

Annual Report
2012-13



CANTABIL^{ITALY}
International Clothing

Cantabil Retail India Limited

Annual Report 2012-13



CANTABIL ITALY
International Clothing

Cantabil Retail India Limited

25TH ANNUAL GENERAL MEETING

BOARD OF DIRECTORS

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

Company Secretary	-	Ms. Poonam Chahal
Chief Financial Officer	-	Mr. Rajesh Rohilla
Auditors	-	M/s Suresh & Associates
		Chartered Accountants
		New Delhi

**Registrar &
Transfer Agent**

**Beetal Financial and Computer
Services Pvt. Ltd.**

Beetal House, 3rd Floor,
99, Madangir, Behind Local
Shopping Complex,
Near Dada Harsukhdas Mandir,
New Delhi - 110062

Registered Office **B-47, 1st Floor, Lawrance Road,
Industrial Area, Delhi - 110035**

Banker

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

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NOTICE OF 25TH ANNUAL GENERAL MEETING

Notice is hereby given that 25th Annual General Meeting of CANTABIL RETAIL INDIA LIMITED will be held on 30th September, 2013 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, 2013 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, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. B.M. Aggarwal, Director, 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.

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

**Date : 12th August 2013
Place: New Delhi**

**(POONAM CHAHAL)
Head- Legal & 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. 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.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from September 18 , 2013 to September 28, 2013 (both days inclusive)
5. Members who would like to ask any questions on the accounts are requested to send their questions at Corporate Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
6. Members are requested to intimate change, if any, in their postal addresses immediately to the RTA, Beetal Financial and Computers Pvt. Ltd.
7. Members are requested to notify their e-mail addresses to the Company's share transfer agents in order to enable the Company to send the documents electronically as permitted by Ministry of Corporate Affairs.
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**

**Date : 12th August 2013
Place: New Delhi**

**(POONAM CHAHAL)
Head- Legal & Company Secretary**

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT

(Pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. Lalit Kumar	Mr. B.M. Aggarwal
Date of birth & Age	01.08.1964 49 Years	08.08.1953 60 Years
Nationality	Indian	Indian
Appointed on	11.09.2009	11.09.2009
Expertise in specific functional areas	Finance, Accounts & Retail Management	Finance & Accounts, advising us on planning and expansion of the business.
Brief Resume	Mr. Lalit Kumar is an Independent Director. He is a Chartered Accountant & Company Secretary. He was a president of M/s 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.	Mr. Brij Mohan Aggarwal is an Independent Director. He is a FCA with over three decades of professional experience in the field of corporate and financial consultancy, project planning and consultancy and financial publishing and editing. He advises us on planning and expansion of our business.
List of Directorships held in other Companies	1. Gaap Education Limited. 2. Gaap Bright E Learning (P) LTD. 3. Oaktree InfraVenture Private Limited. 4. W2H Ventures Private Limited. 5. Truehealth Worldwide Services Private Limited. 6. Alley & Brown Ventures Pvt. Ltd. 7. Blue Sapphire Ventures Pvt. Ltd.	ABM Corporate Consulting Pvt. Ltd.
Membership/ Chairmanship of various Board Committees	Member- Board of Cantabil Retail India Limited Member — Audit Committee Member- Remuneration Committee	Member- Board of Cantabil Retail India Limited Chairman - Audit Committee Chairman — Shareholder Grievance Redressal Committee Remuneration Committee
Shareholding of Non-Executive Director in Cantabil Retail India Limited	NIL	NIL

DIRECTORS' REPORT

To
 The Shareholders,
Cantabil Retail India Limited

Your Directors have pleasure in presenting the 25th 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 2013.

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 31.03.2013	For the year ended 31.03.2012
Total Revenue	11488.01	15964.13
Profit before Tax & Depreciation	(3158.54)	(2319.13)
Profit before Tax	(3327.09)	(2583.81)
Provision for Income Tax	---	1.33
Provisions for Deferred Tax Liability/ (Assets)	(39.48)	(38.33)
Profit after Tax	(3287.60)	(2546.82)

REVIEW OF PERFORMANCE

During the year, textile industries slow down mainly due to inflationary trend and volatility in commodity/ raw material prices. During the year under review, your Company recorded a slowdown. Revenue from operation went down from Rs. 15964.13 lacs to 11488.01 lacs in Financial Year 2012-13 recording a downfall of 28.03 percent.

Due to the prevailing recession in the industry and rising cost trends, the margins got squeezed and resulted in a post tax loss of Rs. 3287.60 lacs.

The volatility during the year in the consumer demand (impacting the branded business) have been unprecedented.

As of 31st March, 2013, the Company had 152 stores. 4 new stores were opened and 93 were closed during the year. A net decrease of 89 stores. The Company's strategy of investing in growth of its own retail business is being pursued steadfastly.

The outlook for the branded business, including the Company's own retail stores, continues to look most promising in the medium to long term.

INITIAL PUBLIC OFFER

Your Company entered the capital market 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. Following is the utilization of funds as on 30th June, 2013.

(Rupees In Lacs)

Particulars	IPO Objects **	Actual Utilization
Amount received from IPO		10,500
Utilisation of funds upto June 30, 2013		
Establishment of new manufacturing facility	3,025	2,831
Expansion of our Retail Network	431	417
Additional Working Capital	3,250	3,250
Repayment of Debt	3,500	3,500
General Corporate Purposes	200	115
Expenses of the issue	1,001	1,009
	11,407	11,121
Above Objects were to be financed as Under:		
From The proceeds of IPO	10,500	10,500
From Internal Accruals***	907	621

** As approved by the shareholders in the EGM through Postal Ballot dt. 21/12/2012 & 09/01/2012, the objects of the IPO have been revised and modified as; The Retail Expansion object has been scaled down to Rs. 4.31 cr and Establishment of New Integrated Manufacturing Facility object has been scaled down to Rs. 30.25 cr. and Repayment of Debt object has been augmented to Rs. 35.00 cr and IPO Expenses have been augmented to Rs. 10.01 cr and corresponding internal contribution has been brought down to Rs. 9.07 cr.

***The Proceeds of the IPO have been fully utilized towards the completion of the Objects of IPO, with modification duly approved by the shareholders in the EGM through Postal Ballot dt. 21/12/2012 & 09/01/2012. The Balance cost of the Objects of IPO which are under completion shall be met from the internal accruals.

DIVIDEND

Keeping in view of the non profitability of the previous year, your Directors are of the opinion not to declare any dividend.

CORPORATE GOVERNANCE:

The process of sharpening and consistent improvement in the already high standards of Corporate Governance is an ongoing effort of the company. As required under the revised Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed note on Corporate Governance is annexed to this Report. The company is in full compliance with the requirements and disclosures that have to be made in this regard. Practising Company Secretary's Certificate confirming compliance of the Corporate Governance requirements by the 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 2013 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 2013-2014 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 and Mr. B.M. Aggarwal, 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.

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.

COST AUDITOR:

Pursuant to the provisions under Section 233B of the Companies Act, 1956. M/s. Ashwani.K. Aggarwal & Associates, Cost Accountants, has been appointed as Cost Auditors of the Company for the financial year 2013-14.

AUDITORS' REPORT:

The observation made by the Auditors with reference to notes on accounts for the year ended 31st March 2013 are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

AUDIT COMMITTEE:

In accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee, which consists of two Non-Executive Independent Directors and a Executive Director of the Company viz Mr. B.M. Aggarwal (Chairman of the Audit Committee), Mr. Vijay Bansal and Mr. Lalit Kumar (Members). The Audit Committee functions in terms of the powers and role delegated by the Board of Directors keeping in view the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, have been described separately under the head Audit Committee on Report of Corporate Governance.

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, as amended, there is no employee in the Company who falls under the criteria set out in the Section 217(2A) and whose particulars forms part of this report.

DIRECTORS' RESPONSIBILITY 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 year ended as on 31st March 2013, the applicable Accounting Standards have 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 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: } Amount incurred through not material but included in manufacturing cost.
- (c) Total:
- (d) Total R&D expenditure as a percentage of total turnover

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 retailing and the same are being reviewed for implementation and improvement.

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

Product Improvement.

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

- (a) Technology Imported: }
- (b) Year of Import } NIL
- (c) Has technology been fully absorbed }
- (d) If not fully absorbed, areas where this has not taken Place, reasons therefore and future plans of actions: }

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 2012-13. 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, Business Associates, and shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

By Order of the Board
For Cantabil Retail India Limited

Place: New Delhi
Date : 12th August 2013

Sd/-
VIJAY BANSAL
Chairman

Management Discussion & Analysis

Economic Overview:

The year 2012-13 has been a year of ups and down not only for Cantabil Retail India Ltd, but for entire economy as the GDP has reached the lowest rate in last nine years. The commodity prices have been under pressure throughout the year. The overall demand situation for the branded retail under the organized format has been extremely under cost pressures and remained volatile throughout the financial year. The company has to struggle throughout the year to tackle with various parameters to overcome the pressure of rising costs, inventory pileups, reducing the loss making stores, maintaining the falling sales levels. The negative sentiments generated by adverse economic, social and political developments in general and distress caused by large inventories in specific resulted in almost consistent and continued discounting by the several players in the industry. Most glaring example is the automobile and passenger car industry where the discount remained part of the sales and marketing efforts of almost all companies ever since the start of the current financial year.

It is general perception among the industry the business climate will start getting improvement from FY 2014-15 onward after the removal of political paralysis after the next general assembly elections in 2014. In spite of all it has become very clear that the overall business environment is passing through very rough and volatile patch. Due to absence of political governance things have become more difficult and uncertain in the short term. But sincere and dedicated efforts in pursuance of defined goals would yield rich reward for those who emerge winners from the present turbulent time period.

Worldwide, there is a rapid change in consumer preferences in terms of style and fashion aspirations. More and more consumers are shifting towards high end value added products. This has necessitated efficient service coupled with brand offerings which has led to new opportunities for the apparel industry. Over the last couple of years the modern retail sector has emerged as one of the fastest growing sectors in the Indian economy.

