - | - | - | - | |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | - | - | - | - | |
| 8. | Poonam Chahal | | | | | |
| | At the beginning of the year | - | - | - | - | Nil Holding |
| | Bought on 25/02/2015 | - | - | - | - | |
| | Sold during the year | - | - | - | - | |
| | At the end of the year | - | - | - | - | |

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the Financial Year | | | | |
| i) Principal Amount | 308,868,122 | - | - | 308,868,122 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 308,868,122 | - | - | 308,868,122 |
| Change in Indebtedness during the Financial Year | | | | |
| * Addition | 42,497,034 | - | - | 42,497,034 |
| * Reduction | - | - | - | - |
| Net Change | 42,497,034 | - | - | 42,497,034 |
| Indebtedness at the end of the Financial Year | | | | |
| i) Principal Amount | 351,365,157 | - | - | 351,365,157 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 351,365,157 | - | - | 351,365,157 |

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

| SN. | Particulars of Remuneration | Name of MD/WTM/ Manager | | | Total Amount (Rupees) |
|-----|---|---------------------------------------|--|--|--------------------------|
| | | Mr. Vijay Bansal Managing Director | Mr. Deepak Bansal Whole-Time director | Mr. Anil Bansal Whole-Time director | |
| 1 | Gross salary | 3,552,200 | 2,994,830 | 360,000 | 6,907,030 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 3,495,000 | 2,860,000 | 360,000 | 6,715,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 57,200 | 134,830 | - | 192,030 |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | NIL | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission - as % of profit - others, specify... | | | | |
| | Total (A) | 3,552,200 | 2,994,830 | 360,000 | 6,907,030 |
| | Ceiling as per the Act | 4,200,000 | 4,200,000 | 4,200,000 | 12,600,000 |

B. REMUNERATION TO OTHER DIRECTORS

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount (Rupees) |
|-----|--|---------------------|--------------------------|---------------------|-------------------------|--------------------------|
| | | Mr. Lalit Kumar | Dr. Arun Kumar Roopanwal | Mrs. Renu Jagdish | Mr. Brij Mohan Aggarwal | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | 160,000 | 160,000 | 120,000 | 40,000 | 480,000 |
| | Commission | NIL | NIL | NIL | NIL | NIL |
| | Others, please specify | NIL | NIL | NIL | NIL | NIL |
| | Total (1) | 160,000 | 160,000 | 120,000 | 40,000 | 480,000 |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending board committee meetings | NIL | NIL | NIL | NIL | NIL |
| | Commission | NIL | NIL | NIL | NIL | NIL |
| | Others, please specify | NIL | NIL | NIL | NIL | NIL |
| | Total (2) | NIL | NIL | NIL | NIL | NIL |
| | Total (B)=(1+2) | 160,000 | 160,000 | 120,000 | 40,000 | 480,000 |
| | Total Managerial Remuneration | 160,000 | 160,000 | 120,000 | 40,000 | 480,000 |
| | Overall Ceiling as per the Act | 100,000 per meeting | 100,000 per meeting | 100,000 per meeting | 100,000 per meeting | 400,000 per meeting |

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

| SN. | Particulars of Remuneration | Key Managerial Personnel | | | |
|-----|---|--------------------------|----------------------------|------------------------------|----------------|
| | | CEO | CS Ms. Poonam Chahal | CFO Mr. Rajesh Rohilla | Total (Rupees) |
| 1 | Gross salary | NOT APPLICABLE | 1,045,200 | 2,126,600 | 3,171,800 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | | 1,045,200 | 2,126,600 | 3,171,800 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | | - | - | - |
| 2 | Stock Option | | NIL | NIL | NIL |
| 3 | Sweat Equity | | NIL | NIL | NIL |
| 4 | Commission | | NIL | NIL | NIL |
| | - as % of profit | | NIL | NIL | NIL |
| | others, specify... | | NIL | NIL | NIL |
| 5 | Others, please specify | | NIL | NIL | NIL |
| | Total | | 1,045,200 | 2,126,600 | 3,171,800 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| B. DIRECTORS | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |

ANNEXURE – 11

INTERNAL FINANCIAL CONTROL POLICY

CANTABIL RETAIL INDIA LIMITED

INTRODUCTION

The Board of Directors of CANTABIL RETAIL INDIA LIMITED has adopted the Internal Financial Control Policy pursuant to Section 134(5)(e) of the Companies Act, 2013 which requires the Board of every Listed Company to lay down Internal Financial Control Policy to be followed by the Company which helps in 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 timely preparation of reliable financial information.

DEFINITIONS

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing agreement.

"Board of Directors" or "Board" in relation to a Company, means the collective body of Directors the Company. [Section 2(10) of the Companies Act, 2013]

"Books or Books of account" as per sub-Section (12A) of Section 2 of Income Tax Act, 1961 means "Books or Books of account includes ledgers, day-books, cash books, account-books and other books, whether kept in written form or as print-outs of data stored in floppy, disc, tape or any other form of electro-magnetic data storage device."

"Financial Statement" as per Section 2(40) of Companies Act, 2013 in relation to a Company means a Statement which includes

- (i) a balance sheet as at the end of the Financial Year;
- (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the Financial Year;
- (iii) cash flow statement for the Financial Year;
- (iv) a statement of changes in equity, if applicable; and
- (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv):

"Internal Financial Control" as per Section 134(5)(e) of Companies Act, 2013 means "the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguard of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information."

"Policy" means "Internal Financial Control Policy."

OBJECTIVES

The objectives of this Policy are:

- To mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded.
- Financial reporting is accurate and reliable.
- To ensure Company's resources are used prudently and in an efficient, effective and economical manner.
- Resources of the Company are adequately managed through effective internal controls.
- A framework for an effective internal control system which conveys to managers that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the Company and to all Employees that they are responsible for adhering to those internal controls.
- To ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Company's objectives through operational efficiency.

ELEMENTS OF INTERNAL CONTROL FRAMEWORK

The essential elements of an effective internal financial control framework are:

- Structure and culture of Organization;

- Delegations of Authority;
- Policies and procedures;
- Trained and properly qualified staff;
- Information Technology controls;
- Review process e.g. internal audit;
- Liaison with auditors and legal advisors;
- Senior Management compliance assurance;
- Risk identification and assessment.

KEYNOTES ON INTERNAL CONTROL POLICY

Internal Controls include reviews of the following areas:

- Senior management, to be responsible for establishment of overall policies and active oversight of parameters and controls.
- Internal audit, to ensure that independent assessments are made encompassing functioning of various compliances under various statutes and Rules & Regulations framed there under, adequate systems and procedures are at place for physical verification of stocks of raw materials, finished goods, stores and spare parts, work- in-progress, fixed assets and other assets, proper books of accounts, vouchers along with supports and other documents are maintained, confirmation of balances from debtors, creditors and other parties are obtained periodically/ at year end and proper systems and procedures are at place for internal control at various departments.
- Operational risks, including segregation of duties, checks and balances, protection of customer funds and securities, operating systems, management information systems, management reporting, front and back office operations, contingency planning and disaster recovery.
- And finally, to ensure that new products and activities are assimilated into the risk management system in a timely and appropriate manner.

FOR EFFECTIVE FINANCIAL CONTROL, The Board Of Directors And Senior Management Shall Ensure:

- Physical verification of inventories at reasonable intervals.
- Physical verification of all Fixed Assets at reasonable intervals
- Adequate Internal Control procedure are at place for maintaining proper records in respect of sale/purchase of goods and services.
- All undisputed statutory dues including provident fund, Investor Education Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Rates and Taxes and other Statutory dues are paid within the prescribed time.
- Funds availed on short term basis are not used for long term investment.
- The funds raised through Public issue, Right issue, Preferential/Private placement shall be used for the purposes as stated in Prospectus/Offer Letter.
- The Company shall comply with all applicable Statutory Laws, Rules and Regulations.
- No loan or deposits exceeding Rs. 20,000/- or more are taken or accepted from any person otherwise than by an account payee cheque or account payee bank draft (Section 269 SS of income tax act 1961).
- No loan or deposits exceeding Rs. 20,000/- or more are repaid otherwise than by an account payee cheque or account payee bank draft (Section 269 T of Income Tax Act 1961).
- No expenditure exceeding 20,000/- is made otherwise than by an account payee cheque or account payee bank draft (Section 40 A(3) of Income Tax Act 1961).

ACCOUNTING POLICIES

The Financial Statement will be prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention followed (except for certain revalued fixed assets) on the accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

The Company may adopt Accounting Policies to provide for:

- Methods of depreciation, depletion and amortization.
- Valuation of inventories
- Treatment of goodwill
- Valuation of investments
- Treatment of retirement benefits
- Recognition of profit on long- term contracts
- Valuation of fixed assets
- Treatment of contingent liabilities

BALANCE SHEET

The balance Sheet and Statement of Profit and Loss of the Company shall be in accordance with Schedule III of Companies Act, 2013.

REGULATORY FRAMEWORK UNDER COMPANIES ACT, 2013

DEFINITION

"Books of Account" as per Section 2(13) of Companies Act, 2013 includes records maintained in respect of—

- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
- (ii) all sales and purchases of goods and services by the company;
- (iii) the assets and liabilities of the company; and
- (iv) the items of cost as may be prescribed under Section 148 in the case of a company which belongs to any class of companies specified under that Section.

1. Provision of the Section 128 of Companies Act, 2013:

Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every Financial Year and such books shall be kept on accrual basis and according to the double entry system of accounting

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place:

Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed. [Sub-Section (1) of Section 128] .

2. Provision of the Section 129 of Companies Act, 2013:

The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and shall comply with the accounting standards as notified under Section 133 and shall be in the form as may be provided in Schedule III.[Sub-Section (1) of Section 129]

Without Prejudice to sub-Section (1) where the financial statements of the Company do not comply with the accounting standards referred to in sub-Section (1), the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation.[sub-Section(5) of Section 129].

3. Provisions of the Section 134 of the Companies Act, 2013:

- (1) The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the chairperson of the company where he is authorised by the Board or by two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director

in the company, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, for submission to the auditor for his report thereon.

- (2) The auditors' report shall be attached to every financial statement.
- (3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—
 - (a) the extract of the annual return as provided under sub-Section (3) of Section 92;
 - (b) number of meetings of the Board;
 - (c) Directors' Responsibility Statement;
 - (d) a statement on declaration given by independent directors under sub-Section (6) of Section 149;
 - (e) in case of a company covered under sub-Section (1) of Section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-Section (3) of Section 178;
 - (f) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—
 - (i) by the auditor in his report; and (ii) by the company secretary in practice in his secretarial audit report;
 - (g) particulars of loans, guarantees or investments under Section 186;
 - (h) particulars of contracts or arrangements with related parties referred to in sub-Section (1) of Section 188 in the prescribed form;
 - (i) the state of the company's affairs;
 - (j) the amounts, if any, which it proposes to carry to any reserves;
 - (k) the amount, if any, which it recommends should be paid by way of dividend;
 - (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the Financial Year of the company to which the financial statements relate and the date of the report;
 - (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
 - (o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
 - (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;
 - (q) such other matters as may be prescribed
- (4) The report of Board of Directors shall be attached to the financial statements under this sub-Section.
- (5) The Directors' Responsibility Statement referred to in clause (c) of sub-Section (3) shall state that:
 - (a) In the preparation of the annual accounts, 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 and 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) The directors had prepared the annual accounts on a going concern basis; and
 - (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.
- (6) A signed copy of every financial statement, including consolidated financial Statement, if any, shall be issued, circulated or published along with a copy each of—
- (a) any notes annexed to or forming part of such financial statement;
 - (b) the auditor's report; and
 - (c) the Board's report referred to in sub-Section (3).

RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

The Board's Report shall be prepared based on the stand alone financial statements of the company and the report shall contain a separate Section wherein a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented.[Rule 8(1)] .

4. Provisions of the Section 177 of the Companies Act, 2013:

The Audit Committee assists the Board in the discharge of its duties regarding the Group's financial statements, accounting policies and the maintenance of proper systems of risk management and internal control.

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

The Audit Committee may call for the comments of the auditors about internal control , scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

INTERNAL AUDIT

Provisions of the Section 138 of the Companies Act, 2013:

Company shall be required to appoint an internal auditor, who shall either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit of the functions and activities of the company.

(Sub-Section 1 of Section 138)

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW:

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3 per cent in 2015, and 6.5 per cent in 2016 by when it is likely to cross China's projected growth rate, the IMF said in the latest update of its World Economic Outlook. Only India is anticipated to witness better growth momentum among the BRIC bloc whereas other member countries are expected to see stable growth momentum, according to Organisation for Economic Cooperation and Development (OECD). Furthermore, the new 'Make in India' initiative is expected to be a vital component in India's quest for achieving wholesome economic development.

Having grown in high single digit over past, the GDP of India has slowed down and attained a modest growth in the range of 5.4 to 5.9 per cent in 2014-15 overcoming the sub-5 per cent GDP growth of past two years. For current year the monsoon and external socio-economic environment will remain a major factor, says the Economic Survey. Financial Year 2014-15 was a comeback year for the Indian Rupee on the strength of change of political guards, start of some strategic reforms required to kick start the economy, headwinds in the external world environment, slowing down of Chinese economy, expectation of robust business environment in the Indian sub-continent. Stable but weak rupee at this juncture would help grow India's economic agenda much faster. Improving interest of foreign Institutional investors and world community will boost Indian economic and industrial sentiment to grow on sustainable basis in future.

Due to various fiscal and monetary initiatives taken by the Government and Reserve Bank of India (RBI), fiscal deficit and current account deficit have narrowed down. Going forward a modest recovery in the Indian economy is expected, driven by a stable Government, moderation of inflation and implementation of recently approved government policies and investment projects. India has become a promising investment destination for foreign companies looking to do business here. The launch of 'Make in India' initiative by our Prime Minister with the aim to give the Indian economy global recognition, is expected to increase the purchasing power of the common man, will spur the industrial investment and growth, which would further boost demand, and hence spur overall development, in addition to benefiting investors both Indian & foreign.

