

**METMILL FOOTWEAR PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019**

Amount in Lakhs

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
I.	ASSETS			
1	Non-current assets			
(a)	Property Plant and Equipment	2	93.43	113.10
(b)	Other Intangible Assets	2.1	1.06	5.68
(c)	Deferred tax assets (net)		5.51	16.36
(d)	Other financial assets	3	6.33	6.33
	Total Non Current Assets		106.33	141.47
2	Current assets			
(a)	Inventories	4	3,790.86	2,333.67
(b)	Financial Assets			
(i)	Trade receivables	5	4,725.99	3,771.08
(ii)	Cash and cash equivalents	6	38.36	24.50
(iii)	Loans & Advances	7	4.90	3.00
(c)	Other Current Assets	8	194.30	101.40
	Total Current Assets		8,754.41	6,233.66
	Total Assets Rs...		8,860.74	6,375.13
II.	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share capital	9	25.00	25.00
(b)	Other Equity	10	4,226.52	3,208.96
	Total Equity		4,251.52	3,233.96
2	Liabilities			
	Non-current liabilities :-			
(a)	Financial Liabilities			
(i)	Borrowings	11	0.84	4.02
(ii)	Provision for employee benefits	12	58.37	36.54
(b)	Provisions			
(c)	Deferred Tax Liabilities (Net)			
	Total Non current liabilities		59.21	40.56
3	Current liabilities :-			
(a)	Financial Liabilities :-			
(i)	Borrowings	13	1,133.91	743.67
(ii)	Trade payables	14	1,956.63	1,430.35
(iii)	Provision for employee benefits	15	12.98	13.91
(iv)	Other financial liabilities	16	3.18	2.91
(b)	Other current liabilities	17	1,443.31	853.23
(c)	Provisions			
(c)	Current Tax Liabilities - Tax (Net)	18	-	56.53
	Total Current liabilities		4,550.01	3,100.61
	Total Equity and Liabilities Rs...		8,860.74	6,375.13

Significant Accounting Policies

1

Notes to Accounts

28

All notes to Accounts from Note "1 to 28" form part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Vora Mehta & Associates

METMILL FOOTWEAR PRIVATE LIMITED

Chartered Accountants



Nagin D. Mehta



Shri Rafique Malik

Shri Rafique Malik
Chairman
DIN: 00521563

Shri Sunil J. Shah

Shri Sunil J. Shah
Managing Director
DIN: 01777226

Place : Mumbai

Date : 5th July 2019

METMILL FOOTWEAR PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019.

Amount in Lakhs

Particulars		Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	19	14,356.88	10,898.14
II	Other income	20	0.72	0.90
III	Total Income (I + II)		14,357.60	10,899.04
IV	Expenses:			
a	Purchases of stock-in-trade	21	12,776.05	8,993.63
b	Changes in inventories of stock in trade	22	(1,457.19)	(595.56)
c	Excise duty on sale of goods		-	56.88
d	Employee benefits expense	23	1,024.44	805.68
e	Finance costs	24	86.72	68.75
f	Depreciation and amortization expense	2	31.19	30.22
g	Other expenses	25	414.74	393.21
	Total expenses		12,875.95	9,752.82
V	Profit before Tax for the year (III - IV)		1,481.65	1,146.22
VI	Tax expense : -			
	(1) Current tax	26	442.48	410.00
	(2) Prior Period Taxes		6.82	-
	(3) Deferred tax	27	10.84	(3.55)
VII	Profit after Tax for the year (V - VI)		1,021.51	739.77
VIII	Other comprehensive income		(3.95)	3.06
	(i) Items that will not be reclassified to profit or loss		-	-
	Remeasurements of defined benefit plans	27(5)(c)(vi)	(5.58)	4.69
	Income tax relating to items that will not be reclassified to P&L	26	1.63	(1.62)
IX	Total comprehensive income for the year (VII - VIII)		1,017.56	742.83
X	Earnings per equity share:			
	(1) Basic	28(3)	407.03	295.91
	(2) Diluted	28(3)	407.03	295.91