Recent push for FDI in retail is expected to bring fresh impetus to growth in the industry and expansion of retail market size. No doubt it will bring with it more competition from the well experienced players of the world but it would also help in bringing fresh and innovative aspects of modern retailing in India.

There has been a clear trend in increase in prices of inputs costs of manufacturing, be it a raw materials, electricity and power, freight, wages and other services etc. International fabric prices in Rupee terms have also been higher due to sharp depreciation of the Rupee. This has impacted profit margins, which have been exacerbated because of other factors as well.

INDUSTRY OVERVIEW:**Indian Retail Sector**

India has been ranked as the most attractive nation for retail investment. It is on the threshold of bringing the next big revolution after the IT sector. The outlook for the Branded business, including the Company's own retail stores, continues to look most promising in the medium to long term. Although organized retail market is not so strong as of now, it is expected to grow manifolds in the years to come once the positive investments gets into operation through newly launched FDI policy initiative by the Government of India.

The Indian retail industry is the 5th largest in the world. Comprising of organized and unorganized sectors, Indian retail industry is one of the fastest growing industries in the country, especially over the past few years. The biggest weakness of retail sector is that this sector is very sensitive towards change. The retail sector at present is showing fatigue and indicating emerging recessionary trends in offing. Continuous high cost of interest regime in the Indian economy has adversely affected the consumer spending capacity on lifestyle products and services consumption. There are opportunities in terms of newer markets and consumers. However, there are added threats in terms of social acceptance to new environment. By implementing few changes in retailing methods can add on to a positive response such as clothes sales via the internet is now a new system, which are accessed through secure servers, provide flexibility in the running of the business.

These few innovations could help achieving higher unit realisation in some cases, and reduction in cost in some cases. They would sharpen India's competitiveness considerably and enable us to gain substantial market share in newer markets, as also in recapturing lost market share in the existing export markets.

Textile and Readymade Apparel is one single largest industry capable of engaging vast human resource capital vis a vis providing solution to financial and economic problem the country is facing at the moment, like the Current Account Deficit.

Organized Retail**Business Review:**

Cantabil was born with the forward looking visionary thought of providing affordable men's wear for masses. The company has now a established brand in its category and its own niche space in Apparel Retail chain industry. Company moved up the value chain from a garment manufacturer to a retailer by launching its first exclusive brand outlet, it has a wide range of apparel designs suited for all segments including corporate, formal and casual dressings under Men's and Women segments.

Cantabil will continue to focus on maintaining and reinforcing the image of its existing exclusive brand outlets and also introduce its apparel to new geographical areas and

assessing fashion trends, making fashion forecasts and offering products to match the global fashion movements will keep Cantabil at the leadership position for times to come.

As of March 31, 2013, the Cantabil brand was available on a total floor area of approx. 136318 sq. ft. and new offering under the brand KANESTON is showing promising trends.

Financial Overview:

The Company Sales in the domestic market have declined steeply during the year under review. Total revenue of the company declined to Rs. 11488.01 Lacs during the financial year ended March 31, 2013, as compared to Rs. 15964.13 Lacs during the financial year 2011-12. The major reason of fall in the topline is reduction in number of retail stores from 246 to 152 during the year due to their loss making proposition. The Company incurred a loss of Rs. 3287.60 Lacs during the year under review against a loss of Rs. 2546.82 Lacs during the financial year ended March 31, 2012. The loss during the current financial year is mainly attributable to the steep decline in the sales, increase in prices of inputs costs of manufacturing, be it a raw materials, electricity and power, freight, services etc. Though the removal of excise w.e.f. 01/03/2013 is big relief provided by the Government but its positive impact would be felt from next financial year. During the year under review, your Company recorded a slowdown, decline in production capacity utilization and selling of slow moving inventory below the cost price. However, the Company is confident that it will improve its performance in the financial year 2013-14. As of today we have 152 stores spread across northern, southern, eastern and western parts of the country. The year also declined in the floor area from 170000 sq. ft. to 136318 sq. ft.

Financial Highlights:

- For the year FY13 the company reported a decline of 28.03% total revenue. The decline in the revenue is majorly on account of distress caused by large inventories and almost consistent discounting by several players in the Industry as well as soft terms like consignment sale/ stock correction being offered by them.
- The Company incurred huge loss during the current financial year, which is majorly attributable to the decline in the sales and sales margin.

Opportunities:

Increasing volumes under women's wear.

Further expansion and penetration of new Stores heart of urban town and cities of prominence,

Improved efficiency of working capital management.

Improvement in cost structure would add to operating margins of the Company

Risk & Threats:

Inflation, which has shown only slight moderation thus far, is another threat which has not recorded

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.

The impact on demand and volatility due to the cost of negative sentiment, is a continuing threat.

Out Look

Despite the rise of cost of inputs due to inflationary pressures, political logjam, vitiated investment climate, high current account deficit, lowest indexes of almost all barometers of growth, falling consumer spending in general the management is of the view that all these factors seems to be short term disturbances and in the longer term vision India shine story is fully intact and also see lot of potential in domestic consumption pattern. The moment political environment gets cleared soon India would emerge as most preferred investment destination among the financial investors of the world.

With the recent developments in the Indian Retail Sector supported by governmental aids, the Management of the Company is positive on the performance of the company in the financial year 2014-15. The Company has been successful in making "CANTABIL" a family Brand, which is synonymous with style, quality and fashion that caters to the mid segment of the society. Now the Company is exploring avenues to make CANTABIL an International Brand. Although the Company has suffered losses during the year under review, the Management is very optimistic on the outlook of the Company in the years to come. The Management is working on the strategy to increase the sales of the Company and to reduce its financing cost, as a measure to recover from its losses. The Company is presently working on reducing stock levels by limiting to successful SKUs and also reducing inventory in transit. It has also succeeded in reducing cost of capital of its borrowings.

Internal Control System and Their Adequacies

The Company has proper and adequate internal control procedures commensurate with the size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by the management and well-documented policies and guidelines to ensure reliability of financial and all other records and to prepare financial statements and other data. Moreover, your Company continuously upgrades these systems to ensure that all the assets are safeguarded and protected against any loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The Company's internal systems are supplemented by an extensive programme of internal audit conducted by an external auditor periodically and reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, sales and distribution, marketing etc.

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

Discussion of Financial Performance with respect to Operational Performance:

The financial statements have been prepared in accordance with the requirements of Companies Act, 1956 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'FINANCIAL RESULTS' of Directors Report.

Material Developments in Human Resources

The role of Human Resources continues to remain vital and strategic to the Company. Employee recruitment and management is a key focus, and processes and policies are in place to attract and retain employees of high caliber. The Company's human resources is its most valuable asset. It proactively reviews its policies and processes by creating a work environment that encourages initiative, provides challenges, opportunities and recognizes the performance and potential of its employees, provides high degree of motivation, training and structured compensation. The total number of employees of the Company as on 31st March 2013 stood at 801.

Cautionary Statement

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

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

CORPORATE GOVERNANCE:

Corporate Governance is a process that aims to meet stakeholders' aspirations and expectations. Corporate Governance is much more than complying with the legal and regulatory requirements. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures etc. serve as the means for implementing the philosophy of corporate governance. The Company's policies on Corporate Governance and compliance thereof in respect of specific areas for the year ended March 31, 2013, as per the format prescribed by SEBI and as incorporated in the revised Clause 49 of the Listing agreement with the Stock Exchanges, are set out below for the information of the shareholders and investors of the Company.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company views the governance norms originating in the institutions of the capital market as an integral part of its corporate governance philosophy to be respected not just in the letter but, more importantly, in spirit. The Company realizes that it must disseminate information pertaining to its affairs so that all stakeholders may gain a true understanding of its activities and aspirations. The Company aims at attainment of the highest levels of transparency, accountability and equity in its operations, thus leading to best standards of Corporate Governance. It is the Company's belief that good ethics needs good business sense and our business practices are in keeping with this spirit by following the Code of Conduct thereby maintaining high ethical standards.

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 has an optimum combination of Executive and Non-executive directors. As on March 31, 2013, 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 of the Directors	Director Identification Number (DIN)	Designation	Category	No. of other Directorships*	Committee Positions held**	
					Chairman	Member
Mr. Vijay Bansal	01110877	Chairman cum Managing Director	Promoter & Executive	Nil	0	2
Mr. Deepak Bansal	01111104	Whole Time Director	Promoter & Executive	Nil	Nil	Nil
Mr. Anil Bansal	02443104	Whole Time Director	Executive	Nil	0	1
Mr. Lalit Kumar	00025150	Director	Non-Executive/Independent	1	0	1
Dr. Arun Kumar Roopanwal	00406817	Director	Non-Executive/Independent	Nil	0	0
Mr. Brij Mohan Aggarwal	00157253	Director	Non-Executive/Independent	Nil	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, 2013 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

The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented on scheduled time with the detailed agenda in respect of all Board meetings. During the year under review four meetings of the Board of Directors were held. The meetings were held on 28th May 2012, 8th August 2012, 7th November 2012, 14th February 2013.

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

The attendance record of each of the directors at the Board Meetings during the year ended 31st March 2013 and of the last Annual General Meeting are as under:

Name of the Directors	No. of Board Meetings attended	Last Annual General Meeting held on 29.09.2012, Whether Present
Mr. Vijay Bansal	4	Yes
Mr. Deepak Bansal	4	Yes
Mr. Anil Bansal	4	Yes
Mr. Lalit Kumar	4	Yes
Dr. Arun Kumar Roopanwal	4	Yes
Mr. Brij Mohan Aggarwal	4	Yes

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 March 31, 2013

Name of the Directors	Designation	Number of Shares held
Mr. Vijay Bansal	Chairman cum Managing Director	53,55,947
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

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 15th January 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, 2013 are as under:

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

Ms. Poonam Chahal, 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 ended 31st March 2013, four Audit Committee Meetings were held. The meetings were held on 28th May 2012, 8th August 2012, 7th November 2012, and 14th February 2013. The attendance of each Audit Committee member is given hereunder:

Name of the Members	Designation	Number of meetings held	Number of meetings attended
Mr. Brij Mohan Aggarwal	Chairman	4	4
Mr. Lalit Kumar	Member	4	4
Mr. Vijay Bansal	Member	4	4

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).