INDUSTRY OVERVIEW:

Indian Retail Sector

Retail industry, specially, are eyeing some big bang reforms that will not only boost existing growth but also help eliminate obstacles viz inadequate physical infrastructure, inefficiencies in supply chain, complex regulatory environment, that has been disturbing the industry for long. Our Government needs to pay heed towards demands of e-commerce industry which has witnessed a phenomenally high growth in the last 3 years, making it one of the fastest growing sectors. Retail players have time and again emphasised the need for foreign capital, expertise and knowledge in inventory-based models that will take e-commerce industry to another level altogether. Focus on Improvement in technology will ensure that e-commerce continues its growth trajectory. The right push given to retail and e-commerce industry would also fuel manufacturing industry and promote Prime Minister's ambition of "Make in India", increase consumption, thereby, stimulating economy in the long run.

According retail sector an 'Industry' status with specific regulator for its needs and growth requirement will pave the growth road map for this billions dollar sunrise sector. Early implementation of GST would eliminate cascading effect of taxes and remove other inefficiencies currently faced by retailers. Increase of disposable income in hands of lower/middle class consumers, would enable greater purchasing power, leading to increase in demand and growth of industry. Investment-linked incentives for setting up and operating cold storage facility are available only to specified businesses. These incentives should be extended to retail sector for promoting investment in warehousing facilities, in logistics infrastructure and technologies etc., which shall pave the way for faster delivery of goods and services at a more efficient cost by e-commerce companies. "Digital" India would prove out to be a great boon for the industry.

The Indian retail industry has presently emerged as one of the most dynamic and fast paced industries as several players have started to enter the market. It accounts for approx. over 10 per cent of the country's Gross Domestic Product (GDP) and around eight per cent of the employment in India. The country is today the fifth largest global destination in the world for retail. Several corporates, both Indian & overseas, have planned to exploit the opportunities in the Indian retail space with mammoth capital investment plans lined up for investment in next 3-5 years' time. Expansion of retail will spur the corresponding demand for commercial real estate. The Indian retail industry in the single brand segment has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 275.38 million in the period April, 2000 - January, 2015, according to the Department of Industrial Policies and Promotion (DIPP).

On the whole, both organized and unorganized retail participants should work together to improve the overall retail industry and create new opportunities for themselves and their customers, to remain growing, viable and successful in the business. Clothing and fashion retailing is the second largest contributor to the Indian retail market with a share of around 8%. In the organized retail market, clothing and fashion retailing is the largest and the most penetrated segment. With the success of ecommerce the share of organized retailing is expected to take big boost on the strength of new startups. Easy availability of credit and govt's impetus to the use of 'plastic money' availability of technology in hands of masses, shall be the strong drivers of retail sector to grow. Luxury segment of the market is showing major breakout besides the growing trend in mid segment retail market. Menswear will continue to remain major market segment after women's & Kid's wear. More and more women joining the all walks of commerce and business activities will help grow and transform the future trends of women's wear in India. Branded women's wear segment shall see more players coming to the industry. The long term outlook for the industry remains to be positive on the back of rising incomes, favourable demographics, entry of foreign players and increasing urbanization.

The opening up of FDI in retail & Insurance have started showing some signs of activity, new players taking interest in the sector, old getting themselves reorganized and restructured through mergers and acquisitions shall further consolidate the landscape of Indian organized retail.

ORGANIZED RETAIL

Business Review:

Cantabil was born with the forward visionary thought of providing affordable men's wear for masses. The company has created a space in Apparel market under the brand name of "CANTABIL" "LAFANSO" "KANESTON" "BONNETTI" "KINGSWOOD" and "CROZO" Company moved up the value chain from a garment manufacturer to a retailer by launching its first exclusive brand outlet in 2000. It has a wide range of apparel designs suited for all segments including corporate, formal and casual dressings.

Cantabil will continue to focus on maintaining and reinforcing the image of its existing exclusive brand outlets and also introduce its apparel to new geographical areas and assessing fashion trends, making fashion forecasts and offering products to match the global fashion movements will keep cantabil at the leadership position for times to come.

As of March 31, 2014, the Cantabil brand was sold on a total floor area of approx. 132000 sq. ft., which has increased to 134796 sq. ft. as of March 31, 2015.

FINANCIAL OVERVIEW:

The Company Sales in the domestic market have increased during the year under review. Total revenue of the company increased to Rs. 13884.68 Lacs during the Financial Year ended March 31, 2015, as compared to Rs 11142.84 Lacs during the Financial Year 2013-14. The Company incurred a profit of Rs. 289.11 Lacs during the Financial Year ended March 31, 2015 against a loss of Rs. 910.50 Lacs during the Financial Year ended March 31, 2014. 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 2015-16. As of today we have 148 stores spread across northern, southern, eastern and western parts of the country.

STRENGTHS AND OPPORTUNITIES:

- Brand Leadership,
- Unparalleled reach,
- Diversified geographical presence,
- Strong customer connect,
- Focus on superior customer experience,
- Increasing volumes under women's wear.,
- Better quality of production.,
- Improved efficiency of working capital management.,
- Improvement in cost structure would add to operating margins of the Company

RISK & THREATS:

- Changing consumer preference,
- High fixed cost structure,

- Intensifying competition,
- changes in fashion trends and slow down in consumption pattern of the consumers, may adversely affect the turnover of the Company.,
- Government Policy on relaxing the Foreign Direct Investment limits in the Retail Sector will allow many MNC's to enter into the Indian Retail Market, which might pose as a probable risk, since the Company will be competing with the international players as well.
- Government Policy on Goods and Service Tax may also affects the competition and the profitability in future.

OUT LOOK

The benefit of the stable Government after 3 decades has rightly evoked a “feel good” factor across industries.

The demand situation within India should improve, given the fact that there is a “feel good” factor. When the benefit of an improving economy percolates and generates further investment, manufacturing, growth and employment for the demographic dividend, it should translate into even further growth in demand, which has been visible only in fits and starts for the last few years.

Over the medium term, the growth in demand should become more stable and consistent. The growth of organized retail is slated to continue, which holds great promise.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACIES

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 reviews 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. Moreover, your Company continuously upgrades these systems to ensure that all the assets are safeguarded and protected against any loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The Company's internal systems are supplemented by an extensive programme of internal audit conducted by an external auditor periodically and reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, sales and distribution, marketing etc.

The Company is continuously upgrading its internal control systems by measuring state of controls at various locations. Controls by an Enterprise Resource Planning (ERP) system have been strengthened with help of review conducted by Internal Auditors

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial statements have been prepared in accordance with the requirements of Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this Annual Report. For financial highlights please refer heading ‘FINANCIAL RESULTS’ of Directors Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The role of Human Resources continues to remain vital and strategic to the Company. Employee recruitment and management is a key focus, and processes and policies are in place to attract and retain employees of high caliber. The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees. Attracting and retaining the best manpower available by providing high degree of motivation, training and structured compensation was the main thrust of the Human Resources Department this year.

The total number of employees of the Company as on 31st March 2015 stood at 974.

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.

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of corporate governance systems and processes at Cantabil Retail India Limited is as follows:

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

At Cantabil Retail India Limited, Corporate Governance has been an integral part of the way we have been doing our business since inception. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

Statement on Company's philosophy on Code of Governance:

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

Vijay Bansal

Chairman, Cantabil Retail India Ltd.

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

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

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

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

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

2. BOARD OF DIRECTORS

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

Composition

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

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

Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31st March, 2015

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and the Listing Agreement. 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 cum Managing Director | Promoter & Executive | Nil | Nil | 2 |
| Mr. Deepak Bansal | 01111104 | Whole-Time Director | Promoter & Executive | Nil | Nil | Nil |
| Mr. Anil Bansal | 02443104 | Whole-Time Director | Executive | Nil | Nil | 1 |
| Mr. Lalit Kumar | 00025150 | Director | Non-Executive-Independent | Nil | 2 (since 14.08.2014) | Nil |
| Dr. Arun Kumar Roopanwal | 00406817 | Director | Non-Executive-Independent | Nil | Nil | 1 |
| Mr. Brij Mohan Aggarwal (Resigned on 14.08.2014) | 00157253 | Director | Non-Executive-Independent | Nil | 2 (Up to 14.08.2014) | Nil |
| Mrs. Renu Jagdish (Appointed on 30.09.2014) | 06971367 | Director | Non-Executive-Independent | Nil | Nil | Nil |

* Other Directorships of only Indian Public Companies have been considered.

** In accordance with Clause 49 of the Listing Agreement, the disclosure includes membership/ chairpersonship of the Audit Committee and Stakeholder's Relationship Committee in Indian Public Companies (listed and unlisted).

Board Meetings

During the year ended March 31, 2015 four (4) meetings of the Board of Directors were held on the following dates and were attended by all directors:

(i) May 26, 2014 (ii) August 14, 2014 (iii) November 14, 2014 (iv) February 12, 2015.

Separate Meeting of Independent Directors:

Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement 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 Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act.

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, separate meetings of the Independent Directors were held on 11th December, 2014 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;

The meetings were attended by all Independent Directors.

• FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

Familiarization of Independent Directors was done with respect to their roles, rights and responsibilities in the Company under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

Details on familiarization programme for independent directors are uploaded on company's website at following weblink: www.cantabilinternational.com.

3. COMMITTEES OF THE BOARD

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

The following are some of the important 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 Clause 49 of the Listing Agreement. 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 Agreement.

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 auditors'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 and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 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

The Audit Committee of the Board, comprises two Non-Executive-Independent Directors and one Executive Director. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure. Ms Poonam Chahal, Company Secretary acts as the Secretary to the Committee.

Composition:

| Name of the Members | Designation | Category |
|---|-----------------------------|------------------------------------|
| Mr. Brij Mohan Aggarwal (Resigned on 14.08.2014) | Chairman (on 26.05.2014) | Non-Executive-Independent Director |
| Mr. Lalit Kumar | *Chairman | Non-Executive-Independent Director |
| Mr. Vijay Bansal | Member | Chairman-cum-Managing Director |
| Dr. Arun Kumar Roopanwal | **Member | Non-Executive-Independent Director |

*Mr. Lalit Kumar was appointed as Chairman of the Audit Committee on 26th May 2014.

**Dr. Arun Kumar Roopanwal was appointed as Member of the Audit Committee on 26th May 2014.

The Chief Financial Officer, the Internal Auditor and Suresh & Associates, chartered Accountants, the Statutory Auditors are permanent invitees to the audit committee meetings. It has been the practice of the Chairman of the Audit Committee to extend an invitation to the Chairman & Managing Director and Executive Directors to attend all the meetings and to Cost Auditors whenever required.

Attendance

During the year ended March 31, 2015, four meetings of the Audit Committee were held on the following dates:

| Date of Meeting | Members Present |
|-----------------|---|
| 26.05.2014 | <ul style="list-style-type: none"> • Mr. Brij Mohan Aggarwal • Mr. Lalit Kumar • Mr. Vijay Bansal |
| 14.08.2014 | <ul style="list-style-type: none"> • Mr. Lalit Kumar • Mr. Vijay Bansal • Dr. Arun Kumar Roopanwal |
| 14.11.2014 | <ul style="list-style-type: none"> • Mr. Lalit Kumar • Mr. Vijay Bansal • Dr. Arun Kumar Roopanwal |
| 12.02.2015 | <ul style="list-style-type: none"> • Mr. Lalit Kumar • Mr. Vijay Bansal • Dr. Arun Kumar Roopanwal |

All members/directors are financially literate and Mr. Lalit Kumar, Chairman of the Audit Committee has financial and accounting background and knowledge.

The Board has placed the necessary resolution for ratification of the appointment of M/s Suresh & Associates, Chartered Accountants as the statutory auditors of the company for the Financial Year 2015-2016 before the shareholders at the 27th Annual General Meeting.

(ii) Nomination and Remuneration Committee

The Company complies with the provisions related with Nomination and Remuneration Committee in terms of Clause 49 of the Listing Agreement 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 in the listing agreement with the BSE Limited and National Stock Exchange of India Limited 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

The members of the Nomination & Remuneration Committee are:-

- | | | |
|-----------------------------|---|---------------------------------|
| 1. Mr. Lalit Kumar | - | Chairman & Independent Director |
| 2. Dr. Arun Kumar Roopanwal | - | Independent Director |
| 3. Mr. Brij Mohan Aggarwal* | - | Independent Director |
| 4. Mrs. Renu Jagdish** | - | Independent Director |

* (Resigned on 14.08.2014)

** (Appointed on 30.09.2014)

Attendance

During the year two meetings of Nomination and Remuneration Committee were held :

| Date of Meeting | Members Present |
|-----------------|--|
| 14.08.2014 | <ul style="list-style-type: none"> Mr. Lalit Kumar Dr. Arun Kumar Roopanwal Mr. Brij Mohan Aggarwal |
| 12.02.2015 | <ul style="list-style-type: none"> Mr. Lalit Kumar Dr. Arun Kumar Roopanwal Mrs. Renu Jagdish |

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 are given separately in the Report. The said policy is enclosed as a part of the director's report in Annexure – 4.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees thereof.

Director's remuneration
Non-Executive-Independent Directors

The Non-Executive Independent Directors are entitled for sitting fee of Rs. 60,000 for every meeting of the Board. Apart from above, Independent directors do not have any pecuniary relationship or transaction with the company.

Annual Remuneration paid to - Executive Directors

| Name of the Director | Designation | Aggregate Value Of Salary & Prerequisites (Rs.) |
|----------------------|--------------------------------|---|
| Mr. Vijay Bansal | Chairman-cum-Managing Director | 35,52,200 |
| Mr. Deepak Bansal | Whole-Time Director | 29,94,830 |
| Mr. Anil Bansal | Whole-Time Director | 360,000 |

Other Terms

Service contract renewed for next three years effective from 1st April, 2015

* Remuneration as defined under Schedule V of the Companies Act, 2013 does not include retirement benefits.

Provide the details of remuneration paid to all the Non-Executive-Independent Directors {Clause 49(VIII)(C)(1)}

(iii) Stakeholders' Relationship Committee

Mr. Lalit Kumar, Non-Executive-Independent director is the Chairman of the Committee. Mr. Vijay Bansal and Mr. Anil Bansal are the other members of the Committee. Ms. Poonam Chahal, Company Secretary is the Secretary to the Committee.

Terms of Reference of the Stakeholders Relationship Committee has been revised as per the guidelines set out in the Listing Agreement with the BSE Limited and National Stock Exchange of India Limited 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.