Significant Accounting Policies

1


Notes to Accounts

28

All notes to Accounts from Note "1 to 28" form part of the Financial Statements

As per our report of even date
For Vora Mehta & Associates
Chartered Accountants

For and on behalf of the Board of Directors
METMILL FOOTWEAR PRIVATE LIMITED






Nagin. D. Mehta

Partner

Membership Number: - 033258

Shri Rafique Malik

Chairman

DIN: 00521563

Shri Sunil J. Shah

Managing Director

DIN: 01777226

Place Mumbai

Date : 5th July 2019



METMILL FOOTWEAR PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Amount in Lakhs

PARTICULARS	For The year ended March 31, 2019		For The year ended March 31, 2018	
	Rupees	Grand Total Rupees	Rupees	Grand Total Rupees
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax	1,481.65		1146.22	
Adjustments for :-				
Depreciation	31.19		30.22	
Gratuity Other comprehensive income - net of taxes	(3.95)		3.06	
Interest income	(0.72)		(0.90)	
Interest Paid	82.10		63.20	
Other Borrowing Cost	3.06		5.54	
Operating profit before working capital changes	1,593.33		1247.35	
Adjustments for :-				
(Increase) / Decrease in Inventories	(1,457.18)		(595.56)	
(Increase) / Decrease in Trade Receivables	(954.90)		(1169.53)	
(Increase) / Decrease in Other Current Assets	(83.70)		106.38	
(Increase) / Decrease in Other Non Current Assets	(0.00)		0.20	
(Increase) / Decrease in Loans under Current Assets	(1.90)		(1.57)	
(Increase) / Decrease in Non Current Provisions	21.83		3.57	
Increase / (Decrease) in Trade Payables	526.28		534.07	
Increase / (Decrease) in Other Financial Liabilities	0.27		2.28	
Increase / (Decrease) in Other Current Liabilities	590.08		34.35	
(Increase) / Decrease in Current Provisions	(0.94)		5.66	
Cash Generated from Operations	233.17		167.21	
<i>Direct Taxes (Paid) / Refund</i>	(515.03)		(358.12)	
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(281.86)		(190.91)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property Plant and Equipment	(6.90)		(41.54)	
Purchase of Intangible assets - Computer software	-		(0.55)	
Interest income from Other Current Assets	0.72		0.90	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(6.18)		(41.19)
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from borrowings	387.06		309.59	
Repayment of borrowings	-		0.00	
Interest Paid	(82.10)		(63.20)	
Other borrowing cost	(3.06)		(5.54)	
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)		301.90		240.84
Net Increase/(Decrease) in cash and cash equivalents A+B+C		13.86		8.74
Cash and cash equivalents at the beginning of the year		24.50		15.76
Cash and cash equivalents at the end of the year		38.36		24.50
Net increase / (Decrease) in cash and cash equivalents		13.86		8.74

Previous year figures have been regrouped, wherever necessary, to conform to the current years grouping.

As per our attached report of even date
For Vora Mehta & Associates
Chartered Accountants

Shri Nagin D. Mehta

Partner

Membership Number: - 033258

For on behalf of the Board
METMILL FOOTWEAR PRIVATE LIMITED



Shri Rafique Malik

Chairman

DIN: 00521563

Shri Sunil J. Shah

Managing Director

DIN: 01777226

Place : Mumbai

Date : 5th July 2019

METMILL FOOTWEAR PRIVATE LIMITED
Statement of changes in equity for Year ended March 31, 2019

A. Equity share capital

Particulars	Amount in Lakhs
Balance at March 31, 2017	25.00
Changes in equity share capital	-
Balance at March 31, 2018	25.00
Changes in equity share capital	-
Balance at March 31, 2019	25.00

B. Other Equity

Particulars		Amount in Lakhs	
		Retained earnings	Total
Balance as at March 31, 2017	A	2,466.13	2,466.13
Profit for the year	B	739.77	739.77
Other comprehensive income (net of taxes)	C	3.06	3.06
Total comprehensive income for the year	D=(B+C)	742.83	742.83
Interim Dividend	E	-	-
Dividend distribution tax	F	-	-
Share Options granted during the year	G	-	-
Balance as at March 31, 2018	H=(A+D+E+F+G)	3,208.96	3,208.96
Profit for the year	I	1,021.51	1,021.51
Other comprehensive income (net of taxes)	J	(3.95)	(3.95)
Total comprehensive income for the year	K=(I+J)	1,017.56	1,017.56
Interim Dividend	L	-	-
Dividend distribution tax	M	-	-
Share Options granted during the year	N	-	-
Balance as at March 31, 2019	O=(H+K+L+M+N)	4,226.52	4,226.52

