

23rd ANNUAL GENERAL MEETING**BOARD OF DIRECTOS**

Mr. Vijay Bansal	–	Chairman - cum - Managing Director
Mr. Deepak Bansal	–	Whole Time Director
Mr. Anil Bansal	–	Whole Time Director
Mr. Lalit Kumar	–	Director
Dr. Arun Kumar Roopanwal	–	Director
Mr. Brij Mohan Aggarwal	–	Director

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NOTICE OF 23rd ANNUAL GENERAL MEETING

Notice is hereby given that 23rd Annual General Meeting of CANTABIL RETAIL INDIA LIMITED will be held on Friday September 30, 2011 at 9.00 A.M. at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi- 110 064 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as on March 31, 2011 and the Profit and Loss Account for the financial year ended on that date together with the report of the Directors and Auditors thereon.
2. To appoint a director in place of, Mr. Lalit Kumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of, Mr. Arun Kumar Roopanwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Suresh & Associates, Chartered Accountants, the retiring statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

To Increase Remuneration of Mr. Vijay Bansal, Chairman cum Managing Director :

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

“**RESOLVED THAT** in partial modification of the resolution passed in the Extra Ordinary General Meeting held on November 19, 2009 and pursuant to the provisions of Section 310 read with the provisions of Section 198, 309 and Schedule XIII to the Companies Act, 1956, (“the Act”) and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force), consent of the members be and is hereby accorded for enhancement in remuneration and amenities and benefits payable to or enjoyed by Mr. Vijay Bansal, Chairman-Cum-Managing Director of the Company as recommended by the Remuneration Committee and approved by the Board of Directors in its meeting held on August 12, 2011 with effect from 1st April 2011, on the following terms and conditions :

- A. **Salary, Allowances & Perquisites:** Rs. 36,00,000/- (Rupees Thirty Six 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 and grant increases from time to time on the recommendation of the Remuneration Committee.

- 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 Companies Act, 1956.

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 XIII to the Companies Act, 1956 or the amount specified by the Central Government, as the case may be.”

“**RESOLVED FURTHER THAT** Mr. Deepak 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.”

To increase Remuneration of Mr. Deepak Bansal, Whole Time Director.

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

“**RESOLVED THAT** in partial modification of the resolution passed in the Extra Ordinary General Meeting held on November 19, 2009 and pursuant to the provisions of Section 310 read with of Sections 198, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as ‘the Act’, including any statutory modifications or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to increase the remuneration of Mr. Deepak Bansal, Whole Time Director of the Company on the terms and conditions as recommended by the Remuneration Committee and approved by the Board of Directors on August 12, 2011 w.e.f. 1st April, 2011 as enumerated herein below:

- A. Salary, Allowances & Perquisites: upto Rs 30,00,000/- (Rupees Thirty 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 and grant increase from time to time on the recommendation of the Remuneration Committee.
- 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.

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 XIII 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.”

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

“RESOLVED THAT pursuant to the provisions of Section 149(2A) of the Companies Act, 1956 and other applicable provisions, if any, consent of the members be and is hereby accorded to commence new business as detailed in Para 29 of sub clause (C) of Clause III of the Memorandum of Association of the Company as mentioned below:

29. To carry on all or any of the businesses of dealers in and owners of real estate, lands, sites, buildings, mansions, flats, maisonettes, dwelling houses, shoes, offices and clubs and for these purposes to purchase, take on lease or otherwise acquire and hold lands or buildings of any tenure or discretion wherever situated or rights or interests therein or connected therewith, to prepare building sites and to construct, re-construct, pull down, alter, re-model, improve, decorate, design, furnish and maintain the same or otherwise improve the premises or any part thereof and let or lease them put to tenants or sell and dispose them off in such manner as company may deem expedient.

“RESOLVED FURTHER THAT Mr. Deepak 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.

Appointment of Mrs. Megha Bansal as Deputy General Manager- Finance

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

“RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as “the Act”, including any statutory modification(s), or re-enactment thereof for the time being in force) read with Director’s Relatives (Office or Place of Profit) Rules, 2003 (hereinafter called ‘the Rules’), consent of the Company be and is hereby accorded for appointment of Mrs. Megha Bansal as Deputy General Manager- Finance of the Company, for a period of five years w.e.f., 13th May, 2011, on the remuneration as approved by the Board on such terms and conditions as detailed under-

1. Basic Pay :

Rs.92,000/- per month.

2. House Rent Allowance:

The Company shall provide a rent-free accommodation for the residential purposes or House rent Allowance equal to 50% of the Basic Pay.

3. Transport Allowance:

The Company shall provide a transport allowance of Rs.800/- per month.

4. Conveyance Allowance:

The Company shall provide a conveyance allowance of Rs.9000/- per month.

5. Medical Benefits:

The company shall provide medical benefits of Rs. 1250/- per month

6. Books and Periodicals:

Reimbursement of Books and Periodicals and medical expenses actually incurred subject to a maximum allowance of Rs.1000/- per month.

In addition to the above she shall also be entitled to a Gratuity for half month's Salary for each completed year of service."

Appointment of Mrs. Swati Gupta as President-Creative**9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as "the Act", including any statutory modification(s), or re-enactment thereof for the time being in force) read with Director's Relatives (Office or Place of Profit) Rules, 2003 (hereinafter called 'the Rules'), consent of the Company be and is hereby accorded for appointment of Mrs. Swati Gupta as President-Creative of the Company, for a period of five years w.e.f., 1st April, 2011, on the remuneration as approved by the Board on such terms and conditions as detailed under-

1. Basic Pay:

Rs.49,200/- per month.

2. Conveyance Allowance:

The Company shall provide a conveyance allowance of Rs. 800/- per month.

By Order of the Board

For Cantabil Retail India Limited

Sd/-

Date : 12th August 2011

Place : New Delhi

POONAM CHAHAL
(Company Secretary)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING. A PROXY FORM IS ATTACHED HEREWITH.**
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business is annexed hereto.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from September 24, 2011 to September 30, 2011 (both days inclusive)
6. Members who would like to ask any questions on the accounts are requested to send their questions at Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
7. Members are requested to intimate change, if any, in their postal addresses immediately to the RTA, Beetal Financial and Computers Pvt. Ltd.
8. As a measure of economy, distribution of copies of the Annual Report at the Annual General Meeting shall not be made. Therefore, Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
9. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
10. Pursuant to the requirements of clause 49 of the Listing Agreement entered into with stock exchanges, the information about the Directors proposed to be appointed/ reappointed is given in the Annexure to the notice.

By Order of the Board

For **Cantabil Retail India Limited**

Sd/-

Date : 12th August 2011

Place : New Delhi

POONAM CHAHAL
(Company Secretary)

EXPLANATORY STATEMENT

(Pursuant to section 173 (2) of the Companies Act, 1956)

Item No. 5

Mr. Vijay Bansal, was appointed as a “Managing Director” of the Company designated as “Chairman-cum Managing Director” by the Board of Director vide resolution dated 15th September, 2009 for a period of 3 years w.e.f. 15th September, 2009 as per terms & conditions and on the remuneration approved by the Board as agreed between Board and Mr. Vijay Bansal. Further the shareholders have approved the said remuneration alongwith certain perquisites in the Extra- Ordinary General Meeting held on 19th November, 2009.

Mr. Vijay Bansal is the promoter of the Company and has invaluable contribution towards the growth of the Company since years. Mr. Vijay Bansal is drawing Salary, perquisites and allowances to the tune of Rs. 24,00,000/- (Rupees Twenty Four Lacs Only). Considering the inflationary forces and an all round development in the activities of the Company and keeping in view of salary structures of the personnel of his level in other similar industry, it is proposed to increase the remuneration, amenities and benefits payable to Mr. Vijay Bansal.

The Remuneration Committee and the Board of Directors of the Company in their meetings held on 12th day of August 2011 has recommended and subject to the approval of the Shareholders have approved the enhancement in the remuneration payable to Mr. Vijay Bansal on the following scale:

- A. **Salary, Allowances & Perquisites:** Rs. 36,00,000/- (Rupees Thirty Six Lacs Only) per annum with the authority granted to the Board to determine the Salary, Allowances & Perquisites and grant increases from time to time on the recommendation of the Remuneration Committee.
- B. **Commission:** Not exceeding 1% of the Net Profits of the Company determined in accordance with the provisions of the Companies Act, 1956

None of the Directors except above named are interested or concerned in the said resolution

Item No. 6

Mr. Deepak Bansal was appointed as Whole Time Director of the Company, by the Board of Directors vide resolution dated 15th September, 2009 for a period of 3 years w.e.f. 15th day of September, 2011, as per terms & conditions and on the remuneration approved by the Board as agreed between Board and Mr. Deepak Bansal. Further the shareholders have approved the said remuneration alongwith certain perquisites in the Extra- Ordinary General Meeting held on 19th November, 2011.

At present Mr. Deepak Bansal is drawing Salary, perquisites and allowances to the tune of Rs.18,00,000/- (Rupees Eighteen Lacs Only) per anum. Considering the inflationary forces and an all round development in the activities of the Company and keeping in view of salary structures of the personnel of his level in other similar industry, it is proposed to increase the remuneration, amenities and benefits payable to Mr. Deepak Bansal.

The Remuneration Committee and the Board of Directors of the Company in their meetings held on 12th day of August 2011 has recommended and subject to the approval of the Shareholders have approved the enhancement in the remuneration payable to Mr. Deepak Bansal on the following scale:

- A. **Salary, Allowances & Perquisites:** Rs. 30,00,000/- (Rupees Two Crores Forty Lacs Only) per annum with the authority granted to the Board to determine the Salary, Allowances & Perquisites and grant increases from time to time on the recommendation of the Remuneration Committee.
- B. **Commission:** Not exceeding 1% of the Net Profits of the Company determined in accordance with the provisions of the Companies Act, 1956

None of the Directors except above named and Mr. Vijay Bansal who is his father is interested or concerned in the said resolution

Item No. 7

The Board had in its meeting held on 12th August, 2011 decided, subject to approval of members of the Company, to commence a new business so as to explore into a new business venture related to dealing in real estate.

As per provisions of Section 149(2A) of the Companies Act, 1956 a company can, alongwith its main activities, with consent of the members at general meeting by way of Special Resolution, carry on business of such other activities as are mentioned in the Other Object Clause i.e. Sub-clause (C) of Clause III of Memorandum of Association of the Company. So, the Board has placed this resolution

None of the directors of the Company is in anyway concerned or interested in the said Resolution except as member, wherever applicable.

Item No. 8

Mrs. Megha Bansal who has done MBA in Finance from Bharti Vidyapith and having vast and rich experience in Finance is proposed to be appointed as Deputy General Manager, Finance of the Company with effect from 13th day of May 2011. A proposal in this regard was placed before the Board of Directors in their meeting held on 13th day of May, 2011. The said proposal of appointment of Mrs. Megha Bansal as Deputy General Manager, Finance was approved by the Board on the following remuneration, terms and conditions subject to the approval of the Shareholders and Central Government:

a) Basic Pay:

Rs.92,000/- per month.

b) House Rent Allowance:

The Company shall provide a rent-free accommodation for the residential purposes or House rent Allowance equal to 50% of the Basic Pay.

c) Transport Allowance:

The Company shall provide a transport allowance of Rs.800/- per month.

d) Conveyance Allowance:

The Company shall provide a conveyance allowance of Rs.9,000/- per month.

e) Medical Benefits:

The Company shall provide a medical allowance of Rs. 1250/- per month.

f) Books and Periodicals:

Reimbursement of Books and Periodicals and medical expenses actually incurred subject to a maximum allowance of Rs.1000/- per month.

In addition to the above she shall also be entitled to a Gratuity for half month's Salary for each completed year of service.

This is subject to approval of Shareholders since as per Section 314(1B) of the Companies Act, 1956.

Your Directors therefore, recommend the resolution as set out at item no.8 of the notice for your approval.