Composition of Remuneration Committee:

The Remuneration Committee was constituted on September 11, 2009, thereafter it was re-constituted on 13th May 2011, comprising three Directors, all of which are Independent Non-Executive Directors. The Committee consists of the following:

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

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

Meetings and Attendance of Remuneration Committee:

During the financial year ended 31st March 2013, a meeting of the Remuneration Committee was held on 8th August, 2012. The attendance of Remuneration Committee members is given hereunder:

Name of the Remuneration Committee Members	No. of Meeting held	No. of meetings attended
Mr. Brij Mohan Aggarwal	1	1
Dr. Arun Kumar Roopanwal	1	1
Mr. Lalit Kumar	1	1

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, 2013 to Managing / Whole-time Directors are as follows:

Name of the Directors	Designation	Aggregate Value of Salary & Perquisites (Rs.)
Mr. Vijay Bansal	Chairman cum Managing Director	24,39,600/-
Mr. Deepak Bansal	Whole-time Director	24,00,653/-
Mr. Anil Bansal	Whole-time Director	3,60,000/-

a) 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 2012-2013 are as under:

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

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 are 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 like 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 has 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 the Members	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, 2013, four Shareholders' Grievance Redressal Committee meetings were held on 28th May, 2012, 8th August 2012, 25th October 2012, 4th February 2013. The attendances of members are given hereunder:

Name of the Members	No. of Meeting held	No. of meetings attended
Mr. Brij Mohan Aggarwal	4	4
Mr. Vijay Bansal	4	4
Mr. Anil Bansal	4	4

Compliance Officer:

The Board had designated Ms. Poonam Chahal, 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 in 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
2009-2010	Saturday August 21, 2010	11:00 A.M	B- 47, First Floor, Lawrence Road Industrial Area, Delhi - 110 035	No
2010-2011	Friday September 30, 2011	9:00 A.M	Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110064	Yes
2011-2012	Saturday September 29, 2012	9:00 A.M	Tivoli Garden Resort Hotel, Chhattarpur Hills, Mehrauli, New Delhi – 110064	Yes

Postal Ballot

The Company had successfully completed the process of obtaining the approval of its members through Postal Ballot as per provisions of Section 192A of the Companies Act, 1956, during the year. The approval of members obtained through postal ballot was pertaining to:-

- (i) Attainment of the object of IPO - re-allocation of un-utilized IPO proceeds of retail network expansions.

The results for all the above matter was announced on 21st December, 2012.

Voting Pattern and Procedure for Postal Ballot:

- (i) The Board of Directors of the Company had its meeting held on 7th November, 2012 appointed Mr. Sanjay Grover, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process;
- (ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The postal Ballot forms had been kept under the safe custody of Scrutinizer in a sealed and tamper proof postal ballot box. before commencing the scrutiny of such postal ballot forms;
- (iii) All postal forms received/receivable up to the close working hours of 15th December, 2012 the last date and time fixed by the Company for the receipt of the forms in the postal ballot, had been considered by Scrutinizer in his scrutiny;
- (iv) Envelopes containing postal ballot forms received after 15th December, 2012 for the postal ballot, had not been considered for his scrutiny;
- (v) The result of the Postal Ballot were announced on 21st December 2012 at the Registered Office of the Company as per scrutinizer's Report are as under:

Particulars	In Favour			Against			Invalid			Total No. of Votes
	No. of Postal Ballot	No. of Votes in Favour	%	No. of Postal Ballot	No. of Votes against	%	No. of Postal Ballot	No. of Shares	%	
Resolution no. 1	28	100,73,237	61.694	0	0	0	3	586	0.004	1,00,73,823

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 2012-2013.

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 had 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 followed 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 from.

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

25th Annual General Meeting

Date	:	30 th September 2013
Time	:	9:00 A.M.
Venue	:	Tivoli Garden Resort Hotel, Chhattar Pur Hills, Mehrauli, New delhi - 110 064
Financial Year	:	April 1, 2012 to March 31, 2013
Date of Book Closure	:	September 18 to September 28 (both days inclusive) for the purpose of 25th 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 2012-2013 in comparison to broad based indices are as under:

i) CANTABIL vs. SENSEX

Month	CANTABIL at BSE		SENSEX	
	High	Low	High	Low
April 2012	18.70	15.80	17,664.10	17,010.16
May 2012	17.40	14.75	17,432.33	15,809.71
June 2012	19.30	15.20	17,448.48	15,748.98
July 2012	23.40	18.75	17,631.19	16,598.48
August 2012	23.50	18.00	17,972.54	17,026.97
September 2012	20.95	17.50	18,869.94	17,250.80
October 2012	20.85	18.25	19,137.29	18,393.42
November 2012	22.00	18.00	19,372.70	18,255.69
December 2012	23.60	18.65	19,612.18	19,149.03
January 2013	21.70	16.95	20,203.66	19,508.93
February 2013	19.80	16.15	19,966.69	18,793.97
March 2013	21.00	15.80	18,568.43	18,835.77

ii) CANTABIL vs. NIFTY

Month	CANTABIL at NSE		NIFTY	
	High	Low	High	Low
April 2012	18.70	15.60	5378.75	5154.30
May 2012	17.05	14.50	5279.60	4788.95
June 2012	19.70	15.50	5286.25	4770.35
July 2012	23.90	18.55	5348.55	5032.40
August 2012	22.00	18.10	5448.60	5164.65
September 2012	20.15	17.10	5735.15	5215.70
October 2012	22.90	18.30	5815.35	4888.20
November 2012	20.50	18.10	5885.25	5548.35
December 2012	23.45	18.60	5965.15	5823.15
January 2013	21.90	16.75	6111.80	5940.60
February 2013	18.50	16.00	6052.95	5671.90
March 2013	20.60	15.90	5971.20	5604.85

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 2013:

Shareholding Pattern as on 31st March, 2013

PARTLY PAID-UP SHARES	NUMBER OF PARTLY PAID-UP SHARES	AS A % OF TOTAL NO. OF PARTLY PAID-UP SHARES	AS A % OF TOTAL NO. OF SHARES OF THE COMPANY
HELD BY PROMOTER/ PROMOTER GROUP	0	0.0000	0.0000
HELD BY PUBLIC	0	0.0000	0.0000
TOTAL- D	0	0.0000	0.0000
OUTSTANDING CONVERTIBLE SECURITIES	NO. OF OUTSTANDING SECURITIES	AS A % OF TOTAL NUMBER OF OUTSTANDING CONVERTIBLE SECURITIES	AS A % OF TOTAL NO. OF SHARES OF THE COMPANY, ASSUMING FULL CONVERSION OF THE CONVERTIBLE SECURITIES
HELD BY PROMOTER/ PROMOTER GROUP	0	0.0000	0.0000
HELD BY PUBLIC	0	0.0000	0.0000
TOTAL- E	0	0.0000	0.0000
WARRANTS	NUMBER OF WARRANTS	AS A % OF TOTAL NUMBER OF WARRANTS	AS A % OF TOTAL NO. OF SHARES OF THE COMPANY, ASSUMING FULL CONVER- SION OF WARRANTS

HELD BY PROMOTER/PROMOTER GROUP		0		0.0000		0.0000		
HELD BY PUBLIC		0		0.0000		0.0000		
TOTAL - F		0		0.0000		0.0000		
TOTAL PAID - UP CAPITAL OF THE COMPANY, ASSUMING FULL CONVERSION OF WARRANTS AND CONVERTIBLE SECURITIES (GRAND TOTAL (A+B+C)+D+E+F)		16327608		N.A.		100.000		
CATEGORY CODE	CATEGORY OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	NUMBER OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A PERCENTAGE OF TOTAL NUMBER OF SHARES		SHARES PLEDGED OR OTHERWISE ENCUMBERED	
					AS A PERCENTAGE OF (A+B)	AS A PERCENTAGE OF (A+B+C)	NUMBER OF SHARES	AS A PERCENTAGE
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(A)	INDIVIDUALS/ HINDU UNDIVIDED FAMILY	5	9350510	9350510	57.27	57.27	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	0	0	0	0.00	0.00	0	0.00
	DIRECTORS & THEIR RELATIVES	0	0	0	0.00	0.00	0	0.00
	SOCIETIES	0	0	0	0.00	0.00	0	0.00
	PARTNERSHIP FIRMS	0	0	0	0.00	0.00	0	0.00
	RBI	0	0	0	0.00	0.00	0	0.00
	EMP/WELFARE FUND	0	0	0	0.00	0.00	0	0.00
	ESOP/ESOS TRUSTS	0	0	0	0.00	0.00	0	0.00
	SUB-TOTAL(A)(1)	5	9350510	9350510	57.27	57.27	0	0.00
(2)	FOREIGN							
(A)	INDIVIDUALS (NON RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.00	0.00	0	0.00
(B)	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
(C)	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
(D)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0.00	0	0.00
(E)	ANY OTHER	0	0	0	0.00	0.00	0	0.00
	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	9350510	9350510	57.27	57.27	0	0.00
(B)	PUBLIC SHAREHOLDINGS							
(1)	INSTITUTIONS							

(A)	MUTUAL FUNDS/UTI	0	0	0	0.00	0.00	0	0.00
(B)	FINANCIAL INSTITUTIONS/ BANKS	5	1499843	1499843	9.19	9.19	0	0.00
(C)	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.00	0.00	0	0.00
(D)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0.00	0	0.00
(E)	INSURANCE COMPANIES	0	0	0	0.00	0.00	0	0.00
(F)	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(G)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(H)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0.00	0	0.00
(I)	FOREIGN FIN INST	0	0	0	0.00	0.00	0	0.00
	FOREIGN MUT.FUND	0	0	0	0.00	0.00	0	0.00
	F.F./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							
	STATE FIN. CORP.	0	0	0	0.00	0.00	0	0.00
	SUB TOTAL(B)(1)	5	1499843	1499843	9.19	9.19	0	0.00