During the year ended March 31, 2015, five meetings of the Stakeholders Relationship Committee were held on the following dates and attended by all member directors:

(i) May 15, 2014 (ii) August 11, 2014 (iii) November 14, 2014 (iv) December 30, 2014 (v) February 12, 2015.

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, 2015. | Nil |

4. GENERAL BODY MEETINGS

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

| Financial Year | Day and Date | Time | Venue | Any Special Resolutions Passed |
|----------------|---------------------------------|----------|--|--------------------------------|
| 2011-2012 | Saturday, September 29, 2012 | 9:00 A.M | Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110064 | Yes |
| 2012-2013 | Monday, September 30, 2013 | 9:00 A.M | Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110064 | No |
| 2013-2014 | Tuesday, September 30, 2014 | 9:00 A.M | Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110074 | Yes |

Postal Ballot

No resolution was passed by postal ballot in the year under review. No resolution proposed to be passed in the ensuing annual general meeting is required to be passed by postal Ballot.

5. DISCLOSURES

a) Director's re-appointment/ appointment

(i) Mr. Vijay Bansal (DIN 01110877) was appointed as Chairman-cum-Managing Director for a period of five years w.e.f. 15th September, 2012 by the shareholders in its Annual General Meeting held on 29th September, 2012. Board of Directors in its meeting held on 12th February, 2015, subject to approval of shareholders, approved the re-appointment of Mr. Vijay Bansal as Chairman-cum-Managing Director for a period of three years w.e.f. 1st April, 2015 on revised remuneration and other terms and conditions.

(ii) In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company Mr. Deepak Bansal (DIN 01111104) retires by rotation and being eligible offers himself for re-appointment.

Mr. Deepak Bansal (DIN 01111104) was appointed as Whole-Time Director for a period of five years w.e.f. 15th September, 2012 by the shareholders in its Annual General Meeting held on 29th September, 2012. Board in its meeting held on 12th February, 2015, subject to approval of shareholders, approved the re-appointment of Mr. Deepak Bansal as Whole-Time Director for a period of three years w.e.f. 1st April, 2015 on revised remuneration and other terms and conditions.

(iii) Mr. Anil Bansal (DIN 02443104) was appointed as Whole-Time Director for a period of five years w.e.f. 15th September, 2012 by the shareholders in its Annual General Meeting held on 29th September, 2012. Board in its meeting held on 12th February, 2015, subject to approval of shareholders, approved the re-appointment of Mr. Anil Bansal as Whole-Time Director for a period of three years w.e.f. 1st April, 2015 on revised remuneration and other terms and conditions.

Nomination and remuneration committee and Board of directors have approved the appointment/re-appointment of above directors respectively and has recommended to the shareholders for approval of their re-appointment.

All the directors proposed for re-appointment are holding shares of the Company as on 31st March, 2015 are as under:

| Name | Designation | No. of Equity Shares held |
|----------------------------|---------------------|---------------------------|
| Mr. Vijay Bansal, Chairman | Managing Director | 56,36,590 |
| Mr. Deepak Bansal | Whole-Time Director | 19,01,735 |
| Mr. Anil Bansal | Whole-Time Director | 160 |

Profile of the Directors to be appointed/re-appointed along with the directorship and other details is provided in the Notice of the ensuing Annual General Meeting of the Company.

b) Related party transactions

The Company has entered into related party transaction pursuant to the provisions of Section 188 of the Companies Act, 2013 with following entities:

| SL. NO | Name(s) of the related party and nature of relationship (a) | Nature of contracts/ arrangements/ transactions (b) | Duration of the contracts/ arrangements/ transactions (c) | Salient terms of the contracts or arrangements or transactions including the value, if any (d) | date(s) of approval by the Board (e) |
|--------|--|--|--|---|---|
| | | | | | |

| | | | | | |
|----|--|--|----------------|---|------------|
| 1. | M/s Drishti Enterprises Relation : Wife of Mr. Anil Bansal (Director) is the proprietor | Receiving of Services (Job Work) | 1 (one) Year | <ul style="list-style-type: none"> - Exclusive fabricator/job worker of the company - Goods/fabric will remain exclusive property of the company - Fabricator/job worker shall keep the manufacturing unit insured adequately - Duration : 01/04/2015 to 31/03/2016 - Value : Rs. 1,00,00,000 | 14/08/2014 |
| 2. | M/s Balaji Apparel Relation : Father of Mr. Anil Bansal (Director) is the proprietor | Receiving of Services (Job Work) | 1 (one) Year | <ul style="list-style-type: none"> - Exclusive fabricator/job worker of the company - Goods/fabric will remain exclusive property of the company - Fabricator/job worker shall keep the manufacturing unit insured adequately - Duration : 01/10/2014 to 30/09/2016 - Value : Rs. 3,60,00,000 | 14/08/2014 |
| 3. | M/s Balaji International Clothing Relation : Mr. Anil Bansal (Director) is the proprietor | Franchisee Services | 1 (one) Year | <ul style="list-style-type: none"> - The selling agent shall manage the showroom, exclusively for storage, display and marketing of readymade garments - the company shall be in the exclusive possession of the showroom - The selling agent shall not remove the stock or any other belongings of the Company without the prior written permission of the company. - Duration : 01/04/2015 to 31/03/2016 - Value : Rs. 25,00,000 | 14/08/2014 |
| 4. | M/s Anil Bansal-HUF Relation : Mr. Anil Bansal (Director) is the proprietor | Receiving of Services (Selling Agent) | 1 (one) Year | <ul style="list-style-type: none"> - The selling agent shall manage the showroom, exclusively for storage, display and marketing of readymade garments - the company shall be in the exclusive possession of the showroom - The selling agent shall not remove the stock or any other belongings of the Company without the prior written permission of the company. - Duration : 01/04/2015 to 31/03/2016 - Value : 15,00,000 | 14/08/2014 |
| 5. | Mrs. Megha Bansal Relation : Wife of Mr. Deepak Bansal (Director), Daughter-in-law of Mr. Vijay Bansal (Managing Director) | Salary | 5 (Five) Years | <ul style="list-style-type: none"> - Remuneration is increased to Rs. 1,00,000 per month - Designation : appointed as Deputy General Manager – Finance - she is also entitled to allowances & perquisites - shall also be entitled to a gratuity for half month's salary for each completed year. | 26/05/2014 |

| | | | | | |
|----|--|-------------------|------|---|------------|
| 6. | Mr. Deepak Bansal Relation: Director of the Company | Agreement to sell | N.A. | <ul style="list-style-type: none"> - Sale of Property-WZ-50 situated at village Shakurpur, Delhi. - If Mr. Deepak Bansal infringes the Terms & Conditions of the agreement, then the company shall be entitled to get the transaction enforced through court of law - If the Company infringes the Terms & Conditions of the agreement, then Mr. Deepak Bansal has the right to forfeit the earnest money. - The Agreement is irrevocable. - Total sale consideration is Rs. 5 crores. | 12/02/2015 |
|----|--|-------------------|------|---|------------|

The board has approved policy for related party transactions which is available on company's website at following link www.cantabilinternational.com and further, details of general related party transactions are given in the Balance Sheet.

c) Policy for determining 'material' subsidiaries

Company does not have any subsidiary and will formulate policy for determining 'material' subsidiaries as when required.

d) Compliances by the Company

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 complied with all Accounting Standards issued by the Institute of Chartered Accountants of India.

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) Whistle Blower Policy

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and makes protective disclosures about the unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The Whistle Blower Policy is an extension of the Company's 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.

f) 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 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.

6. 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 website 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 the BSE Listing Centre and NSE Electronics Application Processing System.

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, information relating to stock exchanges.

7. DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD

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.

8. DISCLOSURES OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

9. GENERAL SHAREHOLDER INFORMATION

| S.NO. | DESCRIPTION | | |
|-------|--|--|--|
| 1. | CIN : L74899DL1989PLC034995 | | |
| 2. | Name of the Company : Cantabil Retail India Limited | | |
| 3. | Website address : www.cantabilinternational.com | | |
| 4. | E-mail address : investors@cantabilinternational.com | | |
| 5. | Annual General Meeting | | |
| | Date | Time | Venue |
| | 30th September, 2015 | 9:00 A.M | Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110074 |
| 6. | Financial Year : 1 st April, 2014 to 31 st March, 2015 | | |
| 7. | Book Closure Date : 24 th September, 2015 to 30 th September, 2015 | | |
| 8. | Dividend Payment Date: No Dividend on equity shares has been recommended by Board for the year ended 31st March 2015 considering the accumulated losses & inadequate profits during previous years. | | |
| 9. | Listing on Stock Exchanges & Stock Code | | |
| | Name and address of the stock exchange | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 | National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |
| | Stock Code | 533267 | CANTABIL |
| | ISIN No. for shares in DEMAT form | INE068L01016 | |

| 10. | Listing Fees Company confirms of having paid the annual listing fees for the Financial Year 2015-2016 to above Stock Exchanges. | | | | | | | | | | | | | | | |
|--|--|---|---|---------------------|-----------------|-------------------------------|---|--|---------------|--|---------------------|-------------|--|----|-------------------------------|---|
| 11. | Registrar & Transfer Agents (For both shares held in physical and electronic mode) <table><tr><th>Name</th><th>Address</th><th>Tel. No.</th><th>Fax No.</th><th>E-Mail</th></tr><tr><td>M/s Beetal Financial & Computer Services (P.) Ltd.</td><td>Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062</td><td>011-29961281</td><td>011-29961284</td><td>beetalrta@gmail.com</td></tr></table> | 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 | | | | | |
| 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 | | | | | | | | | | | | |
| 12. | 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 clause 47(c) of the Listing Agreement executed with the Stock Exchanges and files a copy of the same with the Stock Exchanges. Board in order to expedite the share transfer process delegated the power to senior officials of share transfer agent of the company vide Resolution passed at the Miscellaneous Committee Meeting of Board of Directors held on 6 th April 2015. Physical share transfer request valid and complete in all respect are normally processed expeditiously. The Company's shares are in compulsory Demat Mode. | | | | | | | | | | | | | | | |
| 13. | 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, 2015: 16326887 equity shares of the Company, forming 99.996% of total shareholding stand dematerialized. International Securities Identification Number (ISIN) is INEO68L01016. | | | | | | | | | | | | | | | |
| 14. | Liquidity of Shares The Equity Shares of the Company are traded at the BSE and the NSE. | | | | | | | | | | | | | | | |
| 15. | Plant Locations of the Company <table><tr><th>S.No</th><th>Unit</th><th>Location</th></tr><tr><td>1.</td><td>Manufacturing and Warehousing</td><td>B-16, Lawrence Road Industrial Area, New Delhi – 110034</td></tr><tr><td>2.</td><td>Manufacturing</td><td>Plot No. 220, HSIIDE, Industrial Estate Barhi, Sonapat</td></tr><tr><td>3.</td><td>Warehousing</td><td>WZ - 50, Shakurpur, New Delhi – 110034</td></tr><tr><td>4.</td><td>Manufacturing and Warehousing</td><td>Plot No. 359, 360 & 361 Phase – IV B, Sector – 17, HSIIDC, Bahadurgarh, Haryana</td></tr></table> | S.No | Unit | Location | 1. | Manufacturing and Warehousing | B-16, Lawrence Road Industrial Area, New Delhi – 110034 | 2. | Manufacturing | Plot No. 220, HSIIDE, Industrial Estate Barhi, Sonapat | 3. | Warehousing | WZ - 50, Shakurpur, New Delhi – 110034 | 4. | Manufacturing and Warehousing | Plot No. 359, 360 & 361 Phase – IV B, Sector – 17, HSIIDC, Bahadurgarh, Haryana |
| S.No | Unit | Location | | | | | | | | | | | | | | |
| 1. | Manufacturing and Warehousing | B-16, Lawrence Road Industrial Area, New Delhi – 110034 | | | | | | | | | | | | | | |
| 2. | Manufacturing | Plot No. 220, HSIIDE, Industrial Estate Barhi, Sonapat | | | | | | | | | | | | | | |
| 3. | Warehousing | WZ - 50, Shakurpur, New Delhi – 110034 | | | | | | | | | | | | | | |
| 4. | Manufacturing and Warehousing | Plot No. 359, 360 & 361 Phase – IV B, Sector – 17, HSIIDC, Bahadurgarh, Haryana | | | | | | | | | | | | | | |
| 16. | Address for Correspondence The shareholders may address their communications/ suggestions/ grievances/ queries to: <table><tr><td>Address</td><td>B-16, Lawrence Road Industrial Area, Delhi – 110035</td></tr><tr><td>Phone</td><td>+91-11-27156381</td></tr><tr><td>Fax</td><td>+91-11-27156383</td></tr></table> | Address | B-16, Lawrence Road Industrial Area, Delhi – 110035 | Phone | +91-11-27156381 | Fax | +91-11-27156383 | | | | | | | | | |
| Address | B-16, Lawrence Road Industrial Area, Delhi – 110035 | | | | | | | | | | | | | | | |
| Phone | +91-11-27156381 | | | | | | | | | | | | | | | |
| Fax | +91-11-27156383 | | | | | | | | | | | | | | | |