None of the Directors of the Company except as Shareholders and except Mr. Vijay Bansal and Mr. Deepak Bansal being related to Mrs. Megha Bansal are concerned or interested in the above resolution.

Item No. 9

Ms. Swati Gupta who holds diploma in fashion designing from NIFT, Delhi. She has been instrumental in creating latest products for women, men and kids wears with main focus on quality, trend and design. She is proposed to be appointed as President-Creative of the Company with effect from 1st day of April 2011. A proposal in this regard was placed before the Board of Directors in their meeting held on 13th day of May, 2011. She is responsible for analyzing and creating process for product development. She plays a vital role in our Company's growth by providing valuable product suggestion. The said proposal of appointment of Mrs. Swati Gupa as President-creative, was approved by the Board on the following remuneration, terms and conditions subject to the approval of the Shareholders and Central Government:

a) Basic Pay:

Rs.49,200/- per month.

b) Conveyance Allowance:

The Company shall provide a conveyance allowance of Rs.800/- per month.

This is subject to approval of Shareholders since as per Section 314(1B) of the Companies Act, 1956.

Your Directors therefore, recommend the resolution as set out at item no.9 of the notice for your approval.

None of the Directors of the Company except as Shareholders and except Mr. Vijay Bansal and Mr. Deepak Bansal being related to Mrs Swati Gupta are concerned or interested in the above resolution.

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

Date : 12th August 2011

Place : New Delhi

Sd/-
POONAM CHAHAL
(Company Secretary)

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT

(Pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. Lalit Kumar	Dr. Arun Kumar Roopanwal
Date of birth & Age	01.08.1964 46 Years	23.03.1951 60 Years
Nationality	Indian	Indian
Appointed on	11.09.2009	11.09.2009
Expertise in specific functional areas	Finance & Accounts	Textiles & Strategic directions to the Company for managing business operations
Brief Resume	Mr. Lalit Kumar is an Independent Director, He is a Chartered Accountant & Company Secretary. He was President of Vishal Retail limited in 2008 and CEO of Ebony for 3 years. He has a strong understanding of retail space in India with the ability to monitor new market developments.	Dr. Arun Kumar Roopanwal is an Independent Director. He holds a Ph.D degree in textiles from the Indian Institute of Technology. He has vast experience in Textile Industry and held various top managerial position in past like Executive Director for GIVO Limited, CEO for Niryat Sam Apparels (India) Limited, Vice President of Sutlej Textile industries and Senior Scientific Officer in Ministry of Textiles.
List of Directorships held in other public Companies	1. GAAP Education Limited 2. Express Toll Solutions Pvt. Ltd.	NIL
Membership/ Chairmanship of various Board Committees	Cantabil Retail India Limited Member – Audit Committee	Cantabil Retail India Limited: Member – Remuneration Committee
Shareholding of Non-Executive Directors in Cantabil Retail India Ltd.	NIL	NIL

DIRECTORS' REPORT

To

The Shareholders,

Cantabil Retail India Limited

Your Directors have immense pleasure in presenting the 23rd 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 2011.

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)

	For the year ended 31.03.2011	For the year ended 31.03.2010
Sales & Other Income	18808.20	20276.45
Profit before Tax & Depreciation	1960.94	2468.39
Profit before Tax	1708.31	2234.13
Provision for Income Tax	554.35	800.25
Provisions for Deffered Tax Liability/ (Assets)	(83.79)	(36.28)
Profit after Tax	1237.75	1470.15

REVIEW OF PERFORMANCE

During the year, your company recorded a slight slowdown. Income from operations went down from Rs. 20276.45/- lacs in F.Y. 2009-10 to Rs. 18808.20/- lacs in F.Y. 2010-11 recording a downfall of 7.24 percent.

Profit before depreciation, interest and tax stood at Rs. 1960.94/- lacs in F.Y. 2010-11, a decrease of 20.55 percent over the preceding year. Profit after tax for F.Y. 2010-11 was Rs. 1237.75 lacs a decrease of 15.81 percent over F.Y. 2009-10.

INCREASE THE SHARE CAPITAL

During the year under review, the authorized capital of the Company increased from Rs. 15 crores (divided into one crore and fifty lacs equity shares of Rs. 10/- each) to Rs. 17 Crores (divided into one crore and seventy lacs equity shares of Rs. 10/- each) capital of the Company.

INITIAL PUBLIC OFFER:

Your company entered the capital market with a Public issue of 77,77,778 Equity shares of Rs. 10/- each for cash at a price of Rs.135/- per Equity Share (including a share premium of Rs.125/- per Equity Share) through 100% Book Building Route which opened for public subscription on September 22, 2010 and closed on September 27, 2010. The allotment of the shares was made on 9th October, 2010. The shares of your company got listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) on October 12, 2010.

DIVIDEND

Keeping in view of the expansion plans of the Company, your Directors are of the opinion not to declare any dividend.

CORPORATE GOVERNANCE:

Cantabil Retail India Limited Committed to 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 fully confirm to standards set out by SEBI and other regulatory authorities and has implemented and complied with all of its major stipulations. 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 from a practicing Company Secretary by your Company is attached to the Report on Corporate Governance.

CODE OF CONDUCT:

As per Clause 49(I)(D), the Board of the Company has laid down Code of Conduct for all the Board Members of the Company and senior management as well and the same has been posted on website of the Company. Annual Compliance Report for the year ended 31st March 2011 has been received from all the Board members and senior management of the Company regarding the compliance of all provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

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 and forms as part of this report.

DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 made thereunder.

LISTING FEES:

The equity shares of your company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Annual Listing fee for the financial year 2011-2012 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:

Pursuant to provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. Lalit Kumar, Mr. Arun Kumar Roopanwal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offer themselves for re-appointment.

Yours Directors recommend their re-appointment.

Brief resume of the Directors proposed to be appointed/ 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.

During the year under review, Mrs. Swati Gupta and Mr. Romesh Lal, has been resigned from the post of directorship.

STATUTORY DISCLOSURE:

None of the Directors of your Company is disqualified as per provision of section 274(1)(g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

AUDITORS:

The Statutory Auditors of the Company, Suresh & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from Suresh & Associates to the effect that their re-appointment, if made at the ensuing Annual General Meeting, would be within the limits prescribed under Section 224(1B) of the Companies

Act, 1956 and they are not disqualified for such re-appointment within the meaning of Section 226 of the said act.

AUDITORS' REPORT:

The observation made by the Auditors with reference to notes on accounts for the year ended 31st March 2011 are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the particulars of employees are set out in annexure to this Report.

DIRECTORS' RRESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that:

1. in the preparation of the Annual Accounts for the period ended as on 31st March 2011, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. 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;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the annual accounts on a going concern basis.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the 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.

B. 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:)
- (b) Recurring:) Including in the
- (c) Total:) manufacturing
- (d) Total R&D expenditure as a percentage of total turnover) cost.

Technology Absorption, Adaptation and Innovation :

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

The Company is monitoring the technological upgradation 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 o 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) NIL
- (d) If not fully absorbed, areas where this has not taken)
- Place, reasons therefore and future plans of actions:)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earning and outgo:)

a)	Imports on CIF basis	NIL
b)	Expenditure in Foreign Currency (Foreign traveling Directors)	NIL
c)	Earning in Foreign Currency	NIL

Initiatives taken to increase Exports:

The Company mainly deals in domestic market and has NIL sales on account of exports during the Financial Year 2010-11. Hence details regarding followings are not applicable:

- 1) Activities relating to exports
- 2) Development of new export markets for products and services
- 3) Export Plan

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Banks, Government Authorities 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/-

Date : 12th August 2011

Place : New Delhi

VIJAY BANSAL

Chairman

ANNEXURE – ‘A’ TO DIRECTORS’ REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

A) Employed throughout the year in receipt of remuneration aggregating Rs. 24,00,000/- or more

Name	Gross Remuneration (in Rupees)	Designation	Qualification	Age	Total Experience	Date of Joining	Last Employment & Designation
Mr. Vijay Bansal	28,36,108/-	Chairman cum Managing Director	Commerce Graduate	53 Years	33 Years	09.02.1989	Partner in his family business of – Wholesaler & distributor of FMCG – Oil Mill

B) Employed for part of the year and in receipt of remuneration aggregating Rs. 2,00,000/- or more per month

Name	Gross Remuneration (in Rupees)	Designation	Qualification	Age	Total Experience	Date of Joining	Date of Leaving	Last Employment & Designation
Mr. Sunil Chopra	2,10,000/-	Chief Financial Officer	B.Com, FCA, ACS, CWA	46 Years	21 Years	9th November, 2009	10th March, 2011	GM (Accounts & Finance) in Devashish Apparels

Notes:

- i) Above appointment is regular. Other terms and conditions are as per Company’s rules.
- ii) Gross Remuneration includes salary, conveyance allowance, house rent and other perks like Medical reimbursement, etc. but excludes provision for Gratuity & Leave Encashment.

MANAGEMENT DISCUSSION ANALYSIS

The purpose of this discussion is to provide an understanding of Cantabil Retail India Limited's financial results and business performance by focusing on changes in certain key measures from year to year. Management Discussion and Analysis (MD&A) is organized in the following sections:

- Industry Overview.
- Business Overview.
- Opportunities and Threats.
- Business Outlook.
- Risks and concerns.
- Internal control systems and their adequacy.
- Financial Performance.
- Material developments in Human Resources.
- Cautionary Statement

INDUSTRY OVERVIEW:

Indian Retail Sector:

The Indian retail sector is highly fragmented with more than 90 per cent of its business being carried out by traditional family run small stores. This provides immense opportunity for large scale retailers to set-up their operations – a slew of organized retail formats like departmental stores, hypermarkets, supermarkets and specialty stores are swiftly replacing the traditional formats dramatically altering the retailing landscape in India.

India is the third-most attractive retail market for global retailers among the 30 largest emerging markets, according to US consulting group AT Kearney's report published in June 2010.

Indian retail sector accounts for 22 per cent of the country's gross domestic product (GDP) and contributes to 8 per cent of the total employment.

Indian Textile Sector:

The textiles industry in India enjoys a distinctive position due to the pivotal role it plays by way of contribution to industrial output, employment generation (second largest after agriculture) and export earnings of the country. The industry is rich and varied, embracing the hand-spun and hand-woven sector at one end and the capital intensive, sophisticated mill sector at the other. Its association with the ancient culture and tradition of the country lends it a unique advantage in comparison with textiles industry of other countries, thus giving it an uncommon edge to cater to a vast variety of products and market segments both domestically, as well as, globally.

The industry currently contributes about 14 per cent to industrial production, 4 per cent to GDP, and 17 per cent to the country's export earnings, according to the Annual Report 2010-11 of the Ministry of Textiles. The industry accounts for nearly 12 per cent share of the country's total exports basket. It provides direct employment to more than 35 million people.

Business Overview:

The Company is in the business of designing, manufacturing, branding and retailing of apparels under the brand names of "CANTABIL" and "La FANSO". The Company first started its garment manufacturing and retailing business in the year 2000. The "CANTABIL" Brand with its Exclusive Retail Outlets offers the complete range of formalwear, party-wear, casuals & ultracausal clothing for Men, Women and Kids in the middle to high income group. In the last 10 years, "CANTABIL" has become a complete family wear brand with addition of women's wear segment in 2007 and Kids wear segment in 2008.

The Company is also retailing various accessories like ties, belts, socks, caps and handkerchief under its brands.

Further in order to capture the high income group market, during May 2011, the Company launched its premium brand "KANESTON" which is into Men's and Women's Wear. KANESTON is a Premium Brand and it will be using 100% cotton for its Shirts, Formal Trousers, Casual Trousers and Denims. The suits available under Brand Name KANESTON will be made using PVW (Polyester Viscose Wool) and in Woollens suits will be made using blends. The Company has launched its brand in more than 50 stores. Further the Company is also planning to open exclusive stores for KANESTON in coming winter season.