(2)	NON-INSTITUTIONS							
(A)	BODIES CORPORATE	265	1685765	1685765	10.32	10.32	0	0.00
(B)	I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	11916	2389899	2389018	14.64	14.64	0	0.00
	II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	20	901762	901762	5.52	5.52	0	0.00
(C)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0.00	0	0.00
(D)	ANY OTHER							
	TRUSTS	0	0	0	0.00	0.00	0	0.00
	DIRECTORS & THEIR RELATIVES	0	0	0	0.00	0.00	0	0.00
	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	119	84687	84687	0.52	0.52	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	21	8065	8065	0.05	0.05	0	0.00
	SHARES INTRANSIT	0	0	0	0.00	0.00	0	0.00
	HUF	456	407077	407077	2.49	2.49	0	0.00
	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	0	0	0	0.00	0.00	0	0.00

	ENEMY PROPERTY FOREIGN COLLABORATORS ESOP/ESOS/ESPS	0	0	0	0.00	0.00	0	0.00
		0	0	0	0.00	0.00	0	0.00
	SUB TOTAL(B)(2)	12797	5477255	5476374	33.55	33.55	0	0.00
	TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	12802	6977098	6976217	42.73	42.73	0	0.00
	TOTAL (A)+(B)	12807	16327608	16326727	100.00	100.00	0	0.00
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED							
1	PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0.00	0	0.00
2	PUBLIC	0	0	0	N. A.	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	12807	16327608	16326727	N. A.	100.00	0	0.00

Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter

Sl. No.	Name of the Shareholder	Details of Shares held		Share Pledged or otherwise Encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
1	Swati Gupta	1,160	0.01	0	0	0	0	0	0	0	0
2	Vijay Bansal HUF	2,13,840	1.31	0	0	0	0	0	0	0	0
3	Deepak Bansal	11,16,960	6.84	0	0	0	0	0	0	0	0
4	Sushila Bansal	26,62,603	16.31	0	0	0	0	0	0	0	0
5	Vijay Bansal	53,55,947	32.80	0	0	0	0	0	0	0	0
	Total	93,50,510	57.27	0	0	0	0	0	0	0	0

Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category Public and holding more than 1% of the total number of shares

Sl. No.	Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares (i.e. Grant total, (A)+(B)+(C))	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securities of the same class	
1	Punjab National Bank	1083748	6.64	0	0	0	0	0
2	Amar Packaging (Pvt) Ltd.	408592	2.50	0	0	0	0	0
3	Vaishalli Arya (2)	287220	1.76	0	0	0	0	0
4	Bank of Baroda	260074	1.59	0	0	0	0	0
5	Felex Enterprises Private Limited	230000	1.41	0	0	0	0	0
6	Zealous Financial Services Pvt. Ltd.	164078	1.00	0	0	0	0	0
	Total	2433712	14.91	0	0	0	0	0

Shareholding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sl. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	No. of Shares held	Shares as % of Total No. of Shares, i.e. grand total (A)+(B)+(C)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securities of the same class	
1	Punjab National Bank	1083748	6.64	0	0	0	0	0
	Total	1083748	6.64	0	0	0	0	0

Details of Locked-in Shares				
Sl. No.	Name of the Shareholder	Number of Locked-in shares	Locked-in Shares as % of Total No. of Shares , i.e. grand total (A)+(B)+(C)	Promoter/Promoter Group/ Public
1	Deepak Bansal	5,66,150	3.47	Promoter
2	Vijay Bansal	27,08,850	16.59	Promoter
	Total	32,75,000	20.06	

Details of Depository Receipts (DRS)				
Sl. No.	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of Outstanding DRS	No. of Shares Underlying	Shares Underlying Outstanding DRS as % of Total No. of Shares
			Outstanding DRS	
	Not Applicable	N.A	N.A	N.A
	Total			

Holding of Depository Receipts (DRS), where underlying shares held by 'Promoter / Promoter Group' are in excess of 1% of the total number of shares.				
Sl. No.	Name of the DR Holder	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of Shares underlying outstanding DRs	Shares Underlying Outstanding DRs as a % of Total No. of Shares
	Not Applicable	N.A	N.A	N.A
	Total			0

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 99.995% were in dematerialized form as on March 31, 2013.

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, 2013 the Company has 1 in-house manufacturing / finishing unit and 3 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 - 47, Lawrence Road, Industrial Area, New Delhi - 110 035	Warehousing	Cantabil
B - 16, Lawrence Road, Industrial Area, New Delhi - 110 035	Warehousing	Cantabil
WZ – 50, Shakurpur, New Delhi – 110 034	Warehousing	Dispatch Cantabil

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 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 un-published 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 AND COMMITTEE MEMBERSHIPS OF ALL DIRECTORS

1. BODIES CORPORATE OF WHICH MR. VIJAY BANSAL IS A DIRECTOR

Name of the Company	Board Position held
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
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
Gaap Bright E Learning (P) Ltd.	Director
Oaktree InfraVenture Private Limited	Director
W2H Ventures Private Limited	Director
True Health World Wide Services Pvt. Ltd.	Director
Alley & Brown Ventures Pvt. Ltd.	Director
Blue Sapphire Ventures 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

**CERTIFICATION BY MANAGING DIRECTOR AND CFO
FOR FINANCIAL YEAR 2012-13**

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 2012-2013 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 : 30/07/2013

Place: New Delhi

Sd/-
(VIJAY BANSAL)

Chairman cum Managing Director

Sd/-
(RAJESH ROHILLA)

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, 2013, 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 Akshit Gupta
Company Secretaries**

Date : 30/07/2013

Place : New Delhi

**Sd/-
(Akshit Gupta)
C.P. No. 11408
Membership No. 22963**

COMPLIANCE WITH CODE OF CONDUCT

I, Vijay Bansal, Chairman cum 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 2013.

Date : 30/07/2013

Place : New Delhi

Sd.

(VIJAY BANSAL)

Chairman cum Managing Director

AUDITOR'S REPORT

To

The Members of

CANTABIL RETAIL INDIA LIMITED

We have audited the accompanying financial statements of Cantabil Retail India Limited ('the Company') which comprise the balance sheet as at 31st March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information

1. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

3. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

4. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by section 227(3) of the Act, we report that:
 - a. 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;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SURESH & ASSOCIATES
FRN: 003316N
CHARTERED ACCOUNTANTS

(CA. SURESH K GUPTA)
PARTNER
M. No. 080050
DATE : 27th May, 2013
PLACE : DELHI

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 two persons aggregating Rs 59, 50,197/- and Rs. 59,50,197/- has 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 record has been prescribed by the Central Government under section 209(1)(d) of Companies Act, 1956 to the company. As explained to us such accounts and records have been made & maintained.

- (ix) (a) According to the books of accounts examined by us company is generally regular in depositing undisputed statutory dues in respect of PF, ESI, Income Tax, VAT, Sales Tax, Wealth Tax Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- (b) Except for cases detailed hereunder, there are no disputed liability 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, 2013:-

S No.	Period of Demand	Amount involved	Particulars of Demand	Authority where appeal is pending
1.	Financial Year 2008-09 2009-10, 2010-11 2011-12 & 2012-13	21.87 Lacs	Under Labour Act	Labour Court, Karkardooma Court, Delhi
2.	Financial Year 2005-06	18.48 Lacs	Under Sales Tax Act/DVAT	Appellate Tribunal, Value Added Tax, Delhi
3	Financial Year 2009-10	5.17 Lacs	Under Sales Tax Act	Joint Commissioner, Department of Trade & Taxes, Delhi
4.	Financial Year 2009-10	256.29 Lacs	Demand under section 201(1) and 201(1A) of Income Tax Act, 1961.	CIT(A), Delhi
5.	Financial Year 2010-11	164.59 Lacs	Demand under section 201(1) and 201(1A) of Income Tax Act, 1961.	CIT(A), Delhi

- x) There are accumulated losses at the end of the financial year in the case of the company. Further, the company has incurred cash losses during the financial year under report.
- (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) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
- (xiv) As per information given to us, the company is not dealing or trading in shares, securities, debentures and other investments. However, the Company has made investments in shares, mutual funds of equity and debt amounting to Rs. 723.00 Lacs (Previous Year Rs.1556.00 Lacs).

- (xv) In our opinion and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (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) In our opinion the management has disclosed on the end use of money raised through public issue in the year 2010-11 and the same has been verified.
- (xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **SURESH & ASSOCIATES**

FRN: 003316N

CHARTERED ACCOUNTANTS

(CA. SURESH K GUPTA)