| | | | | | |
|------------|--|------------------------|------------------|-------------------|------------------|
| 17. | Market Price Data | | | | |
| | Months | BSE | | NSE | |
| | | High Price | Low Price | High Price | Low Price |
| | Apr-14 | 24.70 | 16.80 | 24.95 | 16.55 |
| | May-14 | 26.35 | 17.50 | 26.90 | 16.80 |
| | Jun-14 | 25.00 | 21.15 | 25.00 | 21.00 |
| | Jul-14 | 24.70 | 20.45 | 25.00 | 20.05 |
| | Aug-14 | 35.85 | 20.50 | 35.95 | 20.10 |
| | Sep-14 | 31.25 | 26.00 | 31.05 | 26.40 |
| | Oct-14 | 29.00 | 24.20 | 29.05 | 24.50 |
| | Nov-14 | 45.00 | 26.60 | 45.40 | 25.25 |
| | Dec-14 | 42.55 | 31.35 | 40.85 | 32.00 |
| | Jan-15 | 51.05 | 35.65 | 51.30 | 34.25 |
| | Feb-15 | 53.00 | 41.25 | 52.70 | 42.25 |
| | Mar-15 | 52.80 | 45.10 | 53.00 | 45.00 |
| 18. (A) | Performance Comparison | | | | |
| | Performance in comparison to BSE Sensex, i.e. CANTABIL Vs. SENSEX | | | | |
| | Months | CANTABIL at BSE | | SENSEX | |
| | | High Price | Low Price | High Price | Low Price |
| | Apr-14 | 24.70 | 16.80 | 22,939.31 | 22,197.51 |
| | May-14 | 26.35 | 17.50 | 25,375.63 | 22,277.04 |
| | Jun-14 | 25.00 | 21.15 | 24,368.96 | 25,725.12 |
| | Jul-14 | 24.70 | 20.45 | 26,300.17 | 24,892.00 |
| | Aug-14 | 35.85 | 20.50 | 25,753.92 | 26,674.38 |
| | Sep-14 | 31.25 | 26.00 | 26,733.18 | 27,354.99 |
| | Oct-14 | 29.00 | 24.20 | 26,681.47 | 27,894.32 |
| | Nov-14 | 45.00 | 26.60 | 27,943.04 | 28,822.37 |
| | Dec-14 | 42.55 | 31.35 | 28,748.22 | 28,809.64 |
| | Jan-15 | 51.05 | 35.65 | 27,485.77 | 29,844.16 |
| | Feb-15 | 53.00 | 41.25 | 29,143.63 | 29,560.32 |
| | Mar-15 | 52.80 | 45.10 | 29,533.42 | 30,024.74 |
| (B) | Performance in comparison to NSE Nifty, i.e. CANTABIL Vs. NIFTY | | | | |
| | Months | CANTABIL at NSE | | NIFTY | |
| | | High Price | Low Price | High Price | Low Price |
| | Apr-14 | 24.95 | 16.55 | 6869.85 | 6650.4 |
| | May-14 | 26.90 | 16.80 | 7563.5 | 6638.55 |
| | Jun-14 | 25.00 | 21.00 | 7700.05 | 7239.5 |
| | Jul-14 | 25.00 | 20.05 | 7840.95 | 7422.15 |
| | Aug-14 | 35.95 | 20.10 | 7968.25 | 7540.1 |
| | Sep-14 | 31.05 | 26.40 | 8120.85 | 7841.8 |
| | Oct-14 | 29.05 | 24.50 | 8330.75 | 7723.85 |
| | Nov-14 | 45.40 | 25.25 | 8617 | 8290.25 |
| | Dec-14 | 40.85 | 32.00 | 8626.95 | 7948.146 |
| | Jan-15 | 51.30 | 34.25 | 8985.05 | 8065.45 |
| | Feb-15 | 52.70 | 42.25 | 8913.45 | 8470.5 |
| | Mar-15 | 53.00 | 45.00 | 9119.2 | 8269.15 |

19. Distribution of Shareholding

| Category Code | Category of Shareholders | Number of Shareholders | Total Number of Shares | Number of Shares Held in Dematerialized Form | Total Shareholding as a Percentage of Total Number of Shares | | Shares Pledged or Otherwise Encumbered | |
|---------------|--|------------------------|------------------------|--|--|----------------------------|--|-----------------|
| | | | | | As a Percentage of (A+B) | As a Percentage of (A+B+C) | Number of Shares | As a Percentage |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | |
| (1) | Indian | | | | | | | |
| (A) | Individuals/ Hindu Undivided Family | 6 | 10957277 | 10957277 | 67.11 | 67.11 | 0 | 0.00 |
| (B) | Central Government/ State Government(S) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (C) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (D) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (E) | Any Other Directors & Their Relatives | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Societies . | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Partnership Firms | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | RBI | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Emp.Welfare Fund | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | ESOP/ESOS | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Trusts | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total (A)(1) | 6 | 10957277 | 10957277 | 67.11 | 67.11 | 0 | 0.00 |
| (2) | Foreign | | | | | | | |
| (A) | Individuals (Non -Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (B) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (C) | Institutions | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (D) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (E) | Any Other Directors & Their Relatives | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Societies . | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Partnership Firms | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Emp.Welfare Fund | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Trust | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | ESOP/ESOS | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2) | 6 | 10957277 | 10957277 | 67.11 | 67.11 | 0 | 0.00 |

| Category Code | Category of Shareholders | Number of Shareholders | Total Number of Shares | Number of Shares Held in Dematerialized Form | Total Shareholding as a Percentage of Total Number of Shares | | Shares Pledged or Otherwise Encumbered | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|--|-----------------|
| | | | | | As a Percentage of (A+B) | As a Percentage of (A+B+C) | Number of Shares | As a Percentage |
| (B) | Public Shareholdings | | | | | | | |
| (1) | Institutions | | | | | | | |
| (A) | Mutual Funds/UTI | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (B) | Financial Institutions/Banks | 3 | 1177947 | 1177947 | 7.21 | 7.21 | 0 | 0.00 |
| (C) | Central Government/State Government(S) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (D) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (E) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (F) | Foreign Institutional Investors | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (G) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (H) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (I) | Any Other Foreign Fin Inst | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Foreign Mut.Fund | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | F.F.I/Banks | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Stressed Asset Stabilisation Fund | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | State Fin. Corp. | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total(B)(1) | 3 | 1177947 | 1177947 | 7.21 | 7.21 | 0 | 0.00 |
| (2) | Non-Institutions | | | | | | | |
| (A) | Bodies Corporate | 181 | 1679773 | 1679773 | 10.29 | 10.29 | 0 | 0.00 |
| (B) | Individuals | | | | | | | |
| | I. Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh | 8873 | 1703015 | 1702294 | 10.43 | 10.43 | 0 | 0.00 |
| | II. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh | 13 | 416925 | 416925 | 2.55 | 2.55 | 0 | 0.00 |
| (C) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (D) | Any Other Trusts | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Directors & Their Relatives | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Market Maker | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | NRI | 99 | 272736 | 272736 | 1.67 | 1.67 | 0 | 0.00 |
| | Clearing Members | 16 | 2315 | 2315 | 0.01 | 0.01 | 0 | 0.00 |
| | HUF | 382 | 117620 | 117620 | 0.72 | 0.72 | 0 | 0.00 |

| Category Code | Category of Shareholders | Number of Shareholders | Total Number of Shares | Number of Shares Held in Dematerialized Form | Total Shareholding as a Percentage of Total Number of Shares | | Shares Pledged or Otherwise Encumbered | |
|---------------|--|------------------------|------------------------|--|--|----------------------------|--|-----------------|
| | | | | | As a Percentage of (A+B) | As a Percentage of (A+B+C) | Number of Shares | As a Percentage |
| | NRIS/OCBS | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | ESOP/ESOS/ESPS | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total(B)(2) | 9564 | 4192384 | 4191663 | 25.68 | 25.68 | 0 | 0.00 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 9567 | 5370331 | 5369610 | 32.89 | 32.89 | 0 | 0.00 |
| | Total (A)+(B) | 9573 | 16327608 | 16326887 | 100.00 | 100.00 | 0 | 0.00 |
| (C) | Shares Held By Custodians And Against Which Depository Receipts Have Been Issued | | | | | | | |
| 1 | Promoter And Promoter Group | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| 2 | Public | 0 | 0 | 0 | N. A. | 0.00 | 0 | 0.00 |
| | Grand Total (A)+(B)+(C) | 9573 | 16327608 | 16326887 | N. A. | 100.00 | 0 | 0.00 |

INTRODUCTORY SUB-TABLE (I)(A)

QUARTER ENDED 31/03/2014

| Partly Paid-Up Shares:- | Number of partly paid-up shares | As a % of total no. of partly paid-up shares | As a % of total no. of shares of the company |
|---------------------------------|---------------------------------|--|--|
| Held By Promoter/Promoter Group | 0 | 0.0000 | 0.0000 |
| Held By Public | 0 | 0.0000 | 0.0000 |
| Total- D | 0 | 0.0000 | 0.0000 |

| Outstanding Convertible Securities:- | No. Of Outstanding Securities | As A % Of Total Number Of Outstanding Convertible Securities | As A % Of Total No. Of Shares Of The Company, Assuming Full Conversion Of The Convertible Securities |
|--------------------------------------|-------------------------------|--|--|
| Held By Promoter/Promoter Group | 0 | 0.0000 | 0.0000 |
| Held By Public | 0 | 0.0000 | 0.0000 |
| Total- E | 0 | 0.0000 | 0.0000 |

| Warrants:- | Number Of Warrants | As A % Of Total Number Of Warrants | As A % Of Total No. Of Shares Of The Company, Assuming Full Conversion Of Warrants |
|---------------------------------|--------------------|------------------------------------|--|
| Held By Promoter/Promoter Group | 0 | 0.0000 | 0.0000 |
| Held By Public | 0 | 0.0000 | 0.0000 |
| Total- F | 0 | 0.0000 | 0.0000 |

| | | | |
|--|----------|------|---------|
| Total Paid-Up Capital Of The Company, Assuming Full Conversion Of Warrants And Convertible Securities (Grand Total (A+B+C+D+E+F)) | 16327608 | N.A. | 100.000 |
|--|----------|------|---------|

(I) (B) STATEMENT SHOWING HOLDING OF SECURITIES (INCLUDING SHARES,WARRANTS,CONVERTIBLE SECURITIES) OF PERSONS BELONGING TO THE CATEGORY "PROMOTER AND PROMOTER GROUP"

| SRL. NO. | NAME OF THE SHAREHOLDER | DETAILS OF SHARES HELD | | SHARES PLEDGED OR OTHERWISE ENCUMBERED | | | DETAILS OF WARRANTS | | DETAILS OF CONVERTIBLE SECURITIES | | TOTAL SHARES (INCLUDING UNDERLYING SHARES ASSUMING FULL CONVERSION OF WARRANTS AND CONVERTIBLE SECURITIES) AS A % OF DILUTED SHARE CAPITAL |
|----------|-----------------------------|------------------------|-----------------------|--|-----------------|--|-------------------------|---|---------------------------------------|--|--|
| | | NUMBER OF SHARES HELD | AS A % OF GRAND TOTAL | NUMBER | AS A PERCENTAGE | AS A % OF GRAND TOTAL (A+B+C) OF SUB-CLAUSE (I)(A) | NUMBER OF WARRANTS HELD | AS A % TOTAL NO OF WARRANTS OF THE SAME CLASS | NUMBER OF CONVERTIBLE SECURITIES HELD | AS A % OF TOTAL NUMBER OF CONVERTIBLE SECURITIES OF THE SAME CLASS | |
| 1 | SWATI GUPTA AGQPG2143Q | 160 | 0.00 | 0 | 0.00 | 0.00 | | | | | |
| 2 | MEGHA BANSAL AHWPG5081E | 193733 | 1.19 | 0 | 0.00 | 0.00 | | | | | |
| 3 | VIJAY BANSAL HUF AADHV2111G | 413385 | 2.53 | 0 | 0.00 | 0.00 | | | | | |
| 4 | DEEPAK BANSAL AFXPB6400M | 1901735 | 11.65 | 0 | 0.00 | 0.00 | | | | | |
| 5 | SUSHILA BANSAL AAIPB4917D | 2811674 | 17.22 | 0 | 0.00 | 0.00 | | | | | |
| 6 | VIJAY BANSAL AHJPB3075C | 5636590 | 34.52 | 0 | 0.00 | 0.00 | | | | | |
| | TOTAL | 10957277 | 67.11 | 0 | 0.00 | 0.00 | | | | | |

(I)(C)(I) STATEMENT SHOWING HOLDING OF SECURITIES (INCULDING SHARES,WARRANTS,CONVERTIBLE SECURITIES) OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES"

| SRL. NO. | NAME OF THE SHAREHOLDER | NUMBER OF SHARES HELD | SHARES AS A PERCENTAGE OF TOTAL NUMBER OF SHARES (I.E, GRAND TOTAL (A)+(B) +(C) INDICATED IN STATE -MENT AT PARA(I)(A)ABOVE) | DETAILS OF WARRANTS | | DETAILS OF CONVERTIBLE SECURITIES | | TOTAL SHARES (INCL UDI NG UNDERLYING SHARES ASSUMING FULL CONVERSION OF WARRANTS AND CONV ERTIBLE SECURITIES) AS % OF DILUTED SHARE CAPITAL |
|----------|------------------------------------|-----------------------|--|-------------------------|---|---------------------------------------|---|---|
| | | | | NUMBER OF WARRANTS HELD | AS A %OF TOTAL NO OF WARRANTS OF THE SAME CLASS | NUMBER OF CONVERTIBLE SECURITIES HELD | % W.R.T. TOTAL NUMBER OF CONVERTIBLE SECURITIES OF THE SAME CLASS | |
| 1 | PUNJAB NATIONAL BANK AAACP0165G | 1083748 | 6.64 | | | | | |
| 2 | ARCH FINANCE LIMITED AAACA6706G | 485909 | 2.98 | | | | | |
| 3 | SEMINARY TIE UP PVT LTD AAACF0069K | 311500 | 1.91 | | | | | |
| 4 | VAISHALI ARYA (2) AFLPA6400L | 277833 | 1.70 | | | | | |
| 5 | RELIGARE FINVEST LTD AAFCS6801H | 185000 | 1.13 | | | | | |
| | TOTAL | 2343990 | 14.36 | | | | | |

(I)(C)(II) STATEMENT SHOWING HOLDING OF SECURITIES (INCLUDING SHARES, WARRANTS, CONVERTIBLE SECURITIES) OF PERSONS (TOGETHER WITH PAC) BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 5% OF THE TOTAL NUMBER OF SHARES OF THE COMPANY

| SRL. NO. | NAME OF THE SHAREHOLDER | NUMBER OF SHARES HELD | SHARES AS A PERCENTAGE OF TOTAL NUMBER OF SHARES (I.E., GRAND TOTAL (A)+(B) +(C) INDICATED IN STATE -MENT AT PARA(I)(A) ABOVE} | DETAILS OF WARRANTS | | DETAILS OF CONVERTIBLE SECURITIES | | TOTAL SHARES (INCL UDING UNDERLYING SHARES ASSUMING FULL CONVERSION OF WARRANTS AND CONV ERTIBLE SECURITIES) AS % OF DILUTED SHARE CAPITAL |
|----------|---------------------------------|-----------------------|--|-------------------------|---|---------------------------------------|---|--|
| | | | | NUMBER OF WARRANTS HELD | AS A %OF TOTAL NO OF WARRANTS OF THE SAME CLASS | NUMBER OF CONVERTIBLE SECURITIES HELD | % W.R.T. TOTAL NUMBER OF CONVERTIBLE SECURITIES OF THE SAME CLASS | |
| 1 | PUNJAB NATIONAL BANK AAACP0165G | 1083748 | 6.64 | | | | | |
| | TOTAL | 1083748 | 6.64 | | | | | |