At present, the company has 3 in-house manufacturing / finishing units and 4 warehouses located in Delhi. It also has 3 third party dedicated units manufacturing exclusively for us. It has fabricating arrangements with 94 manufacturing units to which it outsource cutting and stitching. The company's manufacturing and finishing facilities are sufficiently backed by facilities for product development, design, fabric testing to ensure quality apparels for its customers.

OPPORTUNITIES AND THREATS.**Opportunities:**

- Enhance our presence across Pan India both geographically and in terms of number of exclusive brand outlets. The Company proposes to have its retail outlets in the Tire II Cities so that it can increase its presence across India.
- Offering varied apparels in line with the current fashion trend under women's and children's wear
- Launch of Premium Brands to cater to the High Income Segment of the Society.

Threats:

- The prices of Cotton, being the major raw material consumed by the Textile Industry has been rising significantly, which is resulting in shrinking of the profit margins.

- Increasing inflation is considered a threat which would increase overall input cost, as well as, conversion costs.
- 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 Multi-National Companies 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.

Business Outlook

A strong brand image, presence in retail infrastructure and diversifying into new retail formats positions the Company as integrated player in the growing domestic consumption story. With robust economic growth, high disposable income with the end-consumer and the rapid construction of organized retail infrastructure, the Company is confident that it is well placed to take advantage to the growth opportunities in the coming years.

RISKS AND CONCERNS:

Economic Risk

A slowdown in economic growth in India could cause the business to suffer as the Company's performance is highly dependent on the growth of the economy, which in turn leads to a rise in disposable incomes and resultant consumption. Favourable population growth, a large pool of highly skilled workers, greater integration with the world economy and increasing domestic and foreign investment suggest that the Indian economy will continue its growth momentum for several years to come.

Business Risk

The Company operates in upper market lifestyle products associated with high advertisement costs and risk related to brand management. The inventory cost related to lifestyle garments is traditionally a matter of risk, however through effective inventory management the Company has reduced the risk to a minimal level.

Fashion Risk

This risk would arise through the Company's inability to set trends and understand changing fashion styles, which can lead to lower sales and profitability. However, it is the Company's constant endeavor to be closer to and understand the customer through its diversified retail outlets. Though the Company has its mitigation in place, fashion risk cannot be completely eliminated.

Brand Risk

Any event that tarnishes the image of the brand can lower the value of the brand and adversely affect the Company's business.

The Company's business model revolves around its brands and, therefore, the Company ensures that none of the characteristics and attributes of the brand are compromised within the Company's communication to its customers. The Company also gives wide focus on customer preferences and conducts extensive in-house research to maintain top-of-the-mind recall with the customer base with respect to the brand. The Company believes that it has an appropriate mitigation plan in place to handle brand risk.

Internal Control System and their adequacy:

The Company has 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, the Company continuously upgrades these systems in line with the best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board reviews the findings and recommendations of the internal auditors.

It is ensured that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly, to keep constant check on the cost structures and to prevent revenue leakages. Our internal team and external auditors and periodically reviewed by the management together with the Audit Committee of the Board.

The Company is continuously upgrading its internal control systems by measuring state of controls at various locations.

Financial Performance:**Total Income**

The Company achieved sales of Rs. 186.04 Crores, against last year's Rs. 201.83 Crores, which translates into decline of about 7.82% over the last year. The decline in sale is due to stiff competition in the market. During the year, the Company has closed down the production under its 'La FANSO' Brand, which has resulted in decline in the total sales by the Company. However the Company is positive on increasing its sales margin again by introduction of its premium brand KANESTON.

Operating Profit

The Company achieved operating profit of Rs. 25.75 Crores against last year's Rs. 30.20 Crores, depicting a decline of 14.74% over the last years Operating Profit. This is majorly due to the rise in the cotton prices that has been affecting the textile industry as a whole.

EBIDTA

The Company earned an EBIDTA of Rs. 27.78 Crores a decline of 10.60% over the EBIDTA of Rs. 31.08 Crores in the previous year. The decline in EBIDTA margin is due to decrease in the earnings of the Company during the year.

Profit after Tax

The Net Profit after tax for FY11 was Rs. 12.38 Crores as against Rs. 14.68 Crores in the previous year. This represents a 15.70% decrease in Profit over the FY10.

Material Developments in Human Resources:

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 March 31, 2011 stood at 1056.

Cautionary Statement:

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

(as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

CORPORATE GOVERNANCE:

The Company believes that good Corporate Governance is essential to achieve long term Corporate Goals and to enhance Stakeholders' value. Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance is an important part of the Corporate Governance.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at attaining the highest level of transparency, accountability towards its stakeholders, employees, the Government and lenders, creation of wealth for shareholders on long term and sustainable basis and to maximize returns to shareholders.

BOARD OF DIRECTORS

Composition of Board

The Board of the Company is in conformity with Clause 49 of the Listing Agreement. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues and also ensuring Directors' commitment to participate in the affairs of the business of the Company.

The Board of Directors of Cantabil Retail India Limited have an optimum combination of Executive and Non-executive directors. As on March 31, 2011, the number of other directorships/committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company is as under:

Name & Designation of the Directors	Designation & Category	Last Annual General Meeting held on 21.08.2010, attended	No. of Board Meetings attended out of 9 meetings held during the year	No. of other Directorships*	Committee Positions held**	
					Chairman	Member
Mr. Vijay Bansal	Chairman and Managing Director/ Promoter	Yes	8	2	0	2
Mr. Deepak Bansal	Whole Time Director/ Promoter	Yes	9	2	Nil	Nil
Mr. Anil Bansal	Whole Time Director	Yes	9	1	0	1
Mrs. Swati Gupta	Whole Time Director	Yes	9	4	Nil	Nil

Name & Designation of the Directors	Designation & Category	Last Annual General Meeting held on 21.08.2010, attended	No. of Board Meetings attended out of 9 meetings held during the year	No. of other Directorships*	Committee Positions held**	
					Chairman	Member
Mr. Lalit Kumar	Non-Executive/ Independent Director	Yes	9	2	0	1
Mr. Romesh Lal	Non-Executive/ Independent Director	No	3	3	0	1
Dr. Arun Kumar Roopanwal	Non-Executive/ Independent Director	Yes	9	Nil	0	1
Mr. Brij Mohan Aggarwal	Non-Executive/ Independent Director	Yes	9	1	2	0

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

** Committee positions of only 2 Committees namely Audit Committee and Shareholders' Grievance Committee have been considered.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all Public Limited Companies in which he/she is a Director and necessary disclosures regarding committee positions in other Public Companies as on 31st March, 2011 have been made by the directors.

The Independence of a Director is determined by the criteria stipulated under the Clause 49 of the Listing Agreement.

Number of Board Meetings held and dates thereof

During the financial year 20010-2011, 9 meetings of the Board of Directors were held. The meetings were held on 30th June 2010, 30th July 2010, 15th September 2010, 16th September 2010, 28th September 2010, 05th October 2010, 09th October 2010, 15th January 2011 and 09th February 2011.

The Intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 1956 and Clause 49 of Listing Agreement.

Information supplied to the Board

During the year, all the relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement were considered and taken on record/approved by the Board. Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

Code of Conduct

The Board of Directors of the Company has approved and adopted a Code of Conduct for the members of the Board and Senior Management of the Company. The Code of Conduct is posted on the website of

the Company and members of the Board and senior management have accepted and affirmed the annual compliance of the Code.

Details of shares held in the Company as on 31st March 31, 2011

Name of Directors	Designation	Number of Shares Held
Mr. Vijay Bansal	Chairman and Managing Director	47,75,947
Mr. Deepak Bansal	Whole Time Director	11,16,960
Mr. Anil Bansal	Whole Time Director	160
Mr. Lalit Kumar	Non-Executive/ Independent Director	Nil
Mr. Arun Kumar Roopanwal	Non-Executive/ Independent Director	Nil
Mr. Brij Mohan Aggarwal	Non-Executive/ Independent Director	Nil
Mrs. Swati Gupta	Whole Time Director	160
Mr. Romesh Lal	Non-Executive/ Independent Director	Nil

COMMITTEES OF BOARD

Your Board has presently constituted three Board Level Committees – Audit Committee, Remuneration Committee and Shareholders'/Investors, Grievance Committee.

All decisions pertaining to the constitution of Board Committees, appointment(s) of members and fixation of terms of service for members of Committees is taken by the Board of Directors.

Details of the role and composition of Board Committees constituted as per requirements of Clause 49 of the Listing Agreement, including number of meetings held during the financial year and attendance thereat are provided hereinafter.

AUDIT COMMITTEE

Constitution of Audit Committee:

The composition of Audit Committee meets the requirements Section 292A of the companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee was constituted on 11th September, 2009, thereafter it was re-constituted on 09th February, 2011 respectively in accordance with Clause 49 of the Listing agreement, consisting of two non-executive, independent directors and one executive director.

The Audit Committee will ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosures processes, internal controls, tax policies, compliances and legal requirements and associated matters.

The Committee consists as on 31st March, 2011 are as under:

Name of Member	Designation	Category
Mr. Brij Mohan Aggarwal	Chairman	Independent, Non-Executive Director
Mr. Lalit Kumar	Member	Independent, Non-Executive Director
Mr. Vijay Bansal	Member	Chairman & Managing Director

Ms. Rekha Grover, Company Secretary acts as the Secretary to the Committee.

All the members of the Audit Committee are financially literate and possess financial/accounting expertise.

Meetings and Attendance of Audit Committee:

During the financial year 2010-2011 two Committee Meetings were held. The meetings were held on 30th July 2010 and 9th February 2011. The attendance of each Audit Committee member is given hereunder:

Name of Member	Designation	Number of meetings attended out of 2 meetings held in the financial year
Mr. Brij Mohan Aggarwal	Chairman	2
Mr. Lalit Kumar	Member	2
Mr. Vijay Bansal	Member	1

REMUNERATION COMMITTEE

The Remuneration Committee, constitution of which is a non-mandatory requirement, was constituted to recommend/review the remuneration package of the Managing/Whole time Director(s). The Board of the Company had constituted a Remuneration Committee on September 11, 2009, comprising 3 independent, Non-Executive Directors.

Composition of Remuneration Committee:

The Remuneration Committee was constituted on September 11, 2009. The Committee consists of the following:

Name of Member	Designation	Category
Mr. Brij Mohan Aggarwal	Chairman	Independent, Non-Executive Director
Dr. Arun Kumar Roopanwal	Member	Independent, Non-Executive Director
Mr. Romesh Lal	Member	Independent, Non-Executive Director

Ms. Rekha Grover, Company Secretary acts as the Secretary to the Committee.

The role of the Remuneration Committee includes:

- To review the remuneration of whole time / managing director, including annual increment and commissions, after reviewing their performance;
- Review the remuneration policy followed by the Company, taking into consideration the performance of senior executives on certain parameters;
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

Meetings and Attendance of Remuneration Committee:

During the financial year ended 31st March 2011, one meeting of the Remuneration Committee was held on June 30, 2010. The attendance of Remuneration Committee members are given hereunder:

Name of the Remuneration Committee Member	No. of Meeting held	No. of meetings attended
Mr. Brij Mohan Aggarwal	1	1
Dr. Arun Kumar Roopanwal	1	1
Mr. Romesh Lal	1	0

The Remuneration was paid to Managing/Whole-time Directors in the form of Salary and Perquisites. The Company had paid sitting fee to Non- Executive Directors @ Rs. 20,000/- for each meeting of the Board.