PARTNER

M. No. 080050

DATE : 27th May, 2013

PLACE : DELHI

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	NOTE No.	As at 31st March, 2013	As at 31st March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders Funds			
(a) Share Capital	3	163,276,080	163,276,080
(b) Reserves & Surplus	4	625,227,876	953,988,370
		788,503,956	1,117,264,450
2 Non-Current Liabilities			
(a) Long-term borrowings	5	---	7,975,252
(b) Other long-term liabilities	6	61,815,440	115,348,950
(c) Long-term provisions	7	11,758,699	9,770,672
		73,574,139	133,094,873
3 Current Liabilities			
(a) Short-term borrowings	8	309,177,685	323,086,099
(b) Trade payables	9	56,984,642	104,496,772
(c) Other current liabilities	10	25,243,256	50,477,906
(d) Short-term provisions	11	3,480,382	7,746,273
		394,885,965	485,807,050
TOTAL		1,256,964,059	1,736,166,374
B ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	141,859,814	181,844,158
(ii) Intangible assets	12	3,151,360	427,306
(iii) Capital work-in-progress	12	208,985,774	84,007,868
		353,996,948	266,279,331
(b) Deferred tax assets (Net)	30	21,642,821	17,693,979
(c) Long-term loans and advances	13	100,162,944	131,162,253
		121,805,765	148,856,232
2 Current Assets			
(a) Current Investments	14	72,291,765	155,623,475
(b) Inventories	15	428,373,834	877,382,915
(c) Trade Receivables	16	159,344,348	227,856,155
(d) Cash and Cash Equivalents	17	37,188,445	27,187,145
(e) Short-Term Loans and Advances	18	83,962,955	32,981,121
		781,161,346	1,321,030,811
TOTAL		1,256,964,059	1,736,166,374
Accompanying Notes 1 to 31 forms integral part of these Financial Statements .			
As per our attached report of even date			
For SURESH & ASSOCIATES		For and on behalf of the Board of Directors	
FRN: 003316N			
CHARTERED ACCOUNTANTS			
(CA. SURESH K. GUPTA)		(Vijay Bansal)	(Deepak Bansal)
PARTNER		Managing Director	Director
M.No. 080050		DIN : 01110877	DIN : 01111104
DATE: 27th May, 2013		(CA Rajesh Rohilla)	(CS Poonam Chahal)
PLACE: DELHI		Chief Financial Officer	Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Particulars	NOTE No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	CONTINUING OPERATIONS			
1	Revenue From Operations (Gross)	19	1,192,058,406	1,645,361,326
	Less: Excise Duty	19	48,355,523	49,645,854
	Revenue From Operations (Net)		1,143,702,883	1,595,715,472
2	Other income	20	5,098,795	697,822
3	Total revenue (1+2)		1,148,801,679	1,596,413,294
4	Expenses			
	(a) Cost of materials consumed	21.a	185,673,258	196,203,975
	(b) Purchases of stock-in-trade	21.b	109,643,582	239,568,545
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade-Increase/(Decrease)	21.c	451,548,932	513,885,637
	(d) Employee benefits expense	22	133,943,291	136,919,008
	(e) Finance costs	23	55,280,349	89,436,893
	(f) Depreciation and amortisation expense	12	16,854,593	26,467,797
	(g) Other expenses	24	519,233,734	670,983,778
	Total expenses		1,472,177,739	1,873,465,631
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(323,376,060)	(277,052,338)
6	Exceptional items	25.a	(21,652,952)	(5,831,867)
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		(345,029,012)	(282,884,205)
8	Extraordinary items	25.b	12,319,675	24,502,788
9	Profit / (Loss) before tax (7 + 8)		(332,709,337)	(258,381,417)
10	Tax expense:			
	(a) Short Provision of Taxes provided for		-	133,768
	(b) Net current tax expense		-	133,768
	(c) Deferred tax (assets)/liability		(3,948,842)	(3,833,154)
			(3,948,842)	(3,699,386)
11	Profit / (Loss) for the year		(328,760,494)	(254,682,031)
	Earnings per Equity share			
	Equity Share of Face Value Rs. 10 each			
	(a) Basic	29 (a)	(20.14)	(15.60)
	(b) Diluted	29 (a)	(20.14)	(15.60)

Accompanying Notes 1 to 31 forms integral part of these Financial Statements .

As per our attached report of even date

 For SURESH & ASSOCIATES
 FRN: 003316N
 CHARTERED ACCOUNTANTS

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

 DATE: 27th May, 2013
 PLACE: DELHI

For and on behalf of the Board of Directors

 (Vijay Bansal)
 Managing Director
 DIN : 01110877

 (Deepak Bansal)
 Director
 DIN : 01111104

 (CA Rajesh Rohilla)
 Chief Financial Officer

 (CS Poonam Chahal)
 Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

(Amount in Rs.)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(345,029,012)	(282,884,205)
Adjustments for:		
Depreciation and amortisation	16,854,593	26,467,797
(Profit) / loss on sale / write off of assets	22,597,143	5,881,704
Finance costs	55,280,349	89,436,893
Interest income	(1,680,000)	(697,822)
Other income	(3,418,795)	-
	<u>89,633,289</u>	<u>121,088,572</u>
Operating profit / (loss) before working capital changes	(255,395,722)	(161,795,633)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	449,009,081	549,257,386
Trade receivables	68,511,807	27,799,391
Short-term loans and advances	(50,981,833)	(15,046,951)
Long-term loans and advances	30,999,309	26,127,962
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(47,512,130)	(99,949,166)
Other current liabilities	(25,234,651)	17,831,574
Other long-term liabilities	(53,533,510)	(151,231,373)
Short-term provisions	(4,265,891)	(910,476)
Long-term provisions	1,988,027	(538,583)
	<u>368,980,209</u>	<u>353,339,763</u>
	113,584,486	191,544,130
Cash generated from operations	113,584,486	191,544,130
Net income tax (paid) / refunds/ Adjustment	-	(133,768)
	<u>113,584,486</u>	<u>191,410,362</u>
Net cash flow from / (used in) operating activities (A)	113,584,486	191,410,362
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(131,900,066)	(94,346,014)
Proceeds from sale of fixed assets	4,730,713	1,762,822
Current investments not considered as Cash and cash equivalents		
- Purchased	(318,318,920)	(480,651,674)
- Proceeds from sale	352,091,16	627,113,131
Long-term investments		
- Purchased	-	(40,000,000)
- Proceeds from sale	55,050,700	95,019,546
Interest received		
- Others	1,680,000	697,822
Dividend received		
- Others	6,828,439	15,664,158
Other Income		
- Other Income	3,418,795	125,259,791
	<u>(26,419,172)</u>	<u>125,259,791</u>
Net income tax (paid) / refunds	-	-
	<u>(26,419,172)</u>	<u>125,259,791</u>
Net cash flow from / (used in) investing activities (B)	(26,419,172)	125,259,791

Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

(Amount in Rs.)

	For the year ended 31 March, 2013	For the year ended 31 March, 2012
C. Cash flow from financing activities		
Proceeds from long-term borrowings	-	21,239,787
Repayment of long-term borrowings	(7,975,252)	(17,462,470)
Net increase / (decrease) in working capital borrowings	(12,858,217)	(217,840,376)
Proceeds from other short-term borrowings	4,900,000	6,800,000
Repayment of other short-term borrowings	(5,950,197)	(13,562,601)
Finance cost	(55,280,349)	(89,436,893)
	(77,164,015)	(310,262,552)
Net cash flow from / (used in) financing activities (C)	(77,164,015)	(310,262,552)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	10,001,300	6,407,601
Cash and cash equivalents at the beginning of the year	27,187,145	20,779,544
Cash and cash equivalents at the end of the year	37,188,445	27,187,145
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	37,188,445	27,187,145
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	37,188,445	27,187,145
Cash and cash equivalents at the end of the year *	37,188,445	27,187,145
* Comprises:		
(a) Cash on hand	3,565,589	9,436,721
(b) Balances with banks		
(i) In current accounts	33,622,857	17,750,424
	37,188,445	27,187,145

Notes:

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

See accompanying notes forming part of the financial statements

As per our attached report of even date

 For SURESH & ASSOCIATES
 FRN: 003316N
 CHARTERED ACCOUNTANTS

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

 DATE: 27th May, 2013
 PLACE: DELHI

For and on behalf of the Board of Directors

 (Vijay Bansal)
 Managing Director
 DIN : 01110877

 (Deepak Bansal)
 Director
 DIN : 01111104

 (CA Rajesh Rohilla)
 Chief Financial Officer

 (CS Poonam Chahal)
 Company Secretary

Notes forming part of the Financial Statements

Note 2 Significant accounting policies

Note	Particulars
1	Corporate information The Company was incorporated on 09th Feb, 1989 and is mainly engaged in the business of designing, manufacturing, branding and retailing of apparel and apparel accessories under the brand name of "CANTABIL". The Company has also entered into the business of real estate trade.
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2	Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories "Inventories (i) Raw Material At cost or net realizable value (on FIFO basis) whichever is lower. ii) Finished Goods At cost or net realizable value whichever is lower. For arriving at the cost for this purpose the cost includes material cost , manufacturing expenses and Overheads. iii) Semi Finished Goods At cost of input plus apportioned overhead expenses and depreciation. iv) Job work in Process At apportioned manufacturing expenses and depreciation. v) Stores and Spares At cost or net realizable value (on FIFO basis) whichever is lower. vi) Scrap At estimated realizable value.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.5 Cash flow statement

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

2.6 Depreciation and Amortisation

The depreciation on all assets has been provided on 'written down method' at the rates prescribed in Schedule XIV of the Companies Act, 1956.

2.7 Revenue recognition

"Revenue in respect of sale of products is recognised on delivery, which coincides with the transfer of risk and rewards of ownership. Discounts given / accrued to customers at the time of despatch are considered as trade discounts and netted from sales. Sales made to Nepal has been treated as domestic sale. Since there is no inflow of Foreign Exchange on sales to Nepal. Interest income is recognized on an accrual basis on time proportionate basis, based on interest rates implicit in the transaction.

2.8 Other income

Dividend Income on investments is recognized as & when declared by the respective Asset Management Entity. Dividend under the reinvestment scheme is accumulated in the fund value and upon maturity of the fund short term/ long term capital gain is recognized accordingly.

2.9 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

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

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an

intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.12 Investments

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

2.13 Employee benefits

Employee benefits include provident fund, gratuity, compensated absences.

Defined contribution plans

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

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

2.14 Borrowing costs

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

2.15 Operating Lease

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

2.16 Earnings per share

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

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is

recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

Impairment of assets

2.18

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

Provisions and contingencies

2.19

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Note 3 Share capital

(Amount in Rs.)

Pariculars	As at 31st March, 2013		As at 31st March, 2012	
	Numbers of shares		Numbers of shares	
(a) Authorised				
Equity shares of Rs.10/- each with voting right	17,000,000	170,000,000	17,000,000	170,000,000
	17,000,000	170,000,000	17,000,000	170,000,000
(b) Issued				
Equity shares of Rs.10/- each with voting rights	16,327,608	163,276,080	16,327,608	163,276,080
	16,327,608	163,276,080	16,327,608	163,276,080
(c) Subscribed and fully paid up				
Equity shares of Rs.10/- each with voting rights	16,327,608	163,276,080	16,327,608	163,276,080
	16,327,608	163,276,080	16,327,608	163,276,080
	16,327,608	163,276,080	16,327,608	163,276,080

Note 3 Share capital (Contd.)