(I)(D) STATEMENT SHOWING DETAILS OF LOCKED-IN SHARES

| SRL. NO. | NAME OF THE SHAREHOLDER | NUMBER OF LOCKED-IN SHARES | LOCKED-IN SHARES AS A % OF TOTAL NUMBER OF SHARES (I.E., GRAND TOTAL (A)+(B) +(C) INDICATED IN STATEMENT AT PARA(I)(A)ABOVE} | PROMOTER/PROMOTER GROUP /PUBLIC |
|----------|-------------------------|----------------------------|--|---------------------------------|
| | NOT APPLICABLE | N.A. | N.A. | |

(II)(A) STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS)

| SRL. NO. | TYPE OF OUTSTANDING DR (ADRS, GDRS, SDRS, ETC.) | NUMBER OF OUTSTANDING DRS | NUMBER OF SHARES UNDERLYING OUTSTANDING DRS | SHARES UNDERLYING OUTSTANDING DRS AS A PERCENTAGE OF TOTAL NUMBER OF SHARES(I.E., GRAND TOTAL(A)+(B)+(C) INDICATED IN STATEMENT AT PARA(I)(A) ABOVE} |
|----------|---|---------------------------|---|--|
| | NOT APPLICABLE | N.A. | N.A. | N.A. |
| | TOTAL | | | |

(II)(B) STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS), WHERE UNDERLYING SHARES HELD BY PROMOTER/PROMOTER GROUP' ARE IN EXCESS OF 1% OF THE TOTAL NUMBER OF SHARES

| SRL. NO. | NAME OF THE DR HOLDER | TYPE OF OUTSTANDING DR (ADRS, GDRS, SDRS, ETC.) | NUMBER OF SHARES UNDERLYING OUTSTANDING DRS | SHARES UNDERLYING OUTSTANDING DRS AS A PERCENTAGE OF TOTAL NUMBER OF SHARES (I.E., GRAND TOTAL (A)+(B)+(C) INDICATED IN STATEMENT AT PARA (I)(A) ABOVE} |
|----------|-----------------------|---|---|---|
| | NOT APPLICABLE | N.A. | N.A. | N.A. |
| | TOTAL | | | |

Certification by Managing Director and CFO {Clause 49(IX)}

To

The Board of Directors,

Cantabil Retail India Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Cantabil Retail India Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the Financial Year 2014-2015 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together 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 we have evaluated the effectiveness of the 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, wherever applicable, the following:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-

Sd/-

Date : 30.06.2015

(VIJAY BANSAL)

(RAJESH ROHILLA)

Place : New Delhi

Chairman-cum-Managing Director

Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To the Member of

Cantabil Retail India Limited

We have examined the compliance of the conditions of Corporate Governance by Cantabil Retail India Limited, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof adopted by the company for ensuring compliance with 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 in the abovementioned Listing Agreement.

We 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 : 30.06.2015

Place : New Delhi

Devesh Kumar Vashisht

Company Secretaries

C.P. No. 13700

DECLARATION FOR CODE OF CONDUCT**Affirmation of Compliance with this Code of Conduct**

To

The Compliance Officer
Cantabil Retail India Limited
B-16, Lawrence Road Industrial Area
New Delhi – 110 035

Dear Madam,

I have received and read the Company's Code of Conduct for the Directors and Senior Management Personnel. I understand the standards and policies contained in this Code of Conduct and agree to adhere to the standards described in this Code of Conduct and comply with this Code of Conduct at all times. Further I do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of this Code of Conduct during the preceding Financial Year, if applicable.

Sd/-

Date : 30.06.2015

Place : New Delhi

VIJAY BANSAL

Chairman-cum-Managing Director

DIN : 01110877

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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 records 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, regulation, 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 efficacy 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, 2015 ("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, 2015 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;
- (v) The following Regulations and Guidelines 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, 1992;
 - (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, 1999;
- (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;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

*Not Applicable to the Company during the Audit period.

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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 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 period under review were carried out in compliance with the provisions of the Act.

Adequate seven days notices were given to all directors of the Board Meetings; agenda and detailed notes on agenda were generally sent in advance of 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 are 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. However, we are of the view that it can be further strengthened.

We further report that during the audit period, the shareholders of the Company in their 26th Annual General Meeting held on September 30, 2014 had passed the following special resolution(s):

- a) pursuant to Section 180(1)(c) of the Act for fixing the borrowing limits of the company for an amount not exceeding Rs. 150 Crores (Rupees One Hundred and Fifty Crores only); and
- b) pursuant to Section 180(1)(a) of the Act for creation of mortgages/charges/ hypothecation, in any manner whatsoever, on all or any of the immovable and movable properties of the Company for an amount not exceeding Rs. 150 Crores (Rupees One Hundred and Fifty Crores only).

We further report that during the audit period there were no instances of:

- (i) Public/Rights /Preferential issue of shares/ sweat equity.
- (ii) Redemption/Buy back of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

For Sanjay Grover & Associates
Company Secretaries

Sanjay Grover
CP No.: 3850

Date : June 30, 2015

Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

To

The Members of

CANTABIL RETAIL INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Cantabil Retail India Limited ('the company'), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements based on 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2015 and its profit 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, 2015 ("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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the 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 are no instances of delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the company.

For **SURESH & ASSOCIATES**

FRN: 003316N

CHARTERED ACCOUNTANTS

Date : 25th May, 2015

Place : DELHI

(**CA SURESH K GUPTA**)

PARTNER

M. No. 080050

ANNEXURE 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 31st March 2015, 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.
- (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) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (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, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, 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, Wealth Tax, Service Tax, Value Added Tax and Cess have not been deposited with the appropriate authorities on account of dispute.

| Nature of dues | Amount (in Rs) | Period to which the amount relates | Forum where dispute is pending |
|-----------------------|----------------|------------------------------------|--------------------------------|
| Labour Dues | 3.55 Lacs | F.Y. 2010-11 | High Court, Delhi |
| CENVAT of Service Tax | 86.35 Lacs | F.Y. 2012-13 | CESTAT Bench, Delhi |

- (c) According to the information and explanations given to us, no amount was required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Company has accumulated losses at the end of the Financial Year which do not exceed fifty percent of its net worth. The company has not incurred cash losses in current Financial Year but incurred cash losses in the immediately preceding Financial Years.

- (ix) The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has utilised term loans for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **SURESH & ASSOCIATES**

FRN: 003316N

CHARTERED ACCOUNTANTS

Date : 25th May, 2015

Place : DELHI

(CA SURESH K GUPTA)

PARTNER

M. No. 080050

BALANCE SHEET AS AT 31st March, 2015

| Particulars | NOTE No. | As at 31 st March, 2015 Rs. | As at 31 st March, 2014 Rs. |
|---------------------------------|----------|--|--|
| A EQUITY AND LIABILITIES | | | |
| Shareholders Funds | | | |
| Share Capital | 3 | 163,276,080 | 163,276,080 |
| Reserves & Surplus | 4 | 560,889,202 | 534,177,943 |
| | | 724,165,282 | 697,454,023 |
| Non-Current Liabilities | | | |
| Long Term borrowing | 5 | 4,018,706 | - |
| Other long-term liabilities | 6 | 57,631,814 | 55,984,693 |
| Long-term provisions | 7 | 15,790,156 | 13,797,615 |
| | | 77,440,676 | 69,782,308 |
| Current Liabilities | | | |
| Short-term borrowings | 8 | 344,986,882 | 308,868,122 |
| Trade payables | 9 | 165,385,048 | 128,915,213 |
| Other current liabilities | 10 | 27,005,864 | 21,143,869 |
| Short-term provisions | 11 | 4,789,372 | 4,901,598 |
| | | 542,167,166 | 463,828,803 |
| TOTAL | | 1,343,773,124 | 1,231,065,133 |
| B ASSETS | | | |
| Non-Current Assets | | | |
| Fixed assets | 12 | | |
| Tangible assets | | 433,692,164 | 445,665,396 |
| Intangible assets | | 1,969,162 | 1,946,989 |
| Capital work-in-progress | | 616,227 | 984,394 |
| | | 436,277,553 | 448,596,779 |
| Deferred tax assets (Net) | 29.3 | 25,569,543 | 21,408,586 |
| Long-term loans and advances | 13 | 83,512,413 | 82,366,060 |
| Other non-current assets | 14 | 62,046,277 | 36,796,277 |
| | | 171,128,233 | 140,570,923 |
| Current Assets | | | |
| Current Investments | 15 | 164,000 | 164,000 |
| Inventories | 16 | 589,850,416 | 465,903,943 |
| Trade Receivables | 17 | 101,159,250 | 127,750,691 |
| Cash and Cash Equivalents | 18 | 18,524,214 | 8,513,772 |
| Short-Term Loans and Advances | 19 | 26,669,458 | 39,565,024 |
| | | 736,367,338 | 641,897,430 |
| TOTAL | | 1,343,773,124 | 1,231,065,133 |

Accompanying Notes 1 to 32 forms integral part of these Financial Statements.

As per our attached report of even date

For **SURESH & ASSOCIATES**
FRN: 003316N
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(CA SURESH K. GUPTA)
PARTNER
M.NO. 080050

(Vijay Bansal)
Managing Director
DIN: 01110877

(Deepak Bansal)
Director
DIN:01111104

DATE : 25th May, 2015
PLACE : DELHI

(CA Rajesh Rohilla)
Chief Financial Officer

(CS Poonam Chahal)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2015

| Particulars | NOTE No. | For the year ended 31 st March, 2015 Rs. | For the year ended 31 st March, 2014 Rs. |
|--|----------|---|---|
| Revenue From Operations (net) | 20 | 1,386,777,087 | 1,112,603,370 |
| Other income | 21 | 1,691,704 | 1,680,365 |
| Total revenue | | 1,388,468,791 | 1,114,283,735 |
| Expenses | | | |
| Cost of materials consumed | 22.a | 381,363,840 | 362,336,585 |
| Purchase of stock-in-trade | 22.b | 207,679,874 | 142,384,970 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade- (Increase)/Decrease | 22.c | (106,909,224) | (6,361,362) |
| Employee benefit expense | 23 | 174,416,887 | 135,087,098 |
| Finance cost | 24 | 49,494,220 | 47,521,575 |
| Depreciation and amortisation expense | 12 | 63,646,502 | 15,566,778 |
| Other expenses | 25 | 587,020,425 | 507,969,052 |
| Total expenses | | 1,356,712,524 | 1,204,504,694 |
| Profit / (Loss) before exceptional and extraordinary items and tax | | 31,756,267 | (90,220,959) |
| Exceptional items | 26.a | (6,022,695) | (1,740,550) |
| Profit / (Loss) before extraordinary items and tax | | 25,733,572 | (91,961,509) |
| Extraordinary items | 26.b | - | 1,145,811 |
| Profit / (Loss) before tax | | 25,733,572 | (90,815,698) |
| Tax expense: | | - | - |
| Deferred tax (assets)/liability | 29.3 | (3,177,327) | 234,235 |
| | | (3,177,327) | 234,235 |
| Profit / (Loss) for the year | | 28,910,898 | (91,049,933) |
| Earnings per Equity share | | | |
| Equity Share of Face Value Rs. 10 each | | | |
| Basic | 29.2 | 1.77 | (5.58) |
| Diluted | 29.2 | 1.77 | (5.58) |

Accompanying Notes 1 to 32 forms integral part of these Financial Statements .

As per our attached report of even date

 For **SURESH & ASSOCIATES**
 FRN: 003316N
 CHARTERED ACCOUNTANTS

(CA SURESH K. GUPTA)
 PARTNER
 M.NO. 080050

 DATE : 25th May, 2015
 PLACE : DELHI

For and on behalf of the Board of Directors

(Vijay Bansal)
 Managing Director
 DIN: 01110877

(CA Rajesh Rohilla)
 Chief Financial Officer

(Deepak Bansal)
 Director
 DIN:01111104

(CS Poonam Chahal)
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| Particulars | For the year ended 31 st March, 2015 | | For the year ended 31 st March, 2014 | |
|--|--|--------------|--|--------------|
| | Rs. | Rs. | Rs. | Rs. |
| A. Cash flow from Operating Activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | 25,733,572 | | (91,961,509) |
| Adjustments for: | | | | |
| Depreciation and amortisation | 63,646,502 | | 15,566,778 | |
| Profit/(Loss) on sale of fixed assets | 236,949 | | 1,740,550 | |
| Finance costs | 49,494,220 | | 47,521,575 | |
| Interest income | (1,691,704) | | (1,680,365) | |
| Other income | - | 111,685,967 | - | 63,148,538 |
| | | 137,419,539 | | (28,812,971) |
| Operating profit / (loss) before working capital changes | | | | |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | (123,946,473) | | (37,530,110) | |
| Trade receivables | 26,591,440 | | 31,593,657 | |
| Short-term loans and advances | 12,895,566 | | 26,499,478 | |
| Long-term loans and advances | (1,146,353) | | 1,302,083 | |
| Other non-current assets | - | | - | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 36,469,835 | | 84,649,081 | |
| Other current liabilities | 3,502,426 | | (14,864,879) | |
| Other long-term liabilities | 1,647,121 | | (6,349,621) | |
| Short-term provisions | (112,226) | | (54,253) | |
| Long-term provisions | 1,992,541 | (42,106,122) | 2,038,916 | 87,284,353 |
| | | 95,313,416 | | 58,471,381 |
| Cash flow from extraordinary items | | - | | - |
| Cash generated from operations | | 95,313,416 | | 58,471,381 |
| Net income tax (paid) / refunds/ Adjustment | | - | | - |
| | | 95,313,416 | | 58,471,381 |
| Net cash flow from / (used in) operating activities (A) | | 95,313,416 | | 58,471,381 |
| B. Cash Flow from Investing Activities | | | | |
| Capital expenditure on fixed assets | (54,747,984) | | (113,722,222) | |
| Proceeds from sale of fixed assets | 490 | | 1,815,063 | |
| Other non-current assets - Capital advance made for fixed assets | (25,250,000) | | (2,361,699) | |
| Current investments not considered as Cash and cash equivalents | | | | |
| - Purchased | - | | (11,144,278) | |
| - Proceeds from sale | - | | 83,361,926 | |
| Long-term investments | | | | |
| - Purchased | - | | - | |
| - Proceeds from sale | | | | |
| Interest received | | | | |
| - Others | 1,691,704 | | 1,680,365 | |
| Dividend received | | | | |
| - Others | - | | 1,055,928 | |
| Other Income | | | | |
| - Other Income | - | (78,305,790) | - | (39,314,917) |
| | | (78,305,790) | | (39,314,917) |
| Cash flow from extraordinary items | | - | | - |
| | | (78,305,790) | | (39,314,917) |
| Net income tax (paid) / refunds | | - | | - |
| | | (78,305,790) | | (39,314,917) |
| Net Cash Flow from / (used in) Investing Activities (B) | | (78,305,790) | | (39,314,917) |