Details of Remuneration paid to all the Directors for the year:

a) Executive Directors (Managing / Whole-time Directors)

The aggregate value of salary and perquisites paid for the year ended March 31, 2011 to Managing / Whole-time Directors are as follows:

Name of the Director	Designation	Aggregate Value of Salary & Perquisites (Rs.)
Mr. Vijay Bansal	Chairman and Managing Director	28,36,108/-
Mr. Deepak Bansal	Whole-time Director	18,39,600/-
Mr. Anil Bansal	Whole-time Director	3,39,000/-
Mrs. Swati Gupta	Whole Time Director	4,50,000/-

b) Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Independent Directors except sitting fees for attending meetings of the Board of Directors. The details of sitting fees paid to Non-Executive Independent Directors during the financial year 2010-2011 are as under:

Name of the Director	Designation	Total sitting fee paid (Rs.)
Dr. Arun Kumar Roopanwal	Non Executive Independent Director	1,80,000/-
Mr. Lalit Kumar	Non Executive Independent Director	1,80,000/-
Mr. Brij Mohan Aggarwal	Non Executive Independent Director	1,80,000/-
Mr. Romesh Lal	Non Executive Independent Director	60,000/-

1. The Company does not have any Stock Option Scheme or performance-linked incentives for the Directors.
2. The appointment of all the directors are made at the Board Meetings and approved at General Meetings, where required. There is no provisions for notice period and severance fees for the directors.

SHAREHOLDERS' GRIEVANCE REDRESSAL COMMITTEE

The terms of reference of Shareholders' Grievance Redressal Committee are to specifically look into the redressal of shareholders and investors complaints lie non receipt of refund warrants, non-credit of shares in Demat Account, non-receipt of balance sheet, non-receipt of declared dividends etc.; Review of all matters connected with the transfer of securities of the Company; Review of performance of the registrars and transfer agents of the Company; Review of the measures recommended for overall improvement in the quality of investors services etc. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI) Prohibition of Insider Trading) Regulations, 1992.

As part of its Corporate Governance initiative, the Board had constituted the Shareholders' Grievance Redressal Committee on September 11, 2009 comprising 3 members, Chairman being Non-Executive Independent Director.

Composition of Committee:

The Shareholders' Grievance Redressal Committee was constituted on September 11, 2009. The Committee consists of the following:

Name of Member	Position held	Category
Mr. Brij Mohan Aggarwal	Chairman	Independent, Non-Executive Director
Mr. Vijay Bansal	Member	Chairman & Managing Director
Mr. Anil Bansal	Member	Whole Time Director

Meetings and Attendance:

During the financial year ended 31st March, 2011, Shareholders' Grievance Redressal Committee met 9 times i.e. on 15th November 2010, 6th December 2010, 18th December 2010, 15th January 2011, 3rd February 2011, 14th February 2011, 7th March 2011, 18th March 2011 and 31st March 2011 and all the meetings were attended by all the members.

Compliance Officer:

The Board had designated Ms. Rekha Grover, Company Secretary cum Head – Legal, as the Compliance Officer.

Address : B- 47, First Floor, Lawrence Road Industrial Area, Delhi - 110 035
 Phone : +91-11-27156381
 Fax : +91-11-27156383

Details of the Queries/Complaints received and resolved by the Company during the year:

All the Complaints received through the Shareholders were resolved on time. There were no pending complaints at the end of the financial year.

GENERAL BODY MEETINGS

Location, date and time where the Three immediately preceding Annual General Meetings of the Company were held are given below:

Financial Year	Day and Date	Time	Venue	Any Special Resolutions Passed
2007-2008	Monday, September 29, 2008	11.00 A.M	B- 47, First Floor, Lawrence Road Industrial Area, Delhi - 110 035	No
2008-2009	Wednesday, September 09, 2009	11.00 A.M	B- 47, First Floor, Lawrence Road Industrial Area, Delhi - 110 035	Yes
2009-2010	Saturday, August 21, 2010	11.00 A.M	B- 47, First Floor, Lawrence Road Industrial Area, Delhi - 110 035	No

Postal Ballot

There was no resolution/s passed through Postal Ballot during the previous year.

DISCLOSURES**Related Party Transactions**

In Compliance with the clause 41 (IV) (A) of the Listing Agreement, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company. Further, details of related party transactions are presented disclosed in the Notes of Accounts of the Annual Accounts for the financial year 2010-2011.

The Company has complied with the requirements of the Stock Exchanges/SEBI/ and other Statutory Authorities on all matters related to Capital Markets since the date of Listing. No penalties or stricture have been imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities.

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 ad personal interest that may have potential conflict with the interest of the Company.

Disclosures of Accounting Treatment in preparation of financial statements

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

Management Discussion and Analysis Report

The Report on Management's Discussion and Analysis is given separately and forms part of this Report.

Compliances by the Company

The Board of Directors periodically reviews the compliance reports of the laws applicable to the Company and the Company initiates requisite action for strengthening of its statutory compliance procedures, as may be suggested by the Board from time to time.

The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital markets, and no penalties or strictures have been imposed on the Company in this regards during the last three years.

Whistle-Blower Policy

The Company has not adopted any Whistle Blower Policy. However, no personnel have been denied access to the Audit Committee.

The Company has complied with mandatory requirements and has constituted a Remuneration Committee for the non-mandatory requirements.

Means of Communication

The un-audited quarterly financial results are announced within 45 days of the end of the quarter as stipulated under Clause 41 of the Listing Agreement. The aforesaid financial results after being reviewed

by the Audit Committee and approved by the Board of Directors are communicated to the concerned Stock Exchanges by way of fax and hard copy.

The said results are normally published within 48 hours in one English National daily and one Hindi daily circulated in Delhi, being the place where registered office of the Company is situated. The Newspapers in which the results are generally published are “Business Standard”, “Financial Express” and “Jansatta”.

The Company’s website www.cantabilinternational.com contains a separate dedicated section “investors relations” where shareholders information is available. Full Annual Reports are also available on the website in a user-friendly and downloadable form.

The Annual Report of the Company containing, inter alia, Directors’ Report, Auditors’ Report, Audited Annual accounts and other important information is circulated to members and others entitled thereto. The Managements’ discussion and Analysis Report forms part of the Annual Report.

The Corporate Filing and Dissemination System (CFDS) portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by Listed Companies.

GENERAL SHAREHOLDER INFORMATION

23rd Annual General Meeting

Date	: 30th September 2011
Time	: 9:00 A.M.
Venue	: Tivoli Garden Resort Hotel, Chhattar Pur Hills, Mehrauli, New Delhi - 110064
Financial Year	: April 1, 2010 to March 31, 2011
Date of Book Closure	: September 24, 2011 to September 30, 2011 (both days inclusive) for the purpose of 23rd Annual General Meeting
Website address	: www.cantabilinternational.com
Listing on Stock Exchanges	: Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	: National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra - Kurla Complex Bandra (E), Mumbai – 400 051
Stock Code/Symbol	: NSE – CANTABIL BSE – 533267
ISIN No.	: INE068L01016

Market Price Data

The monthly high & low quotations of the company’s shares traded on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited during the financial year 2010-2011 in comparison to broad based indices are as under:

i) CANTABIL vs. SENSEX

Month	CANTABIL at BSE		SENSEX	
	High	Low	High	Low
October 2010	133.80	74.10	20,854.55	19,768.96
November 2010	77.00	61.40	21,108.64	18,954.82
December 2010	69.50	53.00	20,552.03	19,074.57
January 2011	66.45	50.10	20,664.80	18,038.48
February 2011	51.20	34.05	18,690.97	17,295.62
March 2011	42.85	36.60	19,575.16	17,792.17

ii) CANTABIL vs. NIFTY

Month	CANTABIL at NSE		NIFTY	
	High	Low	High	Low
October 2010	125.90	74	6284.10	5937.10
November 2010	77.15	61.50	6338.50	5690.35
December 2010	68.50	52.10	6147.30	5721.15
January 2011	66.80	50.50	6181.05	5416.65
February 2011	51.50	32.25	5599.25	5177.70
March 2011	42.50	36.10	5872.00	5348.20

Registrar and Transfer Agents

The detail of Registrar & Transfer Agent appointed by the Company is as under:

M/s. Beetal Financial & Computer Services (P) Ltd
 Beetal House, 3rd Floor,
 99, Madangir Behind Local
 Shopping Centre,
 New Delhi - 110 062
 Tel: 011-29961281
 Fax: 011-29961284
 E-mail: beetal@beetalfinancial.com

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 15-20 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 47C of the Listing Agreement executed with the Stock Exchanges and files a copy of the same with the Stock Exchanges.

Distribution Pattern of Shareholding of the Company as on 31st March 2011;

Sr. No.	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	5	8549510	0	52.36	52.36	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							
	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)	5	8549510	0	52.36	52.36	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)	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)	5	8549510	0	52.36	52.36	0	0.00
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
(a)	MUTUAL FUNDS / UTI	0	0	0	0.00	0.00	0	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	7	1900423	1900423	11.64	11.64	580	0.03
(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)	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

Sr. No.	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
	F.F.I./BANKS	0	0	0	0.00	0.00	0	0.00
	STRESSED ASSET	0	0	0	0.00	0.00	0	0.00
	STABILISATION FUND	0	0	0	0.00	0.00	0	0.00
	STATE FIN. COR.	0	0	0	0.00	0.00	0	0.00
	SUB-TOTAL (B) (1)	7	1900423	1900423	11.64	11.64	580	0.03
(2)	NON-INSTITUTIONS							
(a)	BODIES CORPORATE	377	2151506	2151506	13.18	13.18	444579	20.66
(b)	INDIVIDUALS							
	I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	13429	2571552	2570822	15.75	15.75	2679	0.10
	II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	18	778025	778025	4.77	4.77	0	0.00
(c)	ANY OTHER							
	TRUST	0	0	0	0.00	0.00	0	0.00
	DIRECTORS & THEIR RELATIVES	0	0	0	0.00	0.00	0	0.00
	FOREIGN NATIONALS	0	0	0	0.00	0.00	0	0.00
	ESCROW ACCOUNT	0	0	0	0.00	0.00	0	0.00
	MARKET MAKER	0	0	0	0.00	0.00	0	0.00
	NRI	140	81559	81559	0.50	0.50	0	0.00
	OCB	0	0	0	0.00	0.00	0	0.00
	SOCIETIES	0	0	0	0.00	0.00	0	0.00
	CLEARING MEMBERS	61	57953	57953	0.35	0.35	0	0.00
	SHARES INTRANSIT	0	0	0	0.00	0.00	0	0.00
	HUF	518	237080	237080	1.45	1.45	700	0.30
	NRIS/OCBS	0	0	0	0.00	0.00	0	0.00
	FOREIGN CORPORATE BODIES	0	0	0	0.00	0.00	0	0.00
	PARTNERSHIP FIRMS	0	0	0	0.00	0.00	0	0.00
	CUSTODIAN OF ENEMY PROPERTY	0	0	0	0.00	0.00	0	0.00
	FOREIGN COLLABORATORS	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)	14543	5877675	5876945	36.00	36.00	447958	7.62
	TOTAL PUBLIC SHAREHOLDING (B) = (b) (1) + (b) (2)	14550	7778098	7777368	47.64	47.64	448538	5.77
	TOTAL (A) + (B)	14555	16327608	7777368	100.00	100.00	448538	2.75
(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)	14555	16327608	7777368	N.A.	100.00	448538	2.75

Dematerialisation of Shares and Liquidity

The shares of the company are compulsorily traded in dematerialized form and are available for trading under both the Depository Systems – NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). Equity Shares of the Company representing 47.63% were in dematerialized form as on March 31, 2011.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants or any other instrument which is convertible into Equity Shares of the company.

Plant Locations

As on March 31, 2011 the Company has total 4 in-house manufacturing / finishing units and 4 warehouses located in Delhi. The details of manufacturing and warehousing facilities are as under:

Location	Activity	Sub-Activity/Brand
B - 16, Lawrence Road, Industrial Area, New Delhi - 110 035	Manufacturing	Finishing and Packaging
B - 28, Lawrence Road, Industrial Area, New Delhi - 110 035	Warehousing	Cantabil
B - 47, Lawrence Road, Industrial Area, New Delhi - 110 035	Warehousing	Lafanso
B - 16, Lawrence Road, Industrial Area, New Delhi - 110 035	Warehousing	Cantabil & Lafanso
WZ – 50, Shakurpur, New Delhi – 110 034	Warehousing	Dispatch (La FANSO)

Address for Investor Correspondence

- Shareholders related queries

M/s. Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99
Madangir Behind Local
Shopping Centre,
New Delhi - 110 062
Tel: 011-29961281
Fax: 011-29961284
E-mail: beetal@beetalfinancial.com

Shareholder holding shares in demat form, should address all correspondence to their respective depository participants.