Significant Accounting Policies

1

Notes to Accounts

28

All notes to Accounts from Note "1 to 28" form part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Vora Mehta & Associates

METMILL FOOTWEAR PRIVATE LIMITED

Chartered Accountants



(Handwritten signature)

Nagin. D. Mehta

Shri Rafique Malik

(Handwritten signature)

Partner

Chairman

Shri Sunil J. Shah

Membership Number: - 033258

DIN: 00521563

Managing Director

DIN: 01777226

Place : Mumbai

Date : 5th July 2019



METMILL FOOTWEAR PRIVATE LIMITED
Notes forming part of the financial statements as at March 31, 2019

1a. Corporate Information:

Metmill Footwear Private Limited ('the Company') is engaged in the business of wholesale of footwear. The Company is a Subsidiary of Metro Brands Ltd (formerly known as Metro Shoes Ltd.) which is a Public Ltd company which holds 51% of Equity Share Capital of the Company.

1b. Significant Accounting Policies

A) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting standards) Rules, 2016. For all periods upto and including the financial year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 ('the Act') (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs.

The financial statements were approved by board of directors

Basis of preparation and presentation of financial statements

The financial statements of the Company have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given at the date of the transaction, in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, the fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the financial statements as at March 31, 2019

B) Use of Estimates:

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS which 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 / materialised.

C) Revenue Recognition:

i) Sale of goods:

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- (i) the Company has transferred to the buyer the significant risk and reward of ownership of the goods;
- (ii) (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) (iii) the amount of revenue can be measured reliably;
- (iv) (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (v) (v) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

ii) Other Income:

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

D) Property, plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset:

Leasehold improvements are amortised over the period of lease or 10 years whichever is lower.

Depreciation on other tangible property, plant and equipment is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the financial statements as at March 31, 2019

Intangible Assets acquired separately:

Intangible Assets with finite useful lives are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

Intangible assets are amortised over their estimated useful life as follows:-

Trademark – 10 years

Commercial Rights – 10 years

E) Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre tax discount rate that reflects current market assessment of time value of money and the risks specific to assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

F) Inventories:

Inventories are valued at the lower of cost and net realisable value, after providing for obsolescence, shortages and damaged stocks, wherever necessary. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The inventory has been valued as per the First in First out method.

G) Taxes on Income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable



METMILL FOOTWEAR PRIVATE LIMITED
Notes forming part of the financial statements as at March 31, 2019

that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

H) Employee Benefits:

Provident Fund

i) The Provident Fund is a defined Government contribution scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the government for the Employees Provident Fund. The



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the financial statements as at March 31, 2019

Company has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end.

The Provident Fund is a defined contribution scheme. The eligible employees of the Company are entitled to receive post employment benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity Fund

ii) The Company does not have any recognised gratuity fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and

- ▶ Net interest expense or income

iii) Compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary, at each year end.

Actuarial gains/losses are recognised in the period in which they occur, directly in other comprehensive income.

Defined benefit Gratuity plan disclose in Note 22(5)(c) is as per Actuarial Valuation report taken by the management from Actuaries & Consultant.

I) Foreign Currencies:

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are translated using the closing exchange rate as on Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the financial statements as at March 31, 2019

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise and disclosed as a net amount in the financial statements.

J) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the company will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities and Contingent Assets are disclosed in the Notes.

K) Financial assets and Financial liabilities:

Financial Assets and Financial liabilities are recognised when a Company becomes party to the contractual provisions of the instruments. Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities, at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

L) Financial assets:

All regular way purchases or sales of financial assets are recognised on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

De recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de recognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the financial statements as at March 31, 2019

has been recognized in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity Instrument issued by the Company are recognised at the proceeds received, net if direct issue costs.

Financial liabilities

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the Statement of Profit or Loss.

M) Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under such operating leases are recognized in the Statement of profit and loss on a straight-line basis over the period of the lease unless another systematic basis is more representative of the time pattern of the users benefit.

N) Earnings per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax 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.

O) 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



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the financial statements as at March 31, 2019

from operating, investing and financing activities of the Company are segregated based on the available information.

P) Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short- term balances (with an original maturity of three months or less from the date of acquisitions), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Note 1.c - First-Time Adoption– Mandatory Exceptions, Optional Exemptions Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

A. Exceptions applied:

(i) Use of Estimates:

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or as required under Ind AS but not under previous GAAP.

(ii) Derecognition of financial assets and financial liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

(iii) Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

B. Exemptions applied:

(i) Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Fair value measurement of financial assets or financial liabilities at initial recognition

The Company has elected to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS.



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 2

2a. Property, Plant and Equipment:

Amount in Lakhs

Description of Assets	Leasehold Improvements	Furniture and Fittings	Machinery and Equipment	Motor Vehicles	Computers	Total
I. Cost						
Balance as at April 01, 2017	17.73	45.56	38.02	26.58	19.47	147.36
Additions	0.00	18.95	5.76	11.30	5.53	41.54
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at March 31, 2018	17.73	64.51	43.78	37.88	25.00	188.90
Additions	0.00	0.95	1.56	0.00	4.39	6.90
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at March 31, 2019	17.73	65.46	45.34	37.88	29.39	195.80
II. Accumulated depreciation						
Balance as at April 01, 2017	2.02	12.41	8.93	13.26	13.68	50.30
Depreciation expense for the year	3.55	6.38	6.52	4.58	4.48	25.50
Eliminated on disposal of assets	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at March 31, 2018	5.57	18.78	15.45	17.84	18.16	75.80
Depreciation expense for the Period	3.55	6.64	6.98	5.46	3.94	26.57
Eliminated on disposal of assets	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at March 31, 2019	9.12	25.42	22.43	23.30	22.10	102.37
III. Net carrying amount (I-II)						
Balance as at April 01, 2017	15.71	33.15	29.08	13.32	5.80	97.06
Balance as at March 31, 2018	12.16	45.73	28.33	20.04	6.84	113.10
Balance as at March 31, 2019	8.61	40.04	22.91	14.58	7.29	93.43

Note 2.1

2b. Other Intangible Asset

	Commercial Rights	Computer Software	Trade Mark	Total
I. Cost				
Balance as at April 01, 2017	41.00	3.89	1.21	46.11
Additions	0.00	0.55	0.00	0.55
Disposals	0.00	0.00	0.00	0.00
Balance as at March 31, 2018	41.00	4.44	1.21	46.66
Additions	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
Balance as at March 31, 2019	41.00	4.44	1.21	46.66
II. Accumulated depreciation				
Balance as at April 01, 2017	32.80	3.12	0.33	36.25
Depreciation expense for the year	4.10	0.50	0.12	4.72
Eliminated on disposal of assets	0.00	0.00	0.00	0.00
Balance as at March 31, 2018	36.90	3.63	0.45	40.97
Depreciation expense for the Period	4.10	0.39	0.12	4.62
Eliminated on disposal of assets	0.00	0.00	0.00	0.00
Balance as at March 31, 2019	41.00	4.02	0.57	45.60
III. Net carrying amount (I-II)				
Balance as at April 01, 2017	8.20	0.77	0.89	9.85
Balance as at March 31, 2018	4.10	0.82	0.77	5.68
Balance as at March 31, 2019	0.00	0.42	0.64	1.06



METMILL FOOTWEAR PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 3 Amount in Lakhs

Other Financial Assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
a. Security Deposits		
Unsecured, considered good - Others	6.33	6.33
Total	6.33	6.33

Note 4

Inventories under Current Assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Stock in trade	3,790.86	2,333.67
Total	3,790.86	2,333.67

Included above, goods-in-transit: 8.45 -

Note 5

Trade Receivables under Current Assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Trade receivables - Unsecured, considered good		
Holding Co. Metro Brands Ltd. (formerly known as Metro Shoes Ltd.)	554.42	468.47
Others	4,171.57	3,302.61
Total	4,725.99	3,771.08