| Particulars | For the year ended 31 st March, 2015 | | For the year ended 31 st March, 2014 | |
|---|--|--------------------|--|---------------------|
| | Rs. | Rs. | Rs. | Rs. |
| C. Cash Flow from Financing Activities | | | | |
| Proceeds from long-term borrowings | 7,474,000 | | - | |
| Repayment of long-term borrowings | (1,095,725) | | - | |
| Net increase / (decrease) in working capital borrowings | 36,118,759 | | (309,563) | |
| Finance cost | (49,494,220) | (6,997,185) | (47,521,575) | (47,831,137) |
| Net Cash Flow from / (used in) Financing Activities (C) | | (6,997,185) | | (47,831,137) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 10,010,442 | | (28,674,673) |
| Cash and cash equivalents at the beginning of the year | | 8,513,772 | | 37,188,445 |
| Cash and cash equivalents at the end of the year | | 18,524,214 | | 8,513,772 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | | |
| Cash and cash equivalents as per Balance Sheet | | 18,524,214 | | 8,513,772 |
| Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18 | | 18,524,214 | | 8,513,772 |
| Cash and cash equivalents at the end of the year * | | 18,524,214 | | 8,513,772 |
| * Comprises: | | | | |
| (a) Cash on hand | | 4,629,696 | | 3,304,948 |
| (b) Balances with banks | | - | | - |
| (i) In current accounts | | 13,894,518 | | 5,208,824 |
| | | 18,524,214 | | 8,513,772 |

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

Accompanying Notes 1 to 32 forms integral part of these Financial Statements.

As per our attached report of even date

For **SURESH & ASSOCIATES**
 FRN: 003316N
 CHARTERED ACCOUNTANTS

(CA SURESH K. GUPTA)
 PARTNER
 M.NO. 080050

DATE : 25th May, 2015
 PLACE : DELHI

For and on behalf of the Board of Directors

(Vijay Bansal)
 Managing Director
 DIN: 01110877

(CA Rajesh Rohilla)
 Chief Financial Officer

(Deepak Bansal)
 Director
 DIN:01111104

(CS Poonam Chahal)
 Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2: Significant accounting policies

| Note | Particulars |
|------|-------------|
|------|-------------|

1. Corporate information : CIN :- L74899DL1989PLC034995

The Company was incorporated on 9th Feb, 1989 and is mainly 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" & "Bonetti". The Company is also into the business of real estate trade.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Accounting Principles generally accepted in India in accordance with Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

| | | |
|----------------------------------|---|---|
| Raw Material & Packing Materials | : | At cost or net realizable value (on FIFO basis) whichever is lower. |
| Finished Goods | : | At cost or net realizable value whichever is lower. |
| Work in Process | : | At cost or net realizable value whichever is lower. |
| Stores and Spares | : | At cost or net realizable value (on FIFO basis) whichever is lower. |
| Scrap | : | At estimated net realizable value. |

Cost of raw material and packing material are determined using first in first out (FIFO) method. Cost of finished goods and work in process include cost of raw material and packing materials, cost of conversion and other cost incurred in bringing the inventories to the present location and condition.

2.4 Cash and cash equivalents

Cash and cash equivalent comprises cash in hand and Bank Balance.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6. Depreciation and Amortisation

Depreciation has been provided on Written Down Value (WDV) Method on all assets based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except for intangible assets which are amortised over a period of five years as prescribed in Accounting Standard 26.

2.7 Revenue recognition

Revenue is recognised only when risk and rewards incidental to ownership are transferred to the customers. Discounts given / accrued to customers at the time of despatch are considered as trade discounts and netted from sales. Sales is recorded net of Sales Tax/VAT.

Interest income is recognized on an accrual basis on time proportionate basis, based on interest rates implicit in the transaction.

2.8 Fixed Assets

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises its purchase price, borrowings cost and any cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent expenditure relating to Tangible Assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Tangible Assets acquired for the new company owned showrooms or any new project are shown as Capital Work-In-Progress till the commencement of the commercial operation of the showroom/ project as on the reporting date.

Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.9 Extraordinary item

Extraordinary items are income or expense that arises from transaction that are clearly distinct from ordinary activities. They are not expected to recur frequently or regularly.

2.10 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

Employee benefits include provident fund, gratuity, compensated absences.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested

and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Operating Lease

Operating lease payments are recognised as an expense in the statement of Profit and Loss on a Straight-Line basis or other systematic bases more representative of the time pattern of the user's benefit.

2.14 Earnings Per Share

Basic Earnings Per Share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted Earnings Per Share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic Earnings Per Share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.16 Impairment of assets

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets are neither recognised nor disclosed in the financial statement. Contingent liabilities are disclosed in the Notes.

Notes forming part of the Financial Statements

Note 3: Share capital

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|------------------------------------|-------------|------------------------------------|-------------|
| | Number of shares | Rs. | Number of shares | Rs. |
| Authorised | | | | |
| Equity shares of Rs.10/- each with voting right | 1,70,00,000 | 170,000,000 | 1,70,00,000 | 170,000,000 |
| | 17,000,000 | 170,000,000 | 1,70,00,000 | 170,000,000 |
| Issued | | | | |
| Equity shares of Rs.10/- each with voting rights | 1,63,27,608 | 163,276,080 | 1,63,27,608 | 163,276,080 |
| | 1,63,27,608 | 163,276,080 | 1,63,27,608 | 163,276,080 |
| Subscribed and fully paid up | | | | |
| Equity shares of Rs.10/- each with voting rights | 1,63,27,608 | 163,276,080 | 1,63,27,608 | 163,276,080 |
| | 1,63,27,608 | 163,276,080 | 1,63,27,608 | 163,276,080 |
| | 1,63,27,608 | 163,276,080 | 1,63,27,608 | 163,276,080 |

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

| Particulars | Opening Balance | Closing Balance |
|---|-----------------|-----------------|
| Equity shares with voting rights | | |
| Year ended 31st March, 2015 | | |
| - Number of shares | 16,327,608 | 16,327,608 |
| - Amount (Rs.) | 163,276,080 | 163,276,080 |
| Year ended 31st March, 2014 | | |
| - Number of shares | 16,327,608 | 16,327,608 |
| - Amount (Rs.) | 163,276,080 | 163,276,080 |

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

| Class of shares / Name of shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Vijay Bansal | 5,636,590 | 34.52% | 5,581,590 | 34.18% |
| Mrs. Sushila Bansal | 2,811,674 | 17.22% | 2,801,674 | 17.16% |
| Mr. Deepak Bansal | 1,901,735 | 11.65% | 1,233,601 | 7.56% |
| Punjab National Bank | 1,083,748 | 6.64% | 1,083,748 | 6.64% |

Note 4: Reserves and Surplus

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Securities Premium Account | | |
| Opening balance | 875,610,222 | 875,610,222 |
| Closing balance | 875,610,222 | 875,610,222 |
| Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | (341,432,279) | (250,382,346) |
| Less : Fixed written off pursuant to schedule II of Companies Act ,2013 | 2,199,639 | - |
| Add: Profit /(Loss) for the year | 28,910,898 | (91,049,933) |
| Closing balance | (314,721,019) | (341,432,279) |
| Total | 560,889,202 | 534,177,943 |

Note 5: Long-Term Borrowings

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Term loans | | |
| From banks | | |
| Secured | 4,018,706 | - |
| Total | 4,018,706 | - |

Disclosure of repayment terms

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| <u>ICICI Bank</u> - Car Loan of Rs. 35,04,000/- ,Tenure-36 months by equated monthly installment (EMI) of Rs. 1,13,460/- @10.24% p.a.repayable over the period 15 th July, 2014 to 15 th June, 2017. | 1,575,769 | - |
| <u>ICICI Bank</u> - Car Loan of Rs. 39,70,000/- ,Tenure-36 months by equated monthly installment (EMI) of Rs. 1,28,568/- @10.25% p.a.repayable over the period 15 th Jan, 2015 to 15 th December, 2017. | 2,442,937 | - |
| Total | 4,018,706 | - |

Note 6: Other Long-Term Liabilities

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|------------------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Others: | | |
| Trade / security deposits received | 56,751,847 | 55,395,347 |
| Trade Payable | 879,967 | 589,346 |
| Total | 57,631,814 | 55,984,693 |

Note : Security Deposits includes amount of Rs. 60,00,000/- received from related parties.

Note 7: Long-Term Provisions

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|----------------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Provision for employee benefits: | | |
| Provision for gratuity | 12,639,589 | 11,462,208 |
| Provision for Leave Encashment | 3,150,567 | 2,335,407 |
| | 15,790,156 | 13,797,615 |
| Total | 15,790,156 | 13,797,615 |

Note 8: Short-Term Borrowings

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Loans repayable on demand | | |
| From banks | | |
| Secured | 344,986,882 | 308,868,122 |
| | 344,986,882 | 308,868,122 |
| Total | 344,986,882 | 308,868,122 |

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

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Loans repayable on demand from banks: | | |
| <u>AXIS Bank Ltd.</u> | | |
| Interest payable @ Base Rate+3.50% 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 pari 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. The same is also secured by way of mortgage of personal property of the Director and the Personal Guarantee of the Directors. | 99,349,787 | 106,006,451 |
| <u>Standard Chartered Bank</u> | | |
| Interest payable @ Base Rate+3.50% p.a. (variable), Secured Against First Pari Passu charge by way of hypothecation of entire Current assets of the company both present and future and First pari passu charge jointly with Axis Bank only by way of equitable mortgage over the personal property of the directors and also the personal guarantee of directors. | 99,317,852 | 97,921,579 |
| <u>Oriental Bank of Commerce</u> | | |
| Interest payable @ Base Rate+3.50% p.a. payable monthly, Secured Against Hyp. of stocks of raw material, stock-in-process, Finished goods, stores & Spares of garment manufacturing unit and receivables on first pari-passu basis with Axis Bank and Standard Chartered bank. Part First pari passu charge by way of equitable mortgage of immovable properties of the company at HSIIDC Bahadurgarh, and HSIIDC Sonapat (Haryana). The same is also secured by First Pari-Passu charge over entire current assets of the company both present & future and First Pari-Passu charge by way of hypothecation of entire movable fixed assets both present & future and the Personal Guarantee of the Directors. | 146,319,243 | 104,940,093 |
| Total - from banks | 344,986,882 | 308,868,122 |
| Total | 344,986,882 | 308,868,122 |

Note 9: Trade Payables

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Trade payables: | | |
| Other than Acceptances | 165,385,048 | 128,915,213 |
| Total | 165,385,048 | 128,915,213 |

Note : Trade payables includes amount payable to related parties for Rs. 68,57,236/-

Note 10: Other current liabilities

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Current maturities of long-term debt | 2,359,569 | - |
| Other payables: | | |
| Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, etc.) | 5,881,475 | 3,771,136 |
| Provision for Wealth Tax | 8,800 | 24,250 |
| Advances from customers | 627,274 | 2,584,599 |
| Salary & Wages payable | 13,676,177 | 10,081,188 |
| Expense payable Others | 4,452,568 | 4,682,696 |
| Total | 27,005,864 | 21,143,869 |

Note : Salary & Wages payables includes amount due to related parties for Rs. 3,69,680/-.