- Investors grievance redressal and any query on Annual Report:

Registered Office: B-47,
First Floor, Lawrence Road Industrial Area,
Delhi – 110 035

Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a code of conduct for prohibition of Insider Trading. The Code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.

Nomination Facility:

Members are allowed to nominate any person to whom they desire to have the shares transmitted in the event of death. Members desirous of availing this facility may submit the prescribed Form 2B to the Registrar & Share Transfer Agent of the Company. For shares held in Demat Form, this form of Nomination must be sent to the concerned Depository Participant and not to the Company or its Registrar & Share Transfer Agent.

ANNEXURE TO CORPORATE GOVERNANCE REPORT
DETAIL OF OTHER DIRECTORSHIPS/COMMITTEE MEMBERSHIPS OF ALL DIRECTORS
1. BODIES CORPORATE OF WHICH MR. VIJAY BANSAL IS A DIRECTOR

Name of the Company	Board Position held
Ramano Fashion Pvt. Ltd.	Director
KPS Products Pvt. Ltd.	Director

COMMITTEE MEMBERSHIP

Name of the Company	Name of the Committee	Position held
Cantabil Retail India Ltd.	Audit Committee	Member
Cantabil Retail India Ltd.	Shareholders' Grievance Redressal Committee	Member

2. BODIES CORPORATE OF WHICH MR. DEEPAK BANSAL IS A DIRECTOR

Name of the Company	Board Position held
Ramano Fashion Pvt. Ltd.	Director
KPS Products Pvt. Ltd.	Director

3. BODIES CORPORATE OF WHICH MR. ANIL BANSAL IS A DIRECTOR

Name of the Company	Board Position held
Dolphin Packaging Pvt. Ltd.	Director

COMMITTEE MEMBERSHIP

Name of the Company	Name of the Committee	Position held
Cantabil Retail India Ltd.	Shareholders' Grievance Redressal Committee	Member

4. BODIES CORPORATE OF WHICH MR. LALIT KUMAR IS A DIRECTOR

Name of the Company	Board Position held
Gaap Education Limited	Managing Director
Expressway Toll Solutions Pvt. Ltd.	Director

COMMITTEE MEMBERSHIP

Name of the Company	Name of the Committee	Position held
Cantabil Retail India Ltd.	Audit Committee	Member

5. BODIES CORPORATE OF WHICH MR. BRIJ MOHAN AGGARWAL IS A DIRECTOR

Name of the Company	Board Position held
ABM Corporate Consulting Pvt. Ltd.	Director

COMMITTEE MEMBERSHIP

Name of the Company	Name of the Committee	Position held
Cantabil Retail India Ltd.	Audit Committee	Chairman
Cantabil Retail India Ltd.	Shareholders' Grievance Redressal Committee	Chairman
Cantabil Retail India Ltd.	Remuneration Committee	Chairman

6. COMMITTEE MEMBERSHIP OF DR. ARUN KUMAR ROOPANWAL

Name of the Company	Name of the Committee	Position held
Cantabil Retail India Ltd.	Remuneration Committee	Member

7. BODIES CORPORATE OF WHICH MR. Mrs. SWATI GUPTA IS A DIRECTOR

Name of the Company	Board Position held
Mahalaxmi Castles and Villas Pvt. Ltd.	Director
Ambica Stainless Steel Ltd.	Director
Shri Gajanan Dream Land Pvt. Ltd.	Director
Madhu Apartments Pvt. Ltd.	Director

8. BODIES CORPORATE OF WHICH MR. ROMESH LAL IS A DIRECTOR

Name of the Company	Board Position held
Amrit Banaspati Co. Ltd.	Director
Amrit Corp Ltd.	Director
SBL Pvt. Ltd.	Director

COMMITTEE MEMBERSHIP

Name of the Company	Name of the Committee	Position held
Cantabil Retail India Ltd.	Remuneration Committee	Member

CERTIFICATION BY MANAGING DIRECTOR AND CFO FOR FINANCIAL YEAR 2010-11

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 2010-2011 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.

Date : July 30, 2011

Place : New Delhi

Sd/-

(VIJAY BANSAL)

Chairman & Managing Director

Sd/-

(ABANI KANT JHA)

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, 2011, 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.

For Ravi S. Sharma & Associates
Company Secretaries

Date : July 30, 2011

Place : New Delhi

Ravi S Sharma

C.P.No.8007

COMPLIANCE WITH CODE OF CONDUCT

I, Vijay Bansal, Chairman & Managing Director of the Company hereby certify that the Company has adopted a Code of Conduct for all Board Members and senior Management Personnel of the Company and a copy of Conduct as adopted is available on the Company's website. I, further confirm that all the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct of the Company for the year ended 31st March, 2011.

Date : July 30, 2011

Place : New Delhi

VIJAY BANSAL

Chairman & Managing Director

AUDITOR'S REPORT

To

The Members of
CANTABIL RETAIL INDIA LIMITED

We have audited the attached Balance Sheet of CANTABIL RETAIL INDIA LIMITED, B-47 1st FLOOR ,LAWRENCE ROAD INDUSTRIAL AREA.DELHI-110035, as at 31st March, 2011 and the Profit and Loss Account and also Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:-

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
- (ii) 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 ;
- (iii) The Balance Sheet and Profit and Loss Account, dealt with by this report, are in agreement with the books of account ;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
- (v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - (c) In the case of cash flow statement, of the cash flows of the company for the year ended on that date.

For **SURESH & ASSOCIATES**

FRN: 003316N

CHARTERED ACCOUNTANTS

Date : 12th August, 2011

Place : New Delhi

(CA. SURESH K GUPTA)

PARTNER

M. No. 080050

ANNEXURE TO AUDITOR'S REPORT

Referred to Paragraph 1 of our report of even date attached

- (i) a) The company is maintaining proper records showing full particulars including quantitative details and situation of the assets on basis of the information available.
- b) According to information and explanation given to us, the fixed assets of the company have been physically verified by the management at reasonable intervals during the year. No material discrepancies have been noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, there was no substantial disposal of fixed assets by the company, which may affect the going concern concept.
- (ii) a&b) As explained to us, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable considering size and nature of the business.
- c) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory, followed by the management, are reasonable and adequate. No serious discrepancies have been noticed in physical verification.
- (iii) Company has not granted any loans to companies, firms or other parties covered in the register maintained u/s 301 of the Act. However, Company has accepted unsecured loans from three persons aggregating Rs 1,45,51,135/- out of which Rs 67,38,336/- has since been repaid. In our opinion, terms of acceptance of loans are not prejudicial to the interest of company.
- (iv) In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size and nature of the company for purchase of inventory and fixed assets and sale of goods.
- (v) a) According to the information and explanation given to us, the company has entered into transaction pursuance of contract or arrangement entered in register maintained under section 301 of the Companies Act, 1956.
- b) In respect of the transactions made in pursuance of such contracts or arrangements and exceeding value Rupees Five Lacs in respect of any party during the year, because of the absence of the comparable prices and variation in the quality of the goods involved, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) In our opinion and explanation given to us, the company has not accepted any public deposit and the directives issued by the RBI and the provisions of 58A and 58AA of the Act and rules framed there under.

- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of business.
- (viii) The maintenance of the cost records have not been prescribed by the Central Government under section 209(1)(d) of Companies Act, 1956 to the company.
- (ix) (a) According to the books of accounts examined by us, the company is generally regular in payment of liabilities payable in respect of PF, ESI, Income Tax, VAT, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues.
- (b) Except for cases detailed hereunder, there are no disputed liabilities in respect of PF, ESI, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues which are outstanding as at 31st March, 2011:-

S No.	Period of Demand	Amount involved	Particulars of Demand	Authority where appeal is pending
1.	Financial Year 2003-04	4.38 Lacs	ESI on Job work	Civil Court, Rohini, Delhi
2.	Financial Year 2008-09 & 2009-10	56.59 Lacs	Under Labour Act	Labour Court, Karkardooma Court, Delhi
3.	Financial Year 2009-10	1.00 Lacs	Under Factory Act	Civil Court, Delhi
4.	Financial Year 2005-06	18.48 Lacs	Under Sales Tax Act/ DVAT	Appellate Tribunal, Value Added Tax
5.	Financial Year 2007-08	1.26 Lacs	Under Sales Tax Act	Joint Commissioner, Department of Trade & Taxes
6.	Financial Year 2008-09	173.92 Lacs	Demand under section 201(1) and 201(1A) of Income Tax Act, 1961.	CIT (A), Delhi

- (x) There are no accumulated losses in the case of the company. Further, the company has not incurred any cash losses during the financial year under report and nor in the immediately preceding financial year.
- (xi) As per explanation and information provided to us, the company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) The company has not granted loans and advances on basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Provisions of clause (xiii) are not applicable to the company.
- (xiv) As per information given to us, the company is not dealing or trading in shares, securities, debentures and other investments.

- (xv) In our opinion and according to the information and explanations given to us, the company has given guarantee for loans taken by others from banks or financial institutions and terms and conditions whereof are not prejudicial to the interest of company.
- (xvi) To the best of our knowledge and belief and according to information given to us, the term loan availed by the company were prima facie applied by company during the year for the purpose for which they were obtained.
- (xvii) As per information and explanation given to us and overall examination of balance sheet of the company, we report that funds raised on short term basis have prima facie not being used for long term investment and vice versa.
- (xviii) As per information and explanation given to us, the company has not made any preferential allotment of shares to promoters of the company covered in the category of persons mentioned under section 301 of the Companies Act.
- (xix) As per information and explanation given to us, the company has not issued any debentures and no security has been created against the debentures.
- (xx) The company has raised funds by issue of 77,77,778 equity shares of face value of Rs. 10/- each at a premium of Rs. 125/- per equity share in the IPO during the current financial year. The total amount raised by way of said equity issue was Rs. 105,00,00,030/- including security premium of Rs. 97,22,22,250/-.
- (xxi) As per information and explanation given to us, no fraud has been noticed or reported during the year.