Note 6

Cash and cash equivalents under Current Assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
(a) Unrestricted balances with Banks		
in Current Accounts	30.69	17.72
Fixed Deposits	5.15	
b. Cash on hand	2.52	6.78
Total	38.36	24.50

Note 7

Loans under Current Assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Loans to employees	4.90	3.00
Total	4.90	3.00

Note 8

Other Current Assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
a. Others		
Unsecured, considered good		
Prepaid Expenses	1.53	1.08
Advances to Suppliers	65.38	21.73
Balances with Government Authorities: -		
GST Receivable	73.88	40.63
Income tax receivable(net)	9.20	
MVAT Receivable	36.59	36.60
Vat payment against Appeal	1.45	
Fixed Deposits	6.27	
Central Excise Duty against Appeal	-	1.37
Total	194.30	101.40



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 9

Amount in Lakhs

Equity Share capital

Share Capital	As at Mar 31, 2019		As at Mar 31, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10 each	250000	25.00	250000	25.00
Issued				
Equity Shares of Rs. 10 each	250000	25.00	250000	25.00
Subscribed & Paid up				
Equity Shares of Rs.10 each fully paid	250000	25.00	250000	25.00
Total	2,50,000.00	25.00	2,50,000.00	25.00

The Company has single class of equity shares. Each equity shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining net assets of the company, in proportion to their shareholding.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at Mar 31, 2019		As at Mar 31, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2.50	25.00	2.50	25.00
Shares Issued during the year		-		-
Shares bought back during the year		-		-
Shares outstanding at the end of the year	2.50	25.00	2.50	25.00

1,27,500 Equity Shares of Rs. 10 each fully paid up (Previous year 1,27,500 Equity Shares of Rs. 10 each fully paid up) is held by Metro Brands Limited (formerly knownn as Metro Shoes Ltd.), the holding company.

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at Mar 31, 2019		As at Mar 31, 2018	
	held	% of Holding	No. of Shares held	% of Holding
Metro Brands Limited (formerly knownn as Metro Shoes Ltd.)	1.275	51.00	1.275	51.00
Shri. Sunil J. Shah	1.225	49.00	1.225	49.00
Total	2.50	100.00	2.50	100.00

Note 10

Other Equity - Retained Earnings

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
a. Surplus		
Opening Balance as on 1st April	3,208.96	2,466.13
(+) Net Profit for the current year before Other	1,021.51	739.77
b) Items of Other Comprehensive Income Net of Taxes		
Remeasurements of defined benefit plans	(3.95)	3.06
Closing Balance as on 31st March	4,226.52	3,208.96

See accompanying notes to the financial statements
In terms of our report attached.



METMILL FOOTWEAR PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 11

Amount in Lakhs

Financial liability - Borrowings under Non Current Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Secured		
From Bank		
Term Loan - Secured against Car (last EMI due 05/06/2020)	0.84	4.02
Others : -		
Unsecured : -		
Total	0.84	4.02

Note 12

Provisions under Non Current Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
(a) Provision for employee benefits		
Gratuity (unfunded) [refer note 21(5)(c)(i)]	58.37	36.54
Total	58.37	36.54

Note 13

Financial liability - Borrowings under Current Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Secured		
From Bank		
Cash Credit	845.01	454.77
(Primarily Secured By Book Debts, Hypothecation of Inventories, and all other current assets both present and future, Subsequent - Personal guarantee of Director Sunil Shah and Corporate Guarantee of Holding Company Metro Brands Limited) (formerly known as Metro Shoes Ltd.)		
Others : -		
Unsecured : -		
(a) Loans and advances from related parties		
(formerly known as Metro Shoes Ltd.)	148.34	148.34
Director - Sunil Shah	140.56	140.56
Total	1,133.91	743.67

Note 14

Trade Payable under Current Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Total Outstanding dues of Creditors of Micro Enterprises		
Payable to Others	81.46	-
Total Outstanding dues of Creditors other than of Micro (formerly known as Metro Shoes Ltd.)		
Payable to Others	1,875.17	1,428.64
Total	1,956.63	1,430.35