Note 11: Short-Term Provisions

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|----------------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Provision for employee benefits: | | |
| Provision for bonus | 2,733,394 | 2,915,630 |
| Provision for gratuity | 1,326,289 | 1,415,981 |
| Provision for Leave Encashment | 729,689 | 569,987 |
| Total | 4,789,372 | 4,901,598 |

Note 12 :Fixed Assets

| Particulars | GROSS BLOCK | | | | | | ACCUMULATED DEPRECIATION | | | | | | NET BLOCK | |
|---------------------------------------|---|--------------------|-------------------|----------------------|--|-----|----------------------------------|-------------------|-------------|--|-----|--|-----------|--|
| | Balance as at 1 st April, 2014 | Additions | Disposals | Adjustments | Balance as at 31 st March, 2015 | Rs. | Depreciation Charge for the year | On Disposals | Adjustments | Balance as at 31 st March, 2015 | Rs. | Balance as at 31 st March, 2015 | Rs. | Balance as at 31 st March, 2014 |
| <u>Tangible Assets</u> | | | | | | | | | | | | | | |
| Land (Freehold) | 66,243,977 | - | - | - | 66,243,977 | Rs. | - | - | - | - | Rs. | 66,243,977 | Rs. | 66,243,977 |
| Buildings | 326,905,148 | 4,293,442 | 3,896,765 | - | 327,301,825 | Rs. | 30,402,657 | 1,476,933 | - | 34,741,705 | Rs. | 292,560,120 | Rs. | 321,089,166 |
| Plant and Equipments | 47,910,151 | 14,353,718 | 86,776 | - | 62,177,093 | Rs. | 7,857,166 | 21,955 | - | 32,315,557 | Rs. | 29,861,536 | Rs. | 23,429,805 |
| Furniture and Fixtures | 69,100,801 | 21,714,413 | 126,829 | - | 90,688,385 | Rs. | 15,793,401 | 68,439 | - | 58,524,340 | Rs. | 32,164,045 | Rs. | 26,301,424 |
| Vehicles | 19,013,757 | 9,603,700 | 7,809 | - | 28,609,648 | Rs. | 4,775,185 | 4,680 | - | 18,356,707 | Rs. | 10,252,941 | Rs. | 5,427,554 |
| Office equipment | 19,328,433 | 2,700,267 | 10,045,878 | - | 11,982,822 | Rs. | 2,503,883 | 9,285,569 | - | 9,373,277 | Rs. | 2,609,545 | Rs. | 3,173,470 |
| Total | 548,502,267 | 52,665,540 | 14,164,057 | - | 587,003,750 | | 61,332,292 | 10,857,577 | - | 153,311,586 | | 433,692,164 | | 445,665,396 |
| Previous Year | 233,413,950 | 319,585,065 | 4,496,748 | - | 548,502,267 | | 13,723,870 | 2,441,135 | - | 102,836,870 | | 445,665,396 | | 141,859,814 |
| <u>Intangible Assets</u> | | | | | | | | | | | | | | |
| Computer software | 8,312,127 | 2,336,383 | - | - | 10,648,510 | Rs. | 2,297,723 | - | - | 8,717,961 | Rs. | 1,930,549 | Rs. | 1,891,889 |
| Brands / trademarks | 164,553 | - | - | - | 164,553 | Rs. | 16,486 | - | - | 125,940 | Rs. | 38,613 | Rs. | 55,099 |
| Total | 8,476,680 | 2,336,383 | - | - | 10,813,063 | | 2,314,210 | - | - | 8,843,901 | | 1,969,162 | | 1,946,989 |
| Previous Year | 7,838,143 | 638,537 | - | - | 8,476,680 | | 1,842,908 | - | - | 6,529,691 | | 1,946,989 | | 3,151,360 |
| <u>(iii) Capital Work in Progress</u> | | | | | | | | | | | | | | |
| Total | 984,394 | 616,227 | 158,580 | (825,814) | 616,227 | | - | - | - | - | | 616,227 | | 984,394 |
| Previous Year | 208,985,774 | 99,362,198 | 1,913,899 | (305,449,679) | 984,394 | | - | - | - | - | | 984,394 | | 208,985,774 |
| Grand Total | 557,963,341 | 55,618,150 | 14,322,637 | (825,814) | 598,433,040 | | 63,646,502 | 10,857,577 | - | 162,155,487 | | 436,277,553 | | 448,596,779 |
| Previous Year | 450,237,867 | 419,585,800 | 6,410,647 | (305,449,679) | 557,963,341 | | 15,566,778 | 2,441,135 | - | 109,366,562 | | 448,596,779 | | 353,996,948 |

Note : Pursuant to the enactment of Companies Act, 2013 ,the company has changed the depreciation charge based on remaining useful life of the assets as per requirement of schedule II of the Companies Act. Accordingly the depreciation charge for period ending on March 31st, 2015 is higher by Rs. 141.18 laos,if compared to the depreciation rates in force till preceding year.

Note 13: Long-Term Loans and Advances

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|----------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Security deposits | | |
| Unsecured, considered good | 81,716,506 | 80,570,153 |
| Doubtful | 1,795,907 | 1,795,907 |
| | 83,512,413 | 82,366,060 |
| Total | 83,512,413 | 82,366,060 |

Note 14: Other non-current assets

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Capital advances | | |
| Unsecured, considered good | 44,106,500 | 18,856,500 |
| | 44,106,500 | 18,856,500 |
| Other Loans & advances | | |
| Unsecured, considered good (Advance against Purchases) | 17,939,778 | 17,939,778 |
| | 17,939,778 | 17,939,778 |
| Total | 62,046,277 | 36,796,277 |

Note : Capital advances includes the payment made to related party amounting Rs. 2,52,50,000/-

Note 15: Current Investments

| | As at 31 st March, 2015 | | | As at 31 st March, 2014 | | |
|---|------------------------------------|----------|----------------|------------------------------------|----------|----------------|
| | Quoted | Unquoted | Total | Quoted | Unquoted | Total |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| <u>Investment in equity instruments</u> | | | | | | |
| 1600 Equity shares of Nova Iron & Steel Co. Ltd | 24,000 | - | 24,000 | 24,000 | - | 24,000 |
| | 24,000 | - | 24,000 | 24,000 | - | 24,000 |
| <u>Investment in mutual funds</u> | | | | | | |
| 833.903 Units of HDFC Equity Fund (G) | 130,000 | - | 130,000 | 130,000 | - | 130,000 |
| 910.61 Units of IDFC Imperial Equity Fund- Plan A (G) | 10,000 | - | 10,000 | 10,000 | - | 10,000 |
| | 140,000 | - | 140,000 | 140,000 | - | 140,000 |
| Total | 164,000 | - | 164,000 | 164,000 | - | 164,000 |

Note 16: Inventories

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---------------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Raw materials | 28,951,738 | 27,931,829 |
| Work-in-progress | 28,951,738 | 27,931,829 |
| | 97,208,352 | 104,652,795 |
| Finished Goods | 97,208,352 | 104,652,795 |
| Finished goods - Apparels | 367,005,767 | 284,896,669 |
| Other goods - Real Estate | 70,161,880 | 37,902,748 |
| Finished Goods-in-transit | - | 14,564 |
| | 437,167,647 | 322,813,981 |
| Stores and spares | 26,522,679 | 10,505,339 |
| | 26,522,679 | 10,505,339 |
| Total | 589,850,416 | 465,903,943 |

Note 17: Trade Receivables

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Trade receivables outstanding for a period exceeding six months : | | |
| Unsecured, considered good | 9,953,354 | 47,246,215 |
| Unsecured, considered good - Related Party | - | 43,200 |
| Doubtful-others | 4,630,621 | 4,630,621 |
| | 14,583,974 | 51,920,036 |
| Less Provision for doubtful trade receivable | 3,474,157 | 3,474,157 |
| | 11,109,817 | 48,445,879 |
| Other Trade receivables | | |
| Unsecured, considered good | 87,592,165 | 79,304,812 |
| Unsecured, considered good - Related Party | 2,457,268 | - |
| | 90,049,433 | 79,304,812 |
| Total | 101,159,250 | 127,750,691 |

Note 18: Cash and cash equivalents

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---------------------|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Cash on hand | 4,629,696 | 3,304,948 |
| Balances with Banks | | |
| In current accounts | 13,894,518 | 5,208,824 |
| Total | 18,524,214 | 8,513,772 |

Note 19: Short-Term Loans and Advances

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Loans and advances to employees | | |
| Unsecured, considered good | 891,204 | 1,647,831 |
| | 891,204 | 1,647,831 |
| Prepaid expenses - Unsecured, considered good | 1,308,695 | 907,117 |
| | 1,308,695 | 907,117 |
| Balances with Government authorities | | |
| Unsecured, considered good | | |
| VAT credit receivable | 2,320,835 | 1,855,524 |
| Excise Refund | 41,325 | 41,325 |
| Income Tax Refund/TDS Receivable | 4,224,282 | 4,056,282 |
| FBT Refund due | 576,363 | 576,363 |
| Deposit with Central Excise | 600,000 | 600,000 |
| | 7,762,805 | 7,129,494 |
| Inter-corporate deposits | | |
| Unsecured, considered good | 13,512,000 | 12,000,000 |
| | 13,512,000 | 12,000,000 |
| Other Loans & advances | | |
| Unsecured, considered good (Advance against Purchases and others) | 2,070,254 | 16,756,082 |
| Doubtful | 1,124,500 | 1,124,500 |
| | 3,194,754 | 17,880,582 |
| Total | 26,669,458 | 39,565,024 |

Note 20: Revenue from Operations (Net)

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--------------------------|--|--|
| | Rs. | Rs. |
| Sale of products | | |
| Garments | 1,352,180,414 | 1,084,763,244 |
| Accessories | 29,854,528 | 20,807,227 |
| Others (scrap etc.) | 881,891 | 930,452 |
| | 1,382,916,833 | 1,106,500,923 |
| Other operating revenues | 3,860,254 | 6,102,447 |
| | 1,386,777,087 | 1,112,603,370 |
| Total | 1,386,777,087 | 1,112,603,370 |

Note 21: Other Income

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-----------------|--|--|
| | Rs. | Rs. |
| Interest income | 1,691,704 | 1,680,365 |
| Total | 1,691,704 | 1,680,365 |

Note 22.a: Cost of Materials Consumed

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---------------------|--|--|
| | Rs. | Rs. |
| Opening stock | 38,437,168 | 23,226,168 |
| Add: Purchases | 396,820,225 | 376,002,711 |
| Cartage Inward | 1,580,864 | 1,544,874 |
| | 436,838,257 | 400,773,753 |
| Less: Closing stock | 55,474,417 | 38,437,168 |
| | 381,363,840 | 362,336,585 |
| Total | 381,363,840 | 362,336,585 |

Note 22.b: Purchase of traded goods

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---------------------------------------|--|--|
| | Rs. | Rs. |
| Traded good - Apparel and Accessories | 175,420,742 | 117,514,972 |
| Other items -Real Estate | 32,259,132 | 24,869,998 |
| Total | 207,679,874 | 142,384,970 |

Note 22.c: Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | Rs. | Rs. |
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | 437,167,647 | 322,813,981 |
| Work-in-progress | 97,208,352 | 104,652,795 |
| | 534,375,999 | 427,466,775 |
| <u>Inventories at the beginning of the year:</u> | | |
| Finished goods | 322,813,981 | 353,912,378 |
| Work-in-progress | 104,652,795 | 51,235,288 |
| Excise duty on inventory | - | 15,957,747 |
| | 427,466,775 | 421,105,413 |
| Net (Increase) / Decrease | (106,909,224) | (6,361,362) |

Note 23: Employee Benefits Expense

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | Rs. | Rs. |
| Salaries and Wages | 161,035,311 | 125,771,546 |
| Contributions to provident and other funds | 8,649,623 | 5,545,521 |
| Staff welfare expenses | 4,731,953 | 3,770,031 |
| Total | 174,416,887 | 135,087,098 |

Note 24: Finance Costs

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-------------------|--|--|
| | Rs. | Rs. |
| Interest on: | | |
| Borrowings | 39,225,274 | 36,755,109 |
| Security Deposits | 2,702,200 | 3,718,286 |
| Taxes | 75,586 | 57,078 |
| Bank Charges | 7,491,160 | 6,991,102 |
| Total | 49,494,220 | 47,521,575 |

Note 25: Other Expenses

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|---|--|--|
| | Rs. | Rs. |
| Consumption of stores and spare parts | 3,736,542 | 2,139,887 |
| Increase / (decrease) of excise duty on inventory | - | (15,957,747) |
| Job Work Charges | 189,586,891 | 138,175,938 |
| Power and fuel | 28,625,516 | 25,521,988 |
| Water | 406,585 | 255,421 |
| Rent including lease rentals | 130,517,468 | 124,365,245 |
| Repairs and maintenance -Plant & Machinery | 2,823,516 | 700,690 |
| Repairs and maintenance - Building & Others | 8,584,276 | 5,926,342 |
| Insurance | 1,355,668 | 1,378,591 |
| Rates and taxes | 1,938,130 | 999,866 |
| Communication | 3,972,087 | 4,009,988 |
| Travelling and conveyance | 6,495,802 | 4,619,403 |
| Printing and stationery | 2,719,535 | 3,222,306 |
| Freight and forwarding | 8,829,605 | 6,358,863 |

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--|--|--|
| | Rs. | Rs. |
| Sales commission | 49,774,097 | 48,292,891 |
| Sales discount | 93,193,551 | 107,734,829 |
| Showroom Expenses | 30,774,517 | 24,815,482 |
| Security Expenses | 2,873,589 | 2,145,473 |
| Festival & Celebration Expenses. | 1,190,623 | 1,112,556 |
| Business promotion | 2,753,770 | 4,095,492 |
| Advertisement & Publicity Expenses | 7,369,589 | 4,826,558 |
| Legal and professional | 7,367,792 | 4,692,853 |
| Payments to auditors | 1,164,162 | 1,025,510 |
| Balance written off (Bad Debts, Securities etc.) | 148,775 | 5,728,404 |
| Miscellaneous expenses | 818,338 | 1,782,224 |
| Total | 587,020,425 | 507,969,052 |

Note 25 (a): Payments to the Auditors comprises

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|------------------------------------|--|--|
| | Rs. | Rs. |
| As auditors - statutory audit | 955,060 | 955,060 |
| For Certification and Consultation | 209,102 | 70,450 |
| Total | 1,164,162 | 1,025,510 |

Note 25 (b): Corporate Social Responsibility

Provision of corporate social responsibility as per Section 135 of Companies Act, 2013 read with schedule VII is not applicable to the company.