Particulars		
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31st March, 2013		
- Number of shares	16,327,608	16,327,608
- Amount (Rs.)	163,276,080	163,276,080
Year ended 31st March, 2012		
- Number of shares	16,327,608	16,327,608
- Amount (Rs.)	163,276,080	163,276,080

Note 3 Share capital (Contd.)

Particulars				
(ii) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Vijay Bansal	5,355,947	32.80%	4,775,947	29.25%
Mrs. Sushila Bansal	2,662,603	16.31%	2,542,603	15.57%
Mr. Deepak Bansal	1,116,960	6.84%	1,116,960	6.84%
Punjab National Bank	1,083,748	6.64%	1,083,748	6.64%

Note 4 Reserves and Surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Securities premium account		
Opening balance	875,610,222	875,610,222
Closing balance	875,610,222	875,610,222
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	78,378,148	333,060,179
Add: Profit /(Loss) for the year	(328,760,494)	(254,682,031)
Closing balance	(250,382,346)	78,378,148
Total	625,227,876	953,988,370

Note 5 Long-Term Borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Term loans		
From banks		
Secured	----	7,975,252
Total	----	7,975,252

Note 6 Other long-term liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Others:		
(i) Trade / security deposits received	61,815,440	114,809,887
(ii) Advances from customers	-----	539,063
Total	61,815,440	115,348,950

Note 7 Long-term provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for gratuity (net)	9,910,500	8,065,138
(ii) Provision for other employee benefits (Leave Encashment)	1,848,199	1,705,534
	11,758,699	9,770,672
Total	11,758,699	9,770,672

Note 8 Short-term borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Loans repayable on demand		
From banks		
Secured	309,177,685	322,035,902
	309,177,685	322,035,902
(b) Loans and advances from related parties		
Unsecured	-	1,050,197
	-	1,050,197
Total	309,177,685	323,086,099

Note 8 Short-term borrowings contd.

(i) Details of security for the secured short-term borrowings:		
Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
<u>Loans repayable on demand</u> <u>from banks:</u>		
<u>AXIS Bank Ltd</u> Interest payable @ Base Rate+3.50% p.a. payable monthly, Secured Against First Pari Passu charge by way of hypothecation of entire Current assets of the company both present and future and First pari passu charge by way of hypothecation of entire movable fixed assets of the company both present and future excluding vehicles except immovable properties of the company specifically mortgage to other lenders. The same is also secured by way of mortgage of personal property of the Director and the Personal Guarantee of the Directors.	112,797,828	119,965,910
<u>Standard Chartered Bank</u> Interest payable @ Base Rate+4.75% p.a. (variable), Secured Against First Pari Passu charge by way of hypothecation of entire Current assets of the company both present and future and First pari passu charge jointly with Axis Bank only by way of equitable mortgage over the personal property of the directors and also the personal guarantee of directors.	96,195,396	97,914,292
<u>Oriental Bank of Commerce</u> Interest payable @ Base Rate+3.50% p.a. payable monthly, Secured Against Hyp. of stocks of raw material, stock-in-process, Finished goods, stores & Spares of garment manufacturing unit and receivables on first pari-passu basis with Axis Bank and Standard Chartered bank. Part First pari passu charge by way of equitable mortgage of immovable properties of the company at HSIIDC Bahadurgarh, and HSIIDC Sonapat (Haryana). The same is also secured by First Pari-Passu charge over entire current assets of the company both present & future and First Pari-Passu charge by way of hypothecation of entire movable fixed assets both present & future and the Personal Guarantee of the Directors.	100,184,461	104,155,700
Total - from banks	309,177,685	322,035,902
<u>Loans and advances from related parties:</u>		
Mr. Vijay Bansal-(Promoter/Director)	-	517,905
Vijay Bansal H.U.F.	-	532,292
Total - Loans and advances from related parties	-	1,050,197
TOTAL	309,177,685	323,086,099

Note 9 Trade Payables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
Trade payables: Other than Acceptances	56,984,642	104,496,772
Total	56,984,642	104,496,772

Note 10 Other current liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Current maturities of long-term debt (refer note no. 10 (a) below)	7,391,282	22,774,811
(b) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	3,976,018	13,788,587
(ii) Payables on purchase of fixed assets	-	706,547
(iii) Provision for gratuity (net)	1,034,333	631,648
(iv) Provision for other employee benefits (Leave Encashment)	441,136	412,893
(v) Provision for Wealth Tax	24,927	22,947
(vi) Related Party Payable	1,557,378	616,639
(vii) Capital Expenditure Payable	897,857	706,547
(viii) Others	9,920,325	10,817,287
Total	25,243,256	50,477,906

Note 10 (a)

Particulars	Amount
	Secured
<u>Term loans from Banks -Vehicle Loans:</u>	
<u>HDFC Bank Ltd.</u> Repayable in 36 Monthly EMI. Interest payable @ Base Rate + 3.30%+Intt. Tax p.a. as when applicable and secured against the hypothecation of Vehicles acquired out of loans	1,493,483
<u>Axis Bank Ltd.</u> Repayable in 24 Monthly EMI. Interest payable @ 11.74% p.a. and secured against the hypothecation of Vehicles acquired out of loans	389,947
Total - Term loans from banks-Vehicle Loans:	1,883,430
<u>Term loans from Banks :- Others</u>	
<u>HDFC Bank Ltd.</u> Repayable in 24 Monthly EMI .Interest payable @ 8.51% p.a.and secured against the mortgage of Immovable Property of the Company at Sr 120 Ground Floor situated at Ansal plaza Vaishali Ghaziabad U.P. and against Credit Card receivables	5,507,852
Total - Term loans from Banks	5,507,852
Total	7,391,282

Note 11 Short-term provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for bonus	3,480,382	7,746,273
Total	3,480,382	7,746,273

Note : 12 Fixed Assets

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at 1 April, 2012	Additions	Disposals	Adjustments	Balance as at 31st March, 2013	Balance as at 1 April, 2012	Depreciation Charge for the year	On Disposals	Adjustments	Balance as at 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) Tangible Assets												
(a) Land	62,416,197	2,706,832	-	-	65,123,029	-	-	-	-	-	65,123,029	62,416,197
(b) Buildings	22,460,433	-	3,664,470	-	18,795,963	4,732,104	1,486,478	978,058	(717,514)	4,523,010	14,272,953	17,728,329
(c) Plant and Equipments	51,664,538	815,913	5,986,447	(1,071,532)	45,422,473	20,036,731	4,061,450	2,693,399	(273,476)	21,131,306	24,291,167	31,627,807
(d) Furniture and Fixtures	101,520,370	2,595,728	37,286,448	-	66,829,650	46,994,858	7,554,769	15,985,798	-	38,563,829	28,265,821	54,525,512
(e) Vehicles	19,765,440	-	45,815	-	19,719,625	9,794,441	2,577,796	31,995	(656)	12,339,585	7,380,039	9,970,999
(f) Office equipment	22,406,990	736,898	233,392	(5,387,286)	17,523,210	16,831,677	1,404,225	199,465	(3,040,031)	14,996,406	2,526,804	5,575,313
Total	280,233,968	6,855,371	47,216,571	(6,458,818)	233,413,950	98,389,810	17,084,718	19,888,715	(4,031,678)	91,554,136	141,859,814	181,844,158
Previous Year	281,393,209	12,967,262	14,126,503	-	280,233,968	78,640,579	26,231,208	6,481,976	-	98,389,811	181,844,157	202,752,630
(ii) Intangible Assets												
(a) Computer software	1,152,983	61,789	-	6,458,818	7,673,590	790,047	1,435,384	-	2,360,142	4,585,573	3,088,017	362,936
(b) Brands / trademarks	159,553	5,000	-	-	164,553	95,183	8,042	-	(2,014)	101,211	63,342	64,370
Total	1,312,536	66,789	-	6,458,818	7,838,143	885,230	1,443,426	-	2,358,127	4,686,783	3,151,360	427,306
Previous Year	825,193	487,343	-	-	1,312,536	648,642	236,588	-	-	885,230	427,306	176,551
(iii) Capital Work in Progress	84,007,868	124,977,906	-	-	208,985,774	-	-	-	-	-	208,985,774	84,007,868
Total	84,007,868	124,977,906	-	-	208,985,774	-	-	-	-	-	208,985,774	84,007,868
Previous Year	3,116,459	84,130,017	3,238,608	-	84,007,868	-	-	-	-	-	84,007,868	3,116,459
Grand Total	365,554,372	131,900,066	47,216,571	-	450,237,867	99,275,041	18,528,143	19,888,715	(1,673,550)	96,240,919	353,996,948	266,279,331
Previous Year	285,334,861	97,584,622	17,365,111	-	365,554,372	79,289,221	26,467,797	6,481,976	-	99,275,041	266,279,331	206,045,640

Note 13 Long-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Capital advances		
(i) Unsecured, considered good	16,494,801	12,109,395
	16,494,801	12,109,395
(b) Security deposits		
(i) Unsecured, considered good	81,534,052	115,921,800
(ii) Doubtful	1,914,713	1,411,680
	83,448,765	117,333,480
(c) Other Loans and advances		
(i) Advance income tax	-	1,500,000
(ii) ESI Deposited Under Protest	219,378	219,378
	219,378	1,719,378
Total	100,162,944	131,162,253