METMILL FOOTWEAR PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 15

Provisions under Current Liabilities

Amount in Lakhs

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
(a) Provision for employee benefits		
Provision for Gratuity	12.98	13.91
Total	12.98	13.91

Note 16

Other Financial Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Current maturities of long-term debt	3.18	2.91
Total	3.18	2.91

Note 17

Other Current Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
<u>Income received in advance from customers</u> :-		
From Holding Co. Metro Shoes Ltd.	1,360.87	784.25
<u>Other payables</u> :-		
(i) Statutory obligation	17.96	17.57
(ii) Other Payables	64.48	51.41
Total	1,443.31	853.23

Note 18

Current Tax Liabilities (Net) under Current Liabilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
(a) Others		
Provision for Income Tax (net)	-	56.53
Total	-	56.53



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 19

Revenue from Operations

Amount in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products - (Traded Goods) - Footwear & Bags	14,356.88	10,898.14
Total	14,356.88	10,898.14

Note 20

Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income : -		
Income earned on financial assets carried at amortised cost:		
Interest on Bank Fixed Deposits	0.72	0.75
Interest on other Loans and advances	-	0.15
Total	0.72	0.90

Note 21

Purchases of Stock-in-Trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Footwear & Bags	12,666.97	8,912.09
Packing Materials	109.08	81.54
Total Purchases of Stock-in-Trade	12,776.05	8,993.63

Note 22

Changes in Inventories of Stock-In-Trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year :		
Stock-in-trade	3,790.86	2,333.67
Inventories at the beginning of the year :		
Stock-in-trade	2,333.67	1,738.11
Net (increase) / decrease in Stock-in-trade	(1,457.19)	(595.56)

Note 23

Employee Benefits Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Directors Remuneration	925.69	727.18
Contributions to : - Provident fund	28.67	25.35
Contributions to : - ESIC	27.48	19.85
Gratuity	17.90	13.91
Staff welfare expenses	24.70	19.38
Total	1,024.44	805.68



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 24

Finance costs

Amount in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Charges	2.72	4.83
LC Charges	0.33	0.71
Bank Interest	38.27	19.37
Interest on Car Loan	0.50	0.50
Interest on late payments to Msme parties	1.56	-
Interest on Unsecured Loan	43.34	43.34
Total	86.72	68.75

Note 25

Other Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	8.92	7.20
Rent	33.82	32.81
Insurance	2.79	2.70
Repairs and maintenance - Others	3.75	5.83
Advertisement & Sales promotion	75.95	76.16
Commission on sales	2.84	2.29
Freight, Transportation, loading & unloading charges	161.13	141.70
Shoe and Bag Repair Expenses	0.14	0.20
Professional Tax	0.03	0.03
Communication	2.92	4.16
Courier & Postage	3.64	3.05
Travelling and conveyance	60.00	56.30
Printing and stationery	5.71	3.74
Data Entry charges	0.36	-
Legal and professional	6.17	7.24
Payments to auditors - Refer Note 28(2)	8.00	4.00
Other Taxes & Interest on delayed payment of taxes	0.15	3.91
Corporate Social Responsibility - Refer Note 28(8)	21.00	21.00
Sales Tax Assessment Dues		15.67
Service Tax Paid		0.66
Motor Car Expenses	4.79	5.39
Miscellaneous Expenses - Note 25.1	16.36	10.59
Other selling expenses - Note 25.1	4.28	3.02
Foreign Exchange fluctuation	(8.01)	(14.45)
Total	414.74	393.21

Note 25.1

Other Miscellaneous & Selling Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Miscellaneous expenses		
Computer Expenses	3.14	3.30
Gst paid on damaged goods & advertising	4.26	
Office Expenses	4.89	3.41
Security Charges	4.07	3.89
Total of Miscellaneous expenses	16.36	10.59
Other Selling expenses		
Material Display Charges	4.28	3.02
Total of Other Selling Expenses	4.28	3.02



METMILL FOOTWEAR PRIVATE LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 26

Amount in Lakhs

Current Tax

(a) Income tax recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect of current year	460.15	406.45
In respect of prior year	0.00	0.00
	460.15	410.00
Deferred Tax		
In respect of current year origination and reversal of temporary differences	10.84	-3.55
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(b) Income tax recognised in other comprehensive income		
Remeasurement of defined benefit obligations	1.63	-1.62
Bifurcation of income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit and loss	1.63	-1.62