For **SURESH & ASSOCIATES**

FRN: 003316N

CHARTERED ACCOUNTANTS

Date : 12th August, 2011

Place : New Delhi

(CA. SURESH K GUPTA)

PARTNER

M. No. 080050

BALANCE SHEET AS AT 31st MARCH, 2011

(Amt. in Rs.)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	163,276,080	85,498,300
Reserves & Surplus	2	1,208,670,401	213,134,728
LOAN FUNDS			
Secured Loans	3	547,288,810	612,690,836
Unsecured Loans	4	7,812,799	13,701,135
		<u>1,927,048,090</u>	<u>925,024,999</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	282,218,402	176,858,727
Less Accumulated Depreciation		79,289,221	55,230,305
Net Block		<u>202,929,181</u>	<u>121,628,422</u>
Capital Work In Progress		3,116,459	32,892,481
INVESTMENTS			
Deferred Tax Assets	6	348,265,848	164,000
		13,860,825	5,481,913
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets			
Inventories	7	1,426,640,300	1,199,592,172
Sundry Debtors	8	255,146,143	333,611,700
Cash and Bank Balances	9	20,779,544	6,832,599
Loans & Advances	10	175,733,787	130,654,029
		<u>1,878,299,775</u>	<u>1,670,690,500</u>
Current Liabilities & Provisions	11	519,423,999	909,995,017
NET CURRENT ASSETS			
		<u>1,358,875,777</u>	<u>760,695,483</u>
MISCELLANEOUS EXPENDITURE			
(To the Extent not written off/ adjusted)	12	-	4,162,700
Significant accounting policies and Notes on accounts	19		
		<u>1,927,048,090</u>	<u>925,024,999</u>

As per our separate report of even date attached

 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 : 12th August, 2011
 PLACE : DELHI

(Abani Kant Jha)
 Chief Finance Officer

(Poonam Chahal)
 Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011

(Amt. in Rs.)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
Sales		1,860,441,063	2,018,331,811
Other Income	13	20,379,217	9,313,880
Increase / (Decrease) in Stock	14	291,431,446	608,670,191
TOTAL		<u>2,172,251,725</u>	<u>2,636,315,882</u>
EXPENDITURE			
Material & Manufacturing Expenses	15	1,111,677,178	1,491,867,297
Office & Administrative Expenses	16	361,350,641	321,045,319
Selling & Distribution Expenses	17	421,382,041	512,614,224
Financial Expenses	18	81,747,645	63,949,967
TOTAL		<u>1,976,157,505</u>	<u>2,389,476,807</u>
Profit before Tax & Depreciation		196,094,220	246,839,075
Less Depreciation		25,263,007	23,425,797
Profit Before Tax		170,831,214	223,413,278
Less Provision for Income Tax		55,434,675	80,025,494
Less Provision for Deffered Tax Liability/ (Assets)		(8,378,912)	(3,628,143)
Profit after Tax		123,775,451	147,015,926
Short Provision of Taxes provided for		-	(185,628)
Net Profit for the Year		<u>123,775,451</u>	<u>146,830,298</u>

As per our seperate report of even date attached

 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 : 12th August, 2011
 PLACE : DELHI

(Abani Kant Jha)
 Chief Finance Officer

(Poonam Chahal)
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A. CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax	170,831,214	223,413,278
Adjustments For :		
Depreciation	25,263,007	23,425,797
Interest Expenses	60,262,523	50,842,896
Interest Income	(1,239,066)	(29,718)
Loss/ (Profit) on Sale of Fixed Assets	(8,038,739)	158,271
Dimunition in the Value of Investments	-	342,356
Fixed Assets Written off	1,029,271	2,678,617
Old provision of Tax written off	-	(185,628)
Operating Profit before working capital Changes	248,108,210	300,645,869
Adjustments For :		
(Increase)/Decrease in Sundry Debtors	78,465,557	(27,192,386)
(Increase)/Decrease in Inventories	(227,048,128)	(631,135,586)
(Decrease)/Increase in Sundry Creditors and Provisions	(390,571,018)	386,739,762
(Increase)/Decrease in Loans and Advances	(45,079,758)	(32,666,037)
Cash Generated From Operations	(336,125,137)	(3,608,378)
Direct Taxes Paid	55,434,675	80,025,494
Net Cash Generated From/(used in) Operating Activities	(391,559,812)	(83,633,872)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(76,131,707)	(38,300,090)
Sale of Fixed Assets	9,469,889	1,013,403
Increase/Decrease in Capital WIP	(3,116,459)	(12,728,097)
Interest Received	1,239,066	29,718
Increase in Investments	(348,101,848)	-
Net Cash from (used in) investing activities	(416,641,059)	(49,985,066)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital / Share Application Money	77,777,780	2,500,000
Share Premium Account	972,222,250	2,500,000
Proceeds from Secured Loan	(65,402,026)	174,345,987
Proceeds from Unsecured Loan (Net)	(5,888,336)	6,668,843
Interest / Financial Charges	(60,262,523)	(50,842,896)
Miscellaneous Expenditure Paid for IPO	(96,299,328)	(4,162,700)
Net Cash from (used in) Financing Activities	<u>822,147,817</u>	<u>131,009,234</u>
I Total increase (decrease) in cash and cash equivalents during the year (A+B+C)	13,946,946	(2,609,704)
II Cash and cash equivalents at beginning of year	6,832,599	9,442,302
III Cash and cash equivalents as at 31st March 2011 (I+II)	20,779,544	6,832,599

As per our separate report of even date attached

 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 : 12th August, 2011
 PLACE : DELHI

(Abani Kant Jha)
 Chief Finance Officer

(Poonam Chahal)
 Company Secretary

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 1		
“SHARE CAPITAL”		
1 Authorised Capital	170,000,000	150,000,000
1,70,00,000 Equity Shares of Rs. 10/- each. (Previous Year 150,00,000 equity shares of of Rs. 10/- each)		
2 Issued, Subscribed and Paid up.	163,276,080	85,498,300
1,63,27,608 Equity Shares of Rs. 10/- each, fully paid up, out of which 70,88,874 shares were allotted as fully paid up bonus shares out of capitalisation of profits (Previous year 85,49,830 equity shares of Rs.10/- each, fully paid up)		
	163,276,080	85,498,300
SCHEDULE NO. 2 “RESERVE & SURPLUS”		
1 Profit & Loss A/C		
Opening Balance	209,284,728	94,516,290
Add : Profit During the Year	123,775,451	146,830,298
Less : Profit Utilised For Issue of Bonus Shares	-	32,061,860
	333,060,179	209,284,728
2 Securities Premium		
Opening Balance	3,850,000	1,350,000
Share Premium received during the year	972,222,250	2,500,000
Less : IPO expenses written off	100,462,028	-
	875,610,222	3,850,000
Total (1+2)	1,208,670,401	213,134,728

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 3 "SECURED LOAN"		
A Working Capital Loans		
(i) AXIS Bank (Secured against hypothecation of stocks and collateral security given by Directors)	294,671,997	165,139,787
(ii) AXIS Bank (FCDL LOAN) (Secured against hypothecation of stocks and collateral security given by Directors)	-	70,567,247
(iii) Standard Chartered Bank (Secured against hypothecation of stocks and collateral security given by Directors)	165,201,423	253,606,252
(iv) Oriental Bank of Commerce (Secured against hypothecation of stocks and collateral security given by Directors)	80,002,858	-
	539,876,278	489,313,286
B Term Loans		
(i) ICICI Bank (Secured against collateral security given by Directors)	-	5,427,678
(ii) AXIS Bank (Secured against hypothecation of Furniture & Fixtures and collateral security given by Directors)	-	37,332,173
(iii) Standard Chartered Bank (Secured against hypothecation of Furniture & Fixtures and collateral security given by Directors)	-	38,002,228
(iv) HDFC Bank (Merchant Loan) (Secured against First Charge on immovable Property of Company at Ghaziabad and against Credit Card Sale Proceeds)	-	39,040,912
	-	119,802,991
C Vehicle Loans		
(i) HDFC Bank	6,397,735	682,238
(ii) Tata Capital Ltd	1,014,797	2,892,321
(All Vehicle loans Secured against hypothecation of Vehicles)	7,412,533	3,574,560
(A+B+C)	547,288,810	612,690,836
SCHEDULE NO. 4 "UNSECURED LOANS"		
1 From Directors	7,812,799	13,701,135
	7,812,799	13,701,135

**ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON
31ST MARCH, 2011**

SCHEDULE NO. 5 "FIXED ASSETS"

Particulars	Gross Block as on 01.04.2010	Net Addition During The Year	Assets Written Off During The Year	Disposal / Adjustments	Gross Block as on 31.03.2011	Depreciation as on 01.04.2010	Depreciation during the year	Depreciation written off	Depreciation as on 31.03.2011	WDV as on 31.03.2011	WDV as on 31.03.2010
Land	2,005,000	60,411,197	-	-	62,416,197	-	-	-	-	62,416,197	2,005,000
Building	12,349,867	10,645,822	-	1,000,000	21,995,689	1,902,880	1,178,951	313,739	2,768,092	19,227,597	10,446,987
Plant & Machinery	46,308,255	9,679,158	47,500	1,183,704	54,756,209	11,698,525	5,560,688	447,825	16,811,388	37,944,822	34,609,730
Vehicles	9,609,006	9,153,411	-	-	18,762,417	4,246,528	2,356,492	-	6,603,020	12,159,397	5,362,478
Furniture & Fixtures	88,434,851	16,346,155	1,423,196	-	103,357,809	27,898,719	12,127,154	435,717	39,590,157	63,767,653	60,536,132
Computer	17,514,555	2,600,445	10,112	-	20,104,887	8,902,847	3,971,885	6,811	12,867,922	7,236,966	8,611,707
Trademark	99,053	-	-	-	99,053	84,135	3,729	-	87,865	11,188	14,918
Computer Software	538,140	188,000	-	-	726,140	496,670	64,107	-	560,777	165,363	41,470
CURRENT YEAR	176,858,727	109,024,188	1,480,809	2,183,704	282,218,402	55,230,305	25,263,007	1,204,091	79,289,221	202,929,181	121,628,422
PREVIOUS YEAR	144,808,247	39,265,631	3,126,044	4,089,107	176,858,727	34,151,141	23,425,797	2,346,633	55,230,305	121,628,422	110,657,106

CWIP

CURRENT YEAR	32,892,481	45,791,684		75,567,706	3,116,459	-	-	-	-	3,116,459	32,892,481
PREVIOUS YEAR	20,111,698	14,121,475	375,151	965,541	32,892,481	-	-	-	-	32,892,481	20,111,698

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 6 "INVESTMENTS"		
Non Trade Investments		
1 Shares (Unquoted)	24,000	24,000
1600 Equity shares of Nova Iron & Steel Co. Ltd (Market Price Rs.16,080/-)		
2 Mutual Funds (Quoted) (At cost)		
A 833.903 Units of HDFC Equity Fund (G) (NAV Rs. 2,36,225/-)	130,000	130,000
B 910.61 Units of IDFC Imperial Equity Fund- Plan A (G) (NAV Rs. 18,107/-)	10,000	10,000
C Debt Mutual Funds		
(i) 35,00,000 units of BSL Short Term FMP Series 9 Div-Payout (NAV Rs. 3,53,04,850/-)	35,000,000	-
(ii) 2,28,013.906 units of BSL Savings Fund-Instl-Daily Div - Reinvestment (NAV RS 22,81,690/-)	2,281,690	-
(iii) 30,00,000 units of DSP Blackrock - FMP 3M S30 (NAV Rs 3,01,09,200/-)	30,000,000	-
(iv) 4.893 units of DSP Blackrock - Money Manager Fund - Inst -DD (NAV Rs 4897/-)	4,897	-
(v) 10,00,000 units of BNP Paribas Fixed Term Fund Ser 21F Growth (NAV Rs 1,00,65,300/-)	10,000,000	-
(vi) 3,434,111 units of BNP Paribas Money Plus Institutional Plan Daily Dividend (NAV Rs. 34,359,314/-)	34,359,314	-
(vii) 1,600,000 units of Kotak FMP Series 29 - Growth (NAV Rs. 16,257,440 /-)	16,000,000	-
(viii) 2,000,000 units of Kotak FMP 370 Days Series 9 - Growth (NAV Rs. 20,507,600/-)	20,000,000	-
(ix) 3,850,000 units of L207D SBI Debt Fund Series - 180 Days - 14 Dividend (NAV Rs. 39,006,700/-)	38,500,000	-
(x) 3,000,000 units of L205D SBI Debt Fund Series - 180 Days - 13 Dividend (NAV Rs. 3,000,000/-)	30,000,000	-
(xi) 2,032,812.88 units of Reliance Fixed Horizon Fund - XVI Series 6 - Dividend (NAV Rs. 20,365,329/-)	20,328,129	-
(xii) 5,081,018 units of T30AG Tata FMP Series 30 Scheme A - Growth (NAV Rs. 51,826,892/-)	50,810,180	-
(xiii) 4,000,000 units of IDFC FMP - Half Yearly Series 12 - Dividend (NAV Rs. 40,114,400/-)	40,000,000	-
(xiv) 1,527,083 units of Fidelity FMP Series 5 - Plan D - Dividend (NAV Rs. 15,354,218/-)	15,270,839	-
(xv) 554,186.75 units of JPMorgan I T Fund- Super Inst Daily Div Plan -Reinvest (NAV Rs. 5,546,800/-)	5,546,800	-
	348,265,848	164,000