Note 14 Current investments

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Investment in equity instruments						
(i) 1600 Equity shares of Nova Iron & Steel Co. Ltd	24,000.00	-	24,000.00	24,000.00	-	24,000.00
	24,000.00	-	24,000.00	24,000.00	-	24,000.00
(b) Investment in mutual funds						
(i) 833.903 Units of HDFC Equity Fund (G)	130,000.00	-	130,000.00	130,000.00	-	130,000.00
(ii) 910.61 Units of IDFC Imperial Equity Fund- Plan A (G)	10,000.00	-	10,000.00	10,000.00	-	10,000.00
	140,000.00	-	140,000.00	140,000.00	-	140,000.00
(c) Investment in Debts Mutual Fund	-	-	-	-	-	-
(i) 45,61,365.556 Units Of Birla Sunlife Dynamic Bond Fund-Retail Plan-Md	-	-	-	-	47,865,786	47,865,786
(ii) 32,00,000 Units Of Axis Fixed Term Plan - Series 14 (368 Days)	-	-	-	-	32,000,000	32,000,000
(iii) 5101.36 Units Of Religare Ultra Short Term Fund	-	-	-	-	5,110,124	5,110,124
(iv) 996422.842 Units Of Reliance Quaterly Interval Fund	-	-	-	-	10,000,000	10,000,000
(v) 9,97,800 Units Of SBI Magnum Income Fund - Daily Dividend	-	-	-	-	10,040,071	10,040,071
(vi) 10023.172 Units Of Reliance Money Manager Retail Option-DIV	-	-	-	-	10,034,416	10,034,416
(vii) 10,00,000 Units Of Bnp Paribas Fixed Term Fund Ser 21F Growth	-	-	-	-	10,000,000	10,000,000
(viii) 21,30,268.004 Units Of Birla Sunlife Dynamic Bond Fund-Retail Plan-Md	-	-	-	-	22,409,078	22,409,078
(ix) 8,00,000 Units Of Axis Fixed Term Plan - Series 14 (368 Days)	-	-	-	-	8,000,000	8,000,000
(x) 15,91,963.124 Units Of Templeton India Low Duration Fund - MD	-	16,484,553	16,484,553			
(xi) 10,128.485 Units Of UTI Trasury Advatage Fund-Institutional Plan -DDR	-	10,130,653	10,130,653			
(xii) 10,026.955 Units Of Religare Ultra Short Term Fund	-	10,044,151	10,044,151			
(xiii) 20372.805 Units Of Reliance Money Manager Fund-DDR	-	20,400,746	20,400,746			
(xiv) 50,1962.266 Units Of Templeton India Ultra Short Bond Fund Super Institutional Plan - DDR	-	5,028,257	5,028,257			
(xv) 10,029.630 Units Of Axis Treasury Advantage Fund -DDR	-	10,039,403	10,039,403			
TOTAL	-	72,127,765	72,127,765	-	155,459,475	155,459,475
GRAND TOTAL	164,000	72,127,765	72,291,765	164,000	155,459,475	155,623,475

Note 15 Inventories

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Raw materials	15,089,999	14,985,971
(b) Work-in-progress	51,235,288	87,700,254
(C) Finished Goods		
(i) Finished goods - Apparels (At store and warehouse)	340,711,164	762,920,345
(ii) Finished goods - Real Estate	13,032,750	-
(iii) Finished Goods-in-transit	168,464	4,030,568
	353,912,378	766,950,913
(d) Stores and spares	8,136,169	7,745,777
	8,136,169	7,745,777
Total	428,373,834	877,382,915

Note 16 Trade receivables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Trade receivables outstanding for a period exceeding six months :		
(i) Unsecured, considered good	7,993,493	37,553,827
(ii) Unsecured, considered good - Related Party	43,200	43,200
(iii) Doubtful	5,438,510	4,629,140
	13,475,203	42,226,167
Less Provision for doubtful trade receivable	1,132,910	-
	12,342,293	42,226,167
(b) Other Trade receivables		
(i) Unsecured, considered good	147,002,055	185,629,988
	147,002,055	185,629,988
Total	159,344,348	227,856,155

Note : Trade receivables includes sale to related party M/S D.G.Estates Pvt. Ltd. of Rs. 43200 /-

Note 17 Cash and cash equivalents

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Cash on hand	3,565,589	9,436,721
(b) Balances with Banks		
(i) In current accounts	33,622,857	17,750,424
Total	37,188,445	27,187,145

Note 18 Short-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Loans and advances to employees		
Unsecured, considered good	2,111,281	3,687,249
	2,111,281	3,687,249
(b) Prepaid expenses - Unsecured, considered good	1,294,850	1,557,383
	1,294,850	1,557,383
(c) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	6,530,700	1,523,664
(ii) Service Tax credit receivable	573,402	2,315,799
(iii) Income Tax Refund/TDS Receivable	3,888,282	2,310,102
(iv) FBT Refund due	576,363	576,363
	11,568,747	6,725,928
(d) Inter-corporate deposits		
Unsecured, considered good	12,000,000	18,000,000
	12,000,000	18,000,000
(e) Other Loans & advances		
(i) Unsecured, considered good	55,863,577	3,010,561
(ii) Doubtful	1,124,500	-
	56,988,077	3,010,561
Total	83,962,955	32,981,121

Note 19 Revenue from operations

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
(a) Sale of products		
(i) Garments	1,164,390,234	1,521,293,449
(ii) Accessories	21,484,050	27,134,124
(iii) Others	1,335,876	95,724,325
	1,187,210,160	1,644,151,898
(b) Other operating revenues	4,848,247	1,209,428
	1,192,058,406	1,645,361,326
<u>Less:</u>		
Excise duty	48,355,523	49,645,854
Total	1,143,702,883	1,595,715,472

Note 20 Other income

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
(a) Interest income	1,680,000	697,822
(b) Other income	3,418,795	-
Total	5,098,795	697,822

Note 21.a Cost of materials consumed

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Opening stock	22,731,748	40,100,318
Add: Purchases	185,341,399	177,980,754
Cartage Inward	826,279	854,650
	208,899,426	218,935,722
Less: Closing stock	23,226,168	22,731,748
Cost of material consumed	185,673,258	196,203,975
Total	185,673,258	196,203,975

Note 21.b Purchase of traded goods

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Traded good - Apparel and Accessories	96,610,832	239,568,545
Other items -Real Estate	13,032,750	-
Total	109,643,582	239,568,545

Note 21.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
<u>Inventories at the end of the year:</u>		
Finished goods	353,912,378	766,950,913
Work-in-progress	51,235,288	87,700,254
Increase / (decrease) of excise duty on inventory	15,957,747	18,003,178
	421,105,413	872,654,345
<u>Inventories at the beginning of the year:</u>		
Finished goods	766,950,913	1,289,480,877
Work-in-progress	87,700,254	97,059,105
Increase / (decrease) of excise duty on inventory	18,003,178	-
	872,654,345	1,386,539,982
Net (increase) / decrease	451,548,932	513,885,637

Note 22 Employee benefits expense

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Salaries and Wages	127,986,827	130,089,233
Contributions to provident and other funds	1,895,815	2,175,723
Staff welfare expenses	4,060,649	4,654,052
Total	133,943,291	136,919,008

Note 23 Finance costs

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
(a) Interest expense on:		
(i) Borrowings	42,288,435	63,127,680
(ii) Trade payables	5,684,131	13,417,626
:- Interest on delayed / deferred payment of income tax	-	2,463,970
:- Others		
Bank Charges	6,938,507	8,597,367
Other Interest	369,275	1,830,250
Total	55,280,349	89,436,893

Note 24 Other expenses

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Consumption of stores and spare parts	1,219,294	1,352,774
Increase / (decrease) of excise duty on inventory	(2,045,431)	18,003,178
Job Work Charges	86,427,591	54,162,142
Power and fuel	25,572,386	27,725,490
Water	179,160	180,417
Rent including lease rentals	136,292,199	194,444,513
Repairs and maintenance - Machinery	1,501,986	1,632,194
Repairs and maintenance - Others	5,356,335	6,349,285
Insurance	2,011,081	2,856,435
Rates and taxes	369,540	953,743
Communication	4,028,612	5,597,923
Travelling and conveyance	4,683,054	5,369,875
Printing and stationery	2,409,029	2,571,856
Freight and forwarding	7,203,663	10,699,303
Sales commission	72,677,083	126,490,126
Sales discount	123,367,522	144,734,525
Showroom Expenses	23,065,358	36,031,785
Security Expenses	1,646,102	1,472,131
Festival & Celebration Expenses.	888,491	1,476,200
Business promotion	4,650,312	2,537,551
Difference in Foreign Exchange Rate	1,259,502	-
Advertisement & Publicity Expenses	6,498,499	16,970,957
Legal and professional	3,758,836	3,995,815
Payments to auditors	1,066,686	1,175,960
Bad trade and other receivables, loans and advances written off	1,420,663	1,799,081
Loss on fixed assets sold / scrapped / written off	944,190	49,837
Miscellaneous expenses	2,781,993	2,350,682
Total	519,233,734	670,983,778

Note 24 Other expenses (Contd.)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	955,060	955,060
For taxation matters	111,626	220,900
Total	1,066,686	1,175,960
(ii) Details of Prior period items (net)		
Sales Discount	-	6,318,067
Bad trade and other receivables, loans and advances written off	-	1,801,280
Total	-	8,119,347

Note 25.a Exceptional items

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Profit/(Loss) On Sale Of Fixed Assets	(21,652,952)	(5,831,867)
Total	(21,652,952)	(5,831,867)

Note 25.b Extraordinary items

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rs.	Rs.
Dividend Income	6,828,439	15,664,158
Short Term Capital Gain	440,536	629,265
Long Term Capital Gain	5,050,700	8,209,366
Total	12,319,675	24,502,788

Note 26 Disclosures under Accounting Standards

Note				
26.1	Employee benefit plans			
26.1 (a)	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i. Gratuity ii. Other defined benefit plans (Leave Encashment) The following table shows amount recognised in the financial statements:			
			Amt In Rs.	
Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Gratuity	Other defined benefit plans (Leave Encashment)	Gratuity	Other defined benefit plans (Leave Encashment)
Components of employer expense				
Current service cost	3,138,980	1,484,498	2,640,480	894,353
Interest cost	747,924	182,185	720,097	213,309
Expected return on plan assets	-	-	-	-
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	(1,189,687)	(1,084,565)	(3,625,484)	(904,435)
Total expense recognised in the Statement of Profit and Loss	2,697,217	582,118	(264,907)	203,227
Actual contribution and benefit payments for year				
Actual benefit payments	(449,170)	(411,210)	(39,519)	(751,164)
Actual contributions	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	10,944,833	2,289,334	8,696,786	2,118,426
Fair value of plan assets	-	-	-	-
Funded status [Surplus / (Deficit)]	(10,944,833)	(2,289,334)	(8,696,786)	(2,118,426)
Unrecognised past service costs	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	(10,944,833)	(2,289,334)	(8,696,786)	(2,118,426)