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	1,481.65	1,146.22
Income tax expense calculated at 29.12% (AY 2017-18: 34.608%) & (AY 2018-19: 34.608%)	431.46	396.68
Effect of income that is exempt from taxation	0.00	0.00
Effect of expenses that are non-deductible in determining taxable profit	11.03	4.83
Others	10.84	4.94
Prior Period Taxes	6.82	0.00
Income tax expense recognised in Statement of Profit and Loss	460.15	406.44

Note :

The tax rate used for the 31 Mar 2019 reconciliations above is the corporate tax rate of 29.12% (including surcharge 12% and Education and higher education cess 4%) payable by corporate entities in India on taxable profits under Indian income tax laws.

Note 27

Deferred tax

Amount in Lakhs

Particulars	For the year ended March 31, 2019		
	Opening Balance	Recognised in the Statement of Profit and Loss	Closing Balance
Tax effect of items constituting deferred tax asset/(liabilities)			
Property, plant and equipment	16.36	10.84	5.51
Net deferred tax asset/(liabilities)	16.36	10.84	5.51
Particulars	For the year ended March 31, 2018		
	Opening Balance	Recognised in the Statement of Profit and Loss	Closing Balance
Tax effect of items constituting deferred tax asset/(liabilities)			
Property, plant and equipment	12.81	-3.55	16.36
Net deferred tax asset/(liabilities)	12.81	3.55	16.36



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTE : - 28

OTHER NOTES TO ACCOUNTS

Amount in Lakhs

1 a) Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Sales Tax Demand for F.Y. 13-14 of Zakaria Bros which have been take over by the Company on 01.04.2014, hence ultimate liability is on the Company		
MVAT liability	14.46	
Interest on MVAT	11.79	
Penalty on MVAT	3.62	
	29.87	29.87

(A) There is no commitments made by the Company

2 REMUNERATION TO AUDITORS	As at March 31, 2019	As at March 31, 2018
Statutory Audit, Income Tax Audit, GST matters	8.00	4.00
	8.00	4.00

3 Earning per Share (EPS)	As at March 31, 2019	As at March 31, 2018
Net Profit after tax	1,017.56	739.77
Profit attributable to Equity Shareholder	1,017.56	739.77
Number of Equity Shares (Weighted Avg. Basis)	0.00	0.00
Basic and diluted EPS	407.03	295.91
EPS Excluding Exceptional Items	407.03	295.91
Nominal value of shares	10.00	10.00

Related party disclosures, as required by "Ind AS - 24 Related Parties Disclosures" issued by the Institute of Chartered

4 Accountants of India are given below:

A) Related parties and their relationship: -

Associated companies & firms :

METRO BRANDS LTD (FORMERLY

KNOWN AS METRO SHOES LTD.)

MAYUR CHEMICALS

NEOLAND PROJECTS PVT. LTD.

M.V. SHOE CARE PVT LTD

NIRAV S. SHAH

KEVAL SHAH

HOLDING COMPANY

SUNIL J SHAH

SUNIL J SHAH

SUNIL J SHAH

SON OF MANAGING

DIRECTOR

SON OF MANAGING

DIRECTOR

B) Key Management personnel

Name of the Persons	Nature of Relationship
1. SHRI RAFIQUE MALIK	CHAIRMAN
2. SHRI SUNIL J SHAH	MANAGING DIRECTOR



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTE : - 28

OTHER NOTES TO ACCOUNTS

Amount in Lakhs

C] Details of Transaction carried out with the related parties in the ordinary course of business