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 7 "INVENTORIES"		
1 Finished Goods/ Goods for resale	1,289,480,877	998,049,431
2 Raw Material & Accessories	40,100,318	38,757,390
3 Work In Progress (including Scrap)	97,059,105	162,785,351
	<u>1,426,640,300</u>	<u>1,199,592,172</u>
SCHEDULE NO. 8 "SUNDRY DEBTORS"		
(Unsecured considered good)		
Outstanding for a period exceeding six months	12,289,187	11,745,345
Others	242,856,956	321,866,355
	<u>255,146,143</u>	<u>333,611,700</u>
SCHEDULE NO. 9 "CASH & BANK BALANCES"		
1 Cash In Hand	11,375,042	3,773,515
2 Balance With Scheduled Banks	6,580,667	620,484
3 Balance With Other Banks	2,823,835	2,438,600
	<u>20,779,544</u>	<u>6,832,599</u>
SCHEDULE NO. 10 "LOANS & ADVANCES"		
(Unsecured considered good except as otherwise stated)		
1 Security Deposits	150,010,186	100,753,742
2 Advance Against Flat Booking	7,060,651	4,791,678
3 Advances to Suppliers	7,450,246	5,162,197
4 Other Advances	1,339,267	44,331
5 Advances to Fabricators	134,073	30,847
6 Advances to Staff	801,920	662,454
7 Imprest to Staff	1,206,117	2,909,129
8 VAT on Capital Goods	61,485	122,967
9 Prepaid Expenses	2,834,864	2,029,062
10 Income Tax Refund due	2,249,578	11,736,401
11 FBT Refund due	576,363	576,363
12 VAT Refund Delhi(CIPL)	1,280,258	1,085,953
13 Credit Card Account	509,402	505,527
14 ESI Deposited Under Protest	219,378	219,378
15 Deposit Against Stay	-	24,000
	<u>175,733,787</u>	<u>130,654,029</u>

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 11 "CURRENT LIABILITIES AND PROVISIONS"		
A CURRENT LIABILITIES		
1 Sundry Creditors:-		
Creditors for Supplies	139,799,876	371,103,214
Creditors for Expenses	48,702,426	83,210,983
2 Advance from Sundry Debtors	8,518,103	3,709,473
3 Security Deposit Received	266,041,260	372,953,890
	463,061,666	830,977,560
B PROVISIONS		
1 Statutory Liabilities	20,166,806	49,733,094
2 Expenses Payable	36,195,527	29,284,363
	56,362,333	79,017,457
	519,423,999	909,995,017
SCHEDULE NO. 12 "MISCELLANEOUS EXPENDITURE		
Miscellaneous Expenditure	-	4,162,700
(To the extent not written off or adjusted)		
	-	4,162,700
SCHEDULE NO. 13 "OTHER INCOME"		
1 Foreign Exchange Fluctuation Gain/Loss	-	2,496,950
2 Other Income	20,379,217	6,816,930
	20,379,217	9,313,880

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 14 "INCREASE/ (DECREASE) IN STOCK"		
Opening Stock		
Finished Goods	998,049,431	389,379,240
	<u>998,049,431</u>	<u>389,379,240</u>
Closing Stock		
Finished Goods	1,289,480,877	998,049,431
	<u>1,289,480,877</u>	<u>998,049,431</u>
Increase/ (Decrease) in Stock	<u>291,431,446</u>	<u>608,670,191</u>
SCHEDULE NO. 15 MATERIALS & MANUFACTURING EXPENSES		
COST OF RAW MATERIAL CONSUMED		
Opening Stock	38,757,390	41,898,485
Purchases	384,460,049	679,789,119
Cartage Inward	1,819,895	4,230,097
	<u>425,037,334</u>	<u>725,917,701</u>
Less: Closing Stock	<u>40,100,318</u>	<u>38,757,390</u>
	<u>384,937,016</u>	<u>687,160,311</u>
PURCHASES: TRADING GOODS	462,038,363	458,836,119
MANUFACTURING EXPENSES	198,975,554	371,477,356
Add : OPENING WORK IN PROGRESS	162,785,351	137,178,862
	<u>1,208,736,283</u>	<u>1,654,652,648</u>
Less : CLOSING WORK IN PROGRESS	<u>97,059,105</u>	<u>162,785,351</u>
	<u>1,111,677,178</u>	<u>1,491,867,297</u>

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 16 "OFFICE & ADMINISTRATIVE EXPENSES"		
1 Salaries & Amenities	102,225,551	96,301,617
2 Director's Remuneration	5,529,000	4,608,000
3 Rent,Rates & Taxes	187,894,265	159,120,941
4 Postage & Stationary	3,019,100	4,293,114
5 Conveyance Expenses	1,940,833	1,895,935
6 Staff Welfare Expenses	4,204,310	5,969,319
7 Telephone Expenses	6,942,214	6,324,346
8 Legal & Professional Charges	3,028,126	3,189,410
9 Repair and Maintenance	5,874,923	3,268,132
10 Insurance Expenses	2,662,848	2,775,330
11 Registration & Filing Fees	721,919	1,294,071
12 Auditor's Remuneration	882,400	1,014,760
13 Festival & Celebration Expenses.	1,594,030	1,021,261
14 Miscellaneous Expenses	7,659,006	434,842
15 Sundry Balances Written off	196,651	424,719
16 Electricity & Water Expenses	24,180,275	23,962,909
17 Travelling Expenses	972,166	360,631
18 Security Expenses	1,823,024	4,285,353
19 Loss on Sales of Fixed Assets	-	158,271
20 Diminution in the Value of Investments	-	342,356
	361,350,641	321,045,319

ALL SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2011

(Amt. in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 17 "SELLING AND DISTRIBUTION EXPENSES"		
1 Showroom Renovation Expenses	1,519,569	2,132,677
2 Freight & Cartage Outward	17,910,135	19,358,787
3 Business Promotion Expenses	2,275,798	3,568,105
4 Advertisement & Publicity Expenses	40,585,582	57,281,654
5 Commission Expenses	148,634,643	121,207,331
6 Tour & Travelling Expenses	2,514,332	4,231,595
7 Rebate & Discount	161,970,965	274,238,544
8 Sales Tax Expenses	172,209	111,239
10 Credit Card Expenses	5,874,639	5,873,239
11 Showroom Expenses	38,894,896	21,932,437
12 Assets written off	1,029,271	2,678,617
	421,382,041	512,614,224
SCHEDULE NO. 18 "FINANCIAL EXPENSES"		
1 Bank Interest & Charges	51,742,018	43,785,667
2 Interest On Term Loan	8,520,505	12,239,221
3 Interest on Security Deposits	21,485,122	7,925,079
	81,747,645	63,949,967

ALL SCHEDULED ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH 2011

SCHEDULE 19 “ACCOUNTING POLICIES AND NOTES ON ACCOUNTS”

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements of the company have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles, accounting standards issued by The Institute of Chartered Accountants of India (ICAI), as applicable, and the relevant disclosure requirements of Companies Act, 1956.

b) REVENUE RECOGNITION

- i) The accrual basis of accounting has been followed in respect of income and expenditure.
- ii) Sales figures are stated at net of sales returns and tax chargeable at the time of sale.
- iii) The sale includes sale of goods made through consignment agents. No separate consignment account has been prepared to determine profit or loss on consignment. However this accounting treatment does not affect the profitability of the company and also the net worth position of the company.

c) ACCOUNTING FOR TAXES ON INCOME

- i) Provision for Direct taxes has been made in accordance with provisions of Income Tax Act, 1961.
- ii) The company has accounted for deferred taxation (DT) liability/ Asset in compliance of Accounting Standard AS-22 issued by ICAI.

Calculation of Provision for Deferred Tax Asset/(Liability)	Amount
WDV as per Income Tax Act	20,46,20,737
Less WDV as per Companies Act	20,29,29,181
Difference being DT Assets due to Depreciation Differential	16,91,556
Add: Bonus Payable	4,17,266
Add: Gratuity Payable	89,33,562
Add: IPO Expenditure allowable in succeeding years	2,82,88,957
Add: Leave Encashment Payable	23,92,997
Total DT Assets	4,17,24,338
Deferred Tax Assets	1,38,60,825
Less Provision already made	54,81,913
Provision for the Current year	83,78,912

d) RETIREMENT BENEFITS

The provision for payment of gratuity, leave encashment has been made as certified by the independent actuarial as per requirements of Accounting Standard AS-15 issued by ICAI.

e) FOREIGN CURRENCY TRANSACTIONS

- I) Foreign currency transactions are initially recognized at prevailing rate at the time of transaction or nearest date thereof.
- II) Monetary items denominated in foreign currencies remaining unsettled are translated at the year end rates.
- III) Any Income or Expenses arising on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

f) FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. The company has capitalized all cost relating to acquisition of fixed assets and installation thereof.

g) DEPRECIATION

Depreciation on fixed assets is provided using written down method at the rate prescribed under Schedule XIV of the Companies Act, 1956. Proportionate depreciation is provided for additions/deletions during the year.

h) INVENTORIES

Inventories are valued on the following basis:-

- | | |
|--|--|
| 1. Finished Goods/Goods for Resale
(other than rejected stock/ Scrap) | At lower of cost or net realizable value |
| 2. Raw Material | At cost |
| 3. Work in Progress | At cost |
| 4. Rejected Stock/ Scrap | At net realizable value |

i) IMPAIRMENT OF ASSETS AS PER AS-28

In the opinion of the management, the Net Realizable Amount (NRA) of the fixed assets of the company as on 31st March 2011 are not less than the Actual Carrying Cost shown in the balance sheet, therefore no loss on account of impairment is recognized and charged to the profit and loss account.

j) INVESTMENTS.

Company has policy to value long term investments at cost and short-term investments are valued at market price in accordance with the provisions of AS- 13 issued by ICAI.

k) PRIOR PERIOD EXPENSES AND INCOMES

Prior period expenses and incomes below Rs. 20000/- have been treated as current year's expenses/incomes.

l) CONTINGENT LIABILITIES

- i. The company has executed corporate guarantee in favour of bank for borrowing of Rs 1.70 crores by director of the company. The company has derived due benefits from such guarantee.
- ii. The company is taken on rent various commercial properties and has been regularly paying rent thereof but has not paid service tax on rents chargeable under provisions of Finance Act. The payments have not been made on the basis of judgment of Delhi Court ruling against the leviability of service tax on rentals. Service Tax on such amounts of rent paid works out to Rs 79,24,991/-. The liability of said amount of Rs 79,24,991/- may arise on the company if the matter is decided in favour of revenue.

m) CLAIMS NOT ACKNOWLEDGED BY THE COMPANY

- i. Demand of Rs 4.38 lacs has been raised by Employees State Insurance Corporation in respect of persons not employed by the company. No provision has been made for the liability as the company has contested the demand in the Civil Court.
- ii. Company is contesting demand of Rs 56.59 lacs in labour court, against amount demanded by some employees of the company.
- iii. Fine of Rs 1.00 lacs has been levied by Chief Inspector Factory for factory premises inspection irregularities. No provision has been made for the liability as the company has contested the demand in the Civil Court.
- iv. Demand of Rs. 18.48 lacs has been raised by the Delhi VAT Department for the year 2005-06 that has been contested by the company in appeal with appropriate Appellate Authority.
- v. Demand of Rs. 1.26 lacs has been raised by sales tax department for the year 2007-08 that has been contested by the company in appeal.
- vi. Demand of Rs. 174.31 lacs has been raised by the Income Tax Department u/s 201(1) and 201(1A) of Income Tax Act for the assessment year 2009-10 out of which amount Rs 173.92 lacs has been contested by the company in appeal with appropriated Appellate Authority.
- vii. Demand of Rs. 15.71 lacs has been raised by the Income Tax Department u/s 201(1) and 201(1A) of Income Tax Act for the assessment year 2008-09 out of which amount Rs 15.51 lacs has been contested by the company.