Note 26 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
		Gratuity	Other defined benefit plans (Leave Encashment)	Gratuity	Other defined benefit plans (Leave Encashment)
26.1 (b)	Change in defined benefit obligations (DBO) during the year				
	Present value of DBO at beginning of the year	8,696,786	2,118,426	9,001,212	2,666,363
	Current service cost	3,138,980	1,484,498	2,640,480	894,353
	Interest cost	747,924	182,185	720,097	213,309
	Curtailment cost / (credit)	-	-	-	-
	Settlement cost / (credit)	-	-	-	-
	Plan amendments	-	-	-	-
	Acquisitions	-	-	-	-
	Actuarial (gains) / losses	(1,189,687)	(1,084,565)	(3,625,484)	(904,435)
	Past service cost	-	-	-	-
	Benefits paid	(449,170)	(411,210)	(39,519)	(751,164)
	Present value of DBO at the end of the year	10,944,833	2,289,334	8,696,786	2,118,426
	Change in fair value of assets during the year				
	Plan assets at beginning of the year	-	-	-	-
	Acquisition adjustment	-	-	-	-
	Expected return on plan assets	-	-	-	-
	Actual company contributions	-	-	-	-
	Actuarial gain / (loss)	-	-	-	-
	Benefits paid	-	-	-	-
	Plan assets at the end of the year	-	-	-	-
	Actual return on plan assets	-	-	-	-
	Composition of the plan assets is as follows:				
	Government bonds	-	-	-	-
	PSU bonds	-	-	-	-
	Equity mutual funds	-	-	-	-
	Others	-	-	-	-
	Actuarial assumptions				
	Discount rate	8.00%	8.00%	8.60%	8.60%
	Expected return on plan assets	-	-	-	-
	Salary escalation	10.00%	10.00%	10.00%	10.00%
	Attrition	-	-	-	-
	Medical cost inflation	-	-	-	-
	Mortality tables	-	-	-	-
	Performance percentage considered	-	-	-	-
	Estimate of amount of contribution in the immediate next year	-	-	-	-

Note 27 Disclosures under Accounting Standards

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

Names of related parties	Description of relationship
Mr. Vijay Bansal	Key Management Personnel
Mr. Deepak Bansal	Key Management Personnel
Mr. Anil Bansal	Key Management Personnel
Mrs. Swati Gupta	Key Management Personnel's relative
Mrs. Megha Bansal	Key Management Personnel's relative
Smt. Sushila Bansal	Key Management Personnel's relative
Anil Bansal (HUF)	Key Management Personnel's relative
Amit Bansal	Key Management Personnel's relative
Manohari Bansal	Key Management Personnel's relative
Poonam Bansal	Key Management Personnel's relative
Rekha Bansal	Key Management Personnel's relative
Ram Nivas Bansal (HUF)	Key Management Personnel's relative
Sunil Bansal	Key Management Personnel's relative
Sunil Bansal (HUF)	Key Management Personnel's relative
Balaji International Clothing	Key Management Personnel's relative
Suresh Chand Bansal	Key Management Personnel's relative
Vardman Enterprises	Key Management Personnel's relative
Y. G. Estate Private Limited	Company in which Key Management Personnel's relative has significant influence
Akshi Marketing Private Limited	Company in which Key Management Personnel's relative has significant influence
D. G. Estate Private Limited	Company in which Key Management Personnel's relative has significant influence
Romano Fashion Private Limited	Company in which Key Management Personnel has significant influence

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

Nature of Transaction	Related Parties	Rs.
Salary, allowances & perquisite	Key Management Personnel	5,200,253 (5,081,795)
Salary, allowances & perquisite	Key Management Personnel's relative	2,274,080 (2,002,565)
Rent	Key Management Personnel	888,000 (916,000)
Rent	Key Management Personnel's relative	690,000 (2,102,500)
Rent	Company in which Key Management Personnel has significant influence	210,000 (840,000)
Rent	Company in which Key Management Personnel's relative has significant influence	1,910,048 (2,114,256)
Commission	Key Management Personnel's relative	- (225,000)
Commission	Company in which Key Management Personnel's relative has significant influence	1,186,672 (1,886,668)
Interest	Key Management Personnel's relative	413,336 -
Loan Taken	Key Management Personnel	4,900,000 (6,800,000)
Loan Repaid	Key Management Personnel	5,950,197 (13,562,601)
Receiving of services	Key Management Personnel's relative	1,984,742 -
Sale	Company in which Key Management Personnel's relative has significant influence	- (485,439)
Security Paid	Key Management Personnel's relative	- (4,700,000)
Security Received	Key Management Personnel's relative	- (4,700,000)

Note : Figures in bracket relate to pervious year

(C) Disclosure of Material transactions :

Particulars	Current Year	Previous Year
<u>Salary,allowance & perquisite</u>		
Mr. Vijay Bansal	2,439,600	2,436,400
Mr. Deepak Bansal	2,400,653	2,285,395
Mrs. Megha Bansal	800,000	530,645
<u>Rent</u>		
Mr. Deepak Bansal	888,000	916,000
Mr. Suresh Chand Bansal	690,000	2,002,500
Y.G. Estate Pvt. Ltd.	1,541,288	1,745,496
Akshi Marketing Pvt. Ltd.	368,760	840,000
<u>Interest</u>		
Balaji International Clothing	413,336	-
<u>Commission</u>		
Anil Bansal HUF	360,000	330,000
Sunil Bansal HUF	-	209,997
Smt. Manohari Bansal	-	225,000
Ram Nivas Bansal (HUF)	-	209,997
Balaji International Clothing	826,672	1,136,674
<u>Sale</u>		
D.G.Estates Pvt. Ltd.	-	485,439
Balaji International Clothing	-	-
<u>Receiving of services</u>		
Vardhman Enterprises	1,984,742	-
<u>Security Paid</u>		
Sushila Bansal	-	4,700,000
<u>Security Received</u>		
Sushila Bansal	-	4,700,000
<u>Loan Taken</u>		
Mr. Vijay Bansal	-	6,800,000
Mr. Deepak Bansal	-	-
Vijay Bansal HUF	4,900,000	-
<u>Loan Repaid</u>		
Mr. Vijay Bansal	517,905	13,562,601
Mr. Deepak Bansal	-	-
Vijay Bansal HUF	5,432,292	-

Note 28 Disclosures under Accounting Standards

Note	Particulars	As at 31st March, 2013	As at 31st March, 2012
		Rs.	Rs.
28 (a)	Details of leasing arrangements The Company has entered into operating lease arrangements for retail operations on 20th March 2013 . The lease is non-cancellable and is for a period of nine years starting from 4th May, 2013 to 3rd May, 2022. The lease agreements provide for an increase in the lease payments by 10% of the original amount for first two years and 15% thereafter, after every three years from the commencement date, on the last date lease amount. Future minimum lease payments not later than one year later than one year and not later than five years	 431,768 43,432	 - -

Note 29 Disclosures under Accounting Standards

Note	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		Rs.	Rs.
29 (a)	Earnings Per Equity Share <u>Calculated as follows :</u> Profit attributable to equity share holders Weighted number of equity shares outstanding during the year (Nos) Par value per share EPS : Basic Diluted	 (328,760,494) 16,327,608 10 (20.14) (20.14)	 (254,682,031) 16,327,608 10 (15.60) (15.60)

Note 30 Disclosures under Accounting Standards

Note	Particulars	As at 31st March, 2013	As at 31st March, 2012
		Rs.	Rs.
30 (a)	Deferred tax (liability) / asset <u>Tax effect of items constituting deferred tax assets</u> Provision for compensated absences, gratuity and other employee benefits Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 On difference between book balance and tax balance of fixed assets Others(IPO Expenses allowable in next year) Tax effect of items constituting deferred tax assets Provision for Deferred Tax Assets Less Provision already exists Net deferred tax (liability) / asset	 13,234,168 3,480,382 36,885,060 16,441,883 70,041,493 21,642,821 17,693,979 3,948,842	 10,815,213 7,746,273 14,246,867 21,726,950 54,535,303 17,693,979 13,860,825 3,833,154

Note 31 Additional information to the financial statements

Note	Particulars		
31.1	Contingent liabilities and commitments (to the extent not provided for) Contingent liabilities (a) Claims against the Company not acknowledged as debt (b) Guarantees - Corporate Guarantee for Subsidiary Company (c) Other money for which the Company is contingently liable for :- (i) For Labour Disputes (ii) For VAT demands in Dispute (iii) For TDS demands in Dispute (iv) For CENVAT on Service Tax Credit Show Cause (v) For Others	As at 31st March, 2013	As at 31st March, 2012
		Rs. In Lacs	Rs. In Lacs
		Nil	Nil
		Nil	Nil
		21.87	15.81
		23.65	19.74
		420.88	256.29
		110.38	Nil
		8.46	6.38
31.2	Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:		
	Name of the party	Relationship	Maximum balance outstanding during the year
			Amount outstanding as at 31 March, 2013
			Rs. In Lacs
	Ambica Steel Ltd.	Others	120.00
			(120.00)
	Automobile Components (India) Ltd	Others	(NIL)
			(60.00)
Note: Figures in bracket relate to the previous year.			

Note 31 Additional information to the financial statements

Note	Particulars		
31.3	Others	As at 31st March, 2013	As at 31st March, 2012
		Rs. In Lacs	Rs. In Lacs
31.4	Details of consumption of imported and indigenous items	NIL	1.11
		For the year ended	
		Rs. In Lacs	%
		Imported	
		Raw materials	-
		Total	-
		Indigenous	
31.4	Raw materials	1,856.73	100
		(1,962.04)	100
		Total	100
		Total	100

Note : Figures in bracket related to the previous year

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CANTABIL^{ITALY}
International Clothing

Cantabil Retail India Limited



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