Note 26.a: Exceptional Items

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|--------------------------------------|--|--|
| | Rs. | Rs. |
| Profit(Loss) on sale of fixed assets | (236,949) | (1,740,550) |
| Recoveries, Taxes and Others | (5,785,746) | - |
| Total | (6,022,695) | (1,740,550) |

Note 26.b: Extraordinary Items

| Particulars | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2014 |
|-------------------------|--|--|
| | Rs. | Rs. |
| Dividend Income | - | 1,055,928 |
| Short Term Capital Gain | - | 89,884 |
| Total | - | 1,145,811 |

Note 27: Disclosures under Accounting Standards
27.1 Employee benefit plans
27.1 (a) Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Gratuity

Other defined benefit plans (Leave Encashment)

The following table shows amount recognised in the financial statements:

| Particulars | For the year ended 31 st March, 2015 | | For the year ended 31 st March, 2014 | |
|---|--|--|--|--|
| | Gratuity | Other defined benefit plans (Leave Encashment) | Gratuity | Other defined benefit plans (Leave Encashment) |
| Components of employer expense | | | | |
| Current service cost | 3,603,003 | 1,357,939 | 3,204,631 | 1,101,685 |
| Interest cost | 1,171,915 | 264,391 | 875,587 | 183,147 |
| Actuarial losses/(gains) | (3,591,137) | (211,070) | (2,101,457) | (369,487) |
| Total expense recognised in the Statement of Profit and Loss | 1,183,781 | 1,411,260 | 1,978,761 | 915,345 |
| Actual contribution and benefit payments for the year | | | | |
| Actual benefit payments | (96,092) | (436,398) | (45,405) | (299,286) |
| Net asset / (liability) recognised in the Balance Sheet | | | | |
| Present value of defined benefit obligation | 13,965,878 | 3,880,255 | 12,878,189 | 2,905,393 |
| Funded status [Surplus / (Deficit)] | (13,965,878) | (3,880,255) | (12,878,189) | (2,905,393) |
| Unrecognised past service costs | | | | |
| Net asset / (liability) recognised in the Balance Sheet | (13,965,878) | (3,880,255) | (12,878,189) | (2,905,393) |

27.1 (b) Change in defined benefit obligations (DBO) during the year

| Particulars | For the year ended 31 st March, 2015 | | For the year ended 31 st March, 2014 | |
|---|--|--|--|--|
| | Gratuity | Other defined benefit plans (Leave Encashment) | Gratuity | Other defined benefit plans (Leave Encashment) |
| Present value of DBO at beginning of the year | 12,878,189 | 2,905,393 | 10,944,833 | 2,289,334 |
| Current service cost | 3,603,003 | 1,357,939 | 3,204,631 | 1,101,685 |
| Interest cost | 1,171,915 | 264,391 | 875,587 | 183,147 |
| Actuarial (gains) / losses | (3,591,137) | (211,070) | (2,101,457) | (369,487) |
| Benefits paid | (96,092) | (436,398) | (45,405) | (299,286) |
| Present value of DBO at the end of the year | 13,965,878 | 3,880,255 | 12,878,189 | 2,905,393 |
| Actuarial assumptions | | | | |
| Discount rate | 7.80% | 7.80% | 9.10% | 9.10% |
| Salary escalation | 10.00% | 10.00% | 10.00% | 10.00% |

Note 28: Disclosures under Accounting Standards

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

| Names of related parties | Description of relationship |
|---------------------------------|---|
| Mr. Vijay Bansal | Key Managerial Personnel |
| Mr. Deepak Bansal | Key Managerial Personnel |
| Mr. Anil Bansal | Key Managerial Personnel |
| Mrs. Megha Bansal | Key Managerial Personnel's relative |
| Poonam Bansal | Key Managerial Personnel's relative |
| Rekha Bansal | Key Managerial Personnel's relative |
| Sunil Bansal | Key Managerial Personnel's relative |
| Anil Bansal (HUF) | Enterprise in which Key Managerial Personnel has significant influence |
| Balaji International Clothing | Enterprise in which Key Managerial Personnel has significant influence |
| Vardhman Enterprises | Enterprise in which Key Managerial Personnel's relative has significant influence |
| Drishti Enterprises | Enterprise in which Key Managerial Personnel's relative has significant influence |
| Balaji Apparel | Enterprise in which Key Managerial Personnel's relative has significant influence |
| Akshi Marketing Private Limited | Company in which Key Managerial Personnel's relative has significant influence |

(b) Following are the details of the transaction with the related party :

| Nature of Transaction | Related Parties | Rs. |
|---------------------------------------|---|-------------|
| Salary, allowances & perquisite | Key Managerial Personnel | 6,907,030 |
| | | (4,833,171) |
| Salary, allowances & perquisite | Key Managerial Personnel's relative | 2,074,080 |
| | | (1,774,080) |
| Rent | Key Managerial Personnel | 888,000 |
| | | (888,000) |
| Rent | Company in which Key Managerial Personnel's relative has significant influence | 368,760 |
| | | (368,760) |
| Commission | Enterprise in which Key Managerial Personnel's has significant influence | 960,000 |
| | | (970,002) |
| Interest | Enterprise in which Key Managerial Personnel's has significant influence | 600,000 |
| | | (600,000) |
| Services in relation to manufacturing | Enterprise in which Key Managerial Personnel's relative has significant influence | 26,901,347 |
| | | (9,929,207) |
| Sale | Enterprise in which Key Managerial Personnel's relative has significant influence | 3,389,540 |
| | | - |
| Advance for Capital Assets | Key Managerial Personnel | 25,250,000 |
| | | - |

Note : Figures in bracket relate to previous year

(c) Disclosure of Material transactions :

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| <u>Salary, allowance & perquisite</u> | | |
| Mr. Vijay Bansal | 3,552,200 | 2,439,600 |
| Mr. Deepak Bansal | 2,994,830 | 2,033,571 |
| Mrs. Megha Bansal | 1,200,000 | 900,000 |
| <u>Rent Payments</u> | | |
| Mr. Deepak Bansal | 888,000 | 888,000 |
| Akshi Marketing Pvt. Ltd. | 368,760 | 368,760 |
| <u>Interest Payments</u> | | |
| Balaji International Clothing | 600,000 | 600,000 |
| <u>Commission Payments</u> | | |
| Anil Bansal HUF | 360,000 | 360,000 |
| Balaji International Clothing | 600,000 | 610,002 |
| <u>Services in relation to manufacturing</u> | | |
| Vardhman Enterprises | 9,825,347 | 9,929,207 |
| Drishti Enterprises | 4,564,571 | - |
| Balaji Apparel | 12,511,429 | - |
| <u>Sale</u> | | |
| Balaji International Clothing | 3,389,540 | - |
| <u>Advance for Capital Assets</u> | | |
| Deepak Bansal | 25,250,000 | - |

Note 29: Disclosures under Accounting Standards

| Note | Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-------------|--|---------------------------------------|---------------------------------------|
| | | Rs. | Rs. |
| 29.1 | Details of leasing arrangements | | |
| (a) | The Company has entered into operating lease arrangements for retail operations on 20 th March 2013 . The lease is non-cancellable and is for a period of nine years starting from 4 th May, 2013 to 3 rd May, 2022 . The lease agreements provide for an increase in the lease payments by 10% of the original amount for first two years and 15% thereafter, after every three years from the commencement date, on the last date lease amount. | | |
| | <u>Future minimum lease payments</u> | | |
| | not later than one year | - | 43,432 |
| | later than one year and not later than five years | - | - |

| Note | Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|------|---|---------------------------------------|---------------------------------------|
| | | Rs. | Rs. |
| (b) | <p>The Company has entered into operating lease arrangements for retail operations on 4th March 2014 . The lease is non-cancellable and is for a period of one years lock-in and total lease period is nine years starting from 1st Feb,2014 to 31st Jan, 2023 . The lease agreements provide for an increase in the lease payments by 15% of the last lease Rent paid after every three years period.</p> <p><u>Future minimum lease payments</u></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> | - | 1,432,590 |
| (c) | <p>The Company has entered into operating lease arrangements for retail operations on 4th March 2014 . The lease is non-cancellable and is for a period of one years lock-in and total lease period is nine years starting from 1st Feb,2014 to 31st Jan, 2023 . The lease agreements provide for an increase in the lease payments by 15% of the last lease Rent paid after every three years period.</p> <p><u>Future minimum lease payments</u></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> | - | 1,573,040 |
| (d) | <p>The Company has entered into operating lease arrangements for retail operations on 25th September 2014 . The lease is non-cancellable and is for a period of 18 months lock-in and total lease period is nine years starting from 25th September, 2014 to 24th September, 2023 . The lease agreements provide for an increase in the lease payments by 15% of the last lease Rent paid after every three years period.</p> <p><u>Future minimum lease payments</u></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> | 3,170,844 290,661 | - - |
| (e) | <p>The Company has entered into operating lease arrangements for retail operations on 12th May 2014 . The lease is non-cancellable and is for a period of 15 months lock-in and total lease period is fifty nine months starting from 5th July,2014 to 4th June, 2019 . The lease agreements provide for an increase in the lease payments by Rs. 5/ per sq ft. after one year on last lease rent paid and further lease rent will be increased @15% on the last rent paid after completion of three years.</p> <p><u>Future minimum lease payments</u></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> | 670,542 - | - - |
| (f) | <p>The Company has entered into operating lease arrangements for retail operations on 3rd April 2014 . The lease is non-cancellable and is for a period of 15 months lock-in and total lease period is five years starting from 1st October ,2014 to 30th September, 2019 .The lease agreements provide for an increase in the lease payments by Rs.15/- per sq ft. after one year.</p> <p><u>Future minimum lease payments</u></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> | 351,170 - | - - |

| Note | Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-------------|---|---------------------------------------|---------------------------------------|
| | | Rs. | Rs. |
| 29.2 | Earnings Per Equity Share | | |
| | Calculated as follows : | | |
| | Profit attributable to equity share holders | 28,910,898 | (91,049,933) |
| | Weighted number of equity shares outstanding during the year (Nos) | 16,327,608 | 16,327,608 |
| | Par value per share | 10 | 10 |
| | EPS : | | |
| | Basic | 1.77 | (5.58) |
| | Diluted | 1.77 | (5.58) |
| 29.3 | Deferred tax (liability) / asset | | |
| | <u>Tax effect of items constituting deferred tax assets</u> | | |
| | Provision for compensated absences, gratuity and other employee benefits | 17,846,134 | 15,783,583 |
| | Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 2,733,394 | 2,915,630 |
| | On difference between book balance and tax balance of fixed assets | 52,639,918 | 37,598,355 |
| | Others (IPO Expenses allowable in next year) | 9,529,884 | 12,985,884 |
| | Tax effect of items constituting deferred tax assets | 82,749,329 | 69,283,451 |
| | Provision for Deferred Tax Assets | 25,569,543 | 21,408,586 |
| | Less Provision already exists | 22,392,216 | 21,642,821 |
| | Net deferred tax liability / (asset) | (3,177,327) | 234,235 |
| 29.4 | Segment Reporting | | |
| | Company's revenue from Real Estate segment is less than minimum level required to be reported , therefore segment results are not given as per Accounting Standard (AS) 17 "Segment Reporting" prescribed by Companies (Accounting Standard) Rules, 2006. | | |

Additional information to the financial statements

| Note | Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|-----------|--|---------------------------------------|---------------------------------------|
| | | Rs. (In Lacs) | Rs. (In Lacs) |
| 30 | Contingent liabilities and commitments (to the extent not provided for) | | |
| | Contingent liabilities | | |
| | (a) Claims against the Company not acknowledged as debt | Nil | Nil |
| | (b) Guarantees - Corporate Guarantee for Subsidiary Company | Nil | Nil |
| | (c) Other money for which the Company is contingently liable for :- | | |
| | Labour Disputes | 3.55 | 11.97 |
| | TDS demands in Dispute | Nil | 420.88 |
| | CENTRAL Excise Act, 1944 | 86.35 | 86.35 |
| | For Others | Nil | 14 |

| Note 31 | Details of Loans given, investments made and guarantee given covered under Section 186(4) of The Companies Act, 2013 | | |
|------------|--|---------------------------------------|---------------------------------------|
| | Name of the party | As at 31 st March, 2015 | As at 31 st March, 2014 |
| | | Rs. (In Lacs) | Rs. (In Lacs) |
| | Ambica Steel Ltd.(Loan given) | 135.12 | 120.00 |

| | | As at 31 st March, 2015 | As at 31 st March, 2014 |
|----|---|---------------------------------------|---------------------------------------|
| | | Rs. (In Lacs) | % |
| 32 | Details of consumption of imported and indigenous items | | |
| | <u>Indigenous</u> | | |
| | Raw materials | 3,813.64 | 100 |
| | | (3,623.37) | 100 |
| | Total | 3,813.64 | 100 |
| | | (3,623.37) | 100 |

Note : Figures in bracket relate to the previous year

As per our attached report of even date

For **SURESH & ASSOCIATES**

FRN: 003316N

CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(CA SURESH K. GUPTA)

PARTNER

M.NO. 080050

(Vijay Bansal)

Managing Director

DIN: 01110877

(Deepak Bansal)

Director

DIN:01111104

DATE : 25th May, 2015

PLACE : DELHI

(CA Rajesh Rohilla)

Chief Financial Officer

(CS Poonam Chahal)

Company Secretary

CANTABIL RETAIL INDIA LIMITED

(CIN: L74899DL1989PLC034995)

Regd. Office: B-16, Ground Floor, Lawrence Road, Industrial Area, New Delhi – 110035

email: investors@cantabilinternational.com

Web: www.cantabilinternational.com Tel: 91-11-27156381 /82 Fax: 91-11-27156383

ATTENDANCE SLIP
27th ANNUAL GENERAL MEETING

| | |
|-----------------------|--|
| Folio No./Client ID : | |
| DP ID : | |
| Number of shares held | |

I certify that I am a Registered Shareholder/Proxy of the Registered Shareholder of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at 9:00 A.M. at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi-110074 and at every adjournment thereof.

Member's Name :

Member's /Proxy's Signature

Proxy's Name :

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, Delhi – 110035

| | |
|-------------------------|--|
| Name of the Member(s) : | |
| Registered Address : | |
| E.mail ID : | |
| Folio No./Client ID : | |
| DP ID : | |

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 27th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at 9:00 A.M. at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi- 110074 and at every adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Description/Resolutions | Optional | |
|---------|--|----------|---------|
| | Ordinary Business | For | Against |
| 1. | To adopt Audited Annual Accounts for the year ended 31 st March, 2015. | | |
| 2. | To appoint a Director in place of Mr. Deepak Bansal (DIN 01111104), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. | To ratify the appointment of M/s. Suresh & Associates, Chartered Accountants as the Statutory Auditors of the Company. | | |
| | Special Business | | |
| 4. | To consider and approve re-appointment of Mr. Vijay Bansal, Chairman-cum-Managing Director in accordance with Section 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. | | |
| 5. | 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. | | |
| 6. | To consider and approve re-appointment of Mr. Anil 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. | | |

Signed this.....day of2015

Signature of Proxy Holder(s)

Signature of the Shareholder

 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, not less than 48 hours before the commencement of the Meeting.
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 27th Annual General Meeting of the company.
3. It is optional to put '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 Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Members(s) in above box before submission.



CANTABIL

ITALY

International Clothing

CANTABIL RETAIL INDIA LIMITED

CIN: L74899DL1989PLC034995

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Industrial Area, New Delhi – 110035

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