2. NOTES ON ACCOUNTS

- a) Previous year's figures have been regrouped, rearranged, reworked and reclassified wherever necessary.
- b) The company has prepared the Cash Flow Statement using the Indirect Method in compliance of Accounting Standard AS-3 issued by I.C.A.I.
- d) **OUTSTANDINGS TOWARDS MSME:**

The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming

their status as on 31.03.2011 as Micro, Small or Medium Enterprises. Consequently the amount of interest paid / payable to these parties during the current financial year is Nil.

e) EARNING PER SHARE (EPS)

Particular	2010-11	2009-10
A) Net Profit as per Profit and Loss Account (Rs.)	12,37,75,451	14,68,30,298
B) Weighted Average number of equity shares used as denominator for calculation EPS as per AS- 20	1,22,36,284	84,38,186
C) Basic Earning per share of face value of Rs.10 each in Rs (as per AS-20)	10.12	17.4
D) Diluted Earning per share of face value of Rs.10 each in Rs (as per AS-20)	10.12	17.4

f) AUDITOR'S REMUNERATION

Particular	CURRENT YEAR	PREVIOUS YEAR
Audit Fee	8,00,000	7,99,675
Tax Audit Fee	82,400	82,725
Taxation	–	–
Others	–	1,32,360
(Including Service Tax)	8,82,400	10,14,760

g) MANAGERIAL REMUNERATION

Particular	CURRENT YEAR	PREVIOUS YEAR
Remuneration to Directors	49,89,000	43,78,500
Perquisites	4,75,708	3,79,200
Total	54,64,708	47,57,700

Computation of profits u/s 349 and 350 for managerial remuneration

(Amt in Rs)

S No	Particulars	Year ended on 31.03.2011	Year ended on 31.03.2010
1	Profit before tax as per Profit and Loss Account	17,08,31,214	22,34,13,278
	Add:		
	Managerial remuneration including perquisites	54,64,708	47,57,700
	Loss on sale of/disposal of assets	-	1,58,271
	Provision for diminution in the value of investments	-	3,42,356
	Unserviceable fixed assets written off	10,29,271	26,78,617
	Depreciation as provided in the Books	2,52,63,007	2,34,25,797
	Sub-Total	3,17,56,986	3,13,62,741

S No	Particulars	Year ended on 31.03.2011	Year ended on 31.03.2010
	Less:		
	Capital profit on sale of immovable assets	80,38,739	-
	Depreciation as computed in terms of Section 350	2,52,63,007	2,34,25,797
	Sub-Total	3,33,01,745	2,34,25,797
	Total	16,92,86,454	23,13,50,222
	Eligible remuneration to the Managerial Personnel in terms of Section 309 @ 10%	1,69,28,645	2,31,35,022
	Total amount of managerial remuneration paid		

	Designation	Total Remuneration (Rupees)			
		Salary	Perquisites	Commission	Total
1	Managing Director	24,00,000	4,36,108	-	28,36,108
2	Whole-Time Director	25,89,000	39,600	-	26,28,600
	Total	49,89,000	4,75,708	-	54,64,708

h) RELATED PARTY DISCLOSURE

In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I., the transaction with the related parties entered into by the company are disclosed as under: -

List of related Parties:

Key Management Personnel

Mr. Vijay Bansal

Mr. Deepak Bansal

Mr. Anil Bansal

Relatives of Key Management Personal

(With whom transactions have been entered)

Smt. Sushila Bansal

Mrs. Swati Gupta

Vijay Bansal (HUF)

Anil Bansal (HUF)

Amit Bansal

Manohari Bansal

Poonam Bansal

Rekha Bansal

Ram Nivas Bansal (HUF)

Sunil Bansal

Sunil Bansal (HUF)

Balaji International Clothing
 Suresh Chand Bansal
 Y. G. Estate Private Limited
 Akshi Marketing Private Limited

Companies in which directors are interested

Romano Fashion Private Limited
 Dolphin Packaging Private Limited

Transaction with Related Parties

NATURE OF TRANSACTION	Subsidiaries Co.	Companies/Firms in which Director's are Interested		Key Management Personnel & their Relatives	
		Current Year	Previous Year	Current Year	Previous Year
Remuneration including Perquisite	NIL	NIL	NIL	54,64,708	47,57,700
Rent Paid	NIL	8,40,000	8,40,000	72,32,212	70,20,000
Interest	NIL	NIL	NIL	95,000	NIL
Purchase	NIL	NIL	5,39,01,162	NIL	NIL
Sale	NIL	1,86,68,388	1,65,25,749	NIL	NIL
Loan Taken	NIL	NIL	NIL	8,50,000	1,53,50,000
Loan Repaid	NIL	NIL	NIL	67,38,336	86,81,157
Commission Paid	NIL	12,84,589	12,50,000	15,04,124	14,37,189
Salary	NIL	NIL	NIL	9,00,000	9,69,433
Security given	NIL	NIL	60,00,000	NIL	NIL

3. ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 TO THE EXTENT APPLICABLE.

A. License Capacity: Not applicable Not applicable
 Installed Capacity:
 Readymade Garments 20,00,000 20,00,000

B. QUANTITATIVE INFORMATION (READYMADE GARMENTS/ ACCESSORIES)

PARTICULARS	UNIT OF QUANTITY	CURRENT YEAR		PREVIOUS YEAR	
		Qty	Amount	Qty	Amount
OPENING STOCK					
Readymade Garments/ Accessories	PCS.	3,098,755	998,049,431	989,369	389,379,240
		3,098,755	998,049,431	989,369	389,379,240

PARTICULARS	UNIT OF QUANTITY	CURRENT YEAR		PREVIOUS YEAR	
PURCHASES					
Readymade Garments/ Accessories	PCS.	1,176,652	359,053,182	2,029,780	458,836,119
		1,176,652	359,053,182	2,029,780	458,836,119
MANUFACTURED					
Readymade Garments/ Accessories	PCS.	2,053,938		3,747,190	
		2,053,938		3,747,190	
SALES					
Readymade Garments/ Accessories	PCS.	3,110,658	1,860,441,063	3,667,584	2,018,331,811
		3,110,658	1,860,441,063	3,667,584	2,018,331,811
CLOSING STOCK					
Readymade Garments/ Accessories	PCS.	3,218,687	1,289,480,877	3,098,755	998,049,431
		3,218,687	1,289,480,877	3,098,755	998,049,431

Particulars of Opening & Closing Stock, Purchase and Consumed of Raw Material

PARTICULARS	UNIT OF QUANTITY	CURRENT YEAR		PREVIOUS YEAR	
		Qty	Amount	Qty	Amount
Fabrics					
Opening Stock	Mtrs.	306,471	29,729,390	418,355	33,874,413
Purchase	Mtrs.	2,941,391	313,830,396	6,601,795	535,519,886
		3,247,862	343,559,786	7,020,150	569,394,299
Less : Consumed & Sold	Mtrs.	2,948,105	312,084,573	6,713,679	539,664,908
Closing Stock	Mtrs.	299,757	31,475,214	306,471	29,729,390

C. Earning In Foreign Currency	--	--
D. Expenditure in Foreign Currency		
Travelling Expenses (Rs.)	--	--
Interest on F. Currency Loan (Rs)	--	2,753,189

UTILISATION OF IPO FUNDS

During the year, Company has raised Funds by issue of 77,77,778 equity shares of face value of Rs. 10/- each at a premium of Rs. 125/- per equity share in the IPO. The total amount raised by way of said equity issue was Rs. 105,00,00,030/- inclusive of Rs. 97,22,22,250/- as security premium. Status of utilization of funds is as under:

(Rs. In Lacs)

Particulars	Objects as per Prospectus	Actual Utilization
Utilisation of funds up to March 31, 2011		
Establishment of new manufacturing facility	3,202.5	397.6
Expansion of our Retail Network	2,497.5	551.3
Additional Working Capital	3,000.0	3,000.0
Repayment of Debt	2,000.0	2,000.0
General Corporate Purposes	200.0	68.7
Expenses of the issue	977.8	1,004.6
	11,877.8	7,022.2
Unutilised Amount		
Temporary deployment of unutilised amount as follows:		
Investment in Units of Mutual Funds		3,410.1
Balance with Banks		67.7
Total		10,500.0

4. Schedule No. 1 to 19 is forming an integral part of Balance Sheet as on 31.03.2011 and Profit & Loss Account at the year ended on 31.03.2011.

As per our separate report of even date attached

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 : 12th August, 2011
 PLACE : DELHI

(Abani Kant Jha)
 Chief Finance Officer

(Poonam Chahal)
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional information pursuant to the provisions of Part IV of the Schedule VI of the Companies Act, 1956

I. Registration details				
Registration No.	34995	State Code No.	55	
Balance Sheet date	31-Mar-11			
II. Capital raised during the year (Amount in Rs. thousands)				
Public Issue	1,050,000	Rights Issue	NIL	
Bonus Issue	NIL	Private Placement	NIL	
III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)				
Total Liabilities	2,446,472.09	Total Assets	2,446,472.09	
Sources of Funds				
Paid up Capital	163,276.08	Reserve & Surplus	1,208,670.40	
Secured Loans	547,288.81	Unsecured Loans	7,812.80	
Application of Funds				
Net Fixed Assets	206,045.64	Investments	348,265.85	
Net Current Assets	1,358,875.78	Misc. Expenditure	-	
Deffered Tax Assets	13,860.83			
IV. Performance of the company (Amount in Rs. thousands)				
Turnover	1,860,441.06	Total Expenditure	2,001,420.51	
Profit before Tax	170,831.21	Dividend rate (%)	NIL	
Profit after Tax	123,775.45	Earning per share (Rs.)	10.12	
V. Generic names of three Principal Products/Service of the Company				
Item Code No. (ITC Code)	61.03			
Product Description	Men's or Boy's Suits, Trousers & Jackets			
Item Code No. (ITC Code)	61.05			
Product Description	Men's or Boy's Shirts knitted or crocheted			
Item Code No. (ITC Code)	61.17			
Product Description	Clothing Accessories			
Earning Per Share				
Basic	10.12			
Diluted	10.12			
Net Profit/Loss (Rs. In thousands)				
Basic	123,775.45			
Diluted	123,775.45			
Average no. of Share (Rs. 10/- each)				
Basic	12,236,284			
Diluted	12,236,284			

As per our separate report of even date attached

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

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

DATE : 12th August, 2011
 PLACE : DELHI

For and on behalf of the Board of Directors

(Vijay Bansal)
 Managing Director
 DIN: 01110877

(Abani Kant Jha)
 Chief Finance Officer

(Deepak Bansal)
 Director
 DIN:01111104

(Poonam Chahal)
 Company Secretary

CANTABIL RETAIL INDIA LIMITED

Regd. Office : B-47, 1st Floor, Lawrance Road, Industrial Area, Delhi - 110035

PROXY FORM

I/We
of being member/members
of Cantabil Retail India Limited hereby appoint
..... of
or failing him.....
as my/our proxy to vote for he/us a on my/our behalf at the Twenty Third Annual General Meeting of the
company to be held on Friday, September 30, 2011 at 9.00 A.M. at Tivoli Garden Resort Hotel, Chhattarpur
Hills, Mehrauli, New Delhi - 110064 and at every adjournment thereof.

Signed this day of 2011.

Member's Folio Number

Client ID and DP ID.....

No. of Shares held

AFFIX 1 RUPEES REVENUE STAMP

Signature

CANTABIL RETAIL INDIA LIMITED

Regd. Office : B-47, 1st Floor, Lawrance Road, Industrial Area, Delhi - 110035

ATTENDANCE SLIP

(TO BE HANDED OVER AT ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the Twenty Third Annual General Meeting of the company to be held on Friday,
September 30, 2011 at 9.00 A.M. at Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi - 110064.

Name of the Member Attending (in Block Letters)

Name of the Proxy (To be filled-in if the Proxy Form has been duly deposited with the Company)

Signature of the Member / Proxy

Member's Folio Number Client ID and DP ID

No. of Shares held

Note : The Proxies should be deposited at the Registered Office of the Company not late than 48 hours before the
commencement of the meeting. The proxy need not be a member of the company.