Sr no.	Party Name and Nature of Transactions	Volume of Transactions 31.03.2019	Outstanding Balances 31.03.2019	Volume of Transactions 31.03.2018	Outstanding Balances 31.03.2018
(i)	Loan Taken Metro Brands Ltd (formerly known as Metro Shoes Ltd.) Sunil J Shah	- -	148.34 140.56	- -	148.34 140.56
(ii)	Loan repaid Metro Brands Ltd (formerly known as Metro Shoes Ltd.) Sunil J Shah	- -	- -	- -	- -
(iii)	Interest Paid on Loan Metro Brands Ltd (formerly known as Metro Shoes Ltd.) Sunil J Shah	22.25 21.08	- -	22.25 21.08	- -
(iv)	Rent & Electricity Chgs Paid Mayur Chemicals	11.16	0.04	11.16	0.41
(v)	Managerial Remuneration Shri Sunil J shah	48.00	2.93	48.00	2.83
(vi)	Sales Metro Brands Ltd (formerly known as Metro Shoes Ltd.) (Net off Taxes and returns). Advance from Metro Brands Ltd.(formerly known as Metro Shoes Ltd.) against sales	8,146.17	554.42 (1,360.87)	6,799.10	468.47 (784.25)
(vii)	Purchase & Purchase Returns Metro Brands Ltd (formerly known as Metro Shoes Ltd.)	-	-	-	1.71
(viii)	Other Expenses & Expenses Recovered Metro Brands Ltd (formerly known as Metro Shoes Ltd.) Metro Brands Ltd (formerly known as Metro Shoes Ltd. - Expenses Recovered	-	-	29.30	-
(ix)	Salary to Nirav Shah	40.00	2.20	32.50	0.38
(x)	Salary to kewal Shah		-	3.75	-
(xi)	Off balancesheet Corporate guarantee provided by Metro Brands Ltd (formerly known as Metro Shoes Ltd.)		2,500		2,500



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTE : - 28

OTHER NOTES TO ACCOUNTS

Amount in Lakhs

5 Employee Benefits Disclosure

Disclosure as required by Ind AS –19 “Employee Benefits” are given below:

a Employee Benefits

Particulars	As at March 31, 2019	As at March 31, 2018
Salary & Wages	877.69	679.18
Employee welfare expenses	24.70	19.38

b Defined Contribution Plans, recognised as expense for the year is as under :

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity i.e. (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Particulars	As at March 31, 2019	As at March 31, 2018
Contribution to Provident Fund	28.67	25.35
Contribution to ESIC Fund	27.48	19.85

c Defined Benefit - Gratuity Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

i Assets and Liab (Balance Sheet Position) - para 64 of Ind AS 19

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation	71.34	50.46
Fair Value of Plan Assets	0.00	0.00
Surplus / (Deficit)	(71.34)	(50.46)
Effects of Asset Ceiling, if any	0.00	0.00
Net Asset / (Liability)	(71.34)	(50.46)

ii Expenses recognised during the year - para 120 of Ind AS 19

Particulars	As at March 31, 2019	As at March 31, 2018
In Income Statement	17.90	13.91
In Other Comprehensive Income	5.58	-4.69
Total Expenses Recognized during the period	23.48	9.23

iii Changes in the Present Value of Obligation - para 140(a)(ii) and 141 of Ind AS19

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation as at the beginning	50.46	0.00
Current Service Cost	14.45	10.40
Interest Expense or Cost	3.45	2.68
Re-measurement (or Actuarial) (gain) / loss arising from:	0.00	0.00
change in financial assumptions	0.38	-2.30
variance (i.e. Actual experiences assumptions)	5.20	-2.38
Past Service Cost	0.00	0.84
Benefits Paid	-2.60	
Present Value of Obligation as at the end	71.34	9.23

Bifurcation of Present Value of Obligation at the end of the year as per revised

iv Schedule III of the Companies Act, 2013

Particulars	As at March 31, 2019	As at March 31, 2018
Current Liability (Short term)	12.98	10.68
Non-Current Liability (Long term)	58.37	39.78
Present Value of Obligation	71.34	50.46



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTE : - 28

OTHER NOTES TO ACCOUNTS

Amount in Lakhs

v Expenses Recognised in the Income Statement - para 57(c) of Ind AS 19

Particulars	As at March 31, 2019	As at March 31, 2018
Current Service Cost	14.45	10.40
Past Service Cost	0.00	0.84
Interest Expense or Cost	3.45	2.68
Present Value of Obligation as at the end	17.90	13.91

vi Other Comprehensive Income - para 57(d) of Ind AS19

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial (gains) / losses		
change in financial assumptions	0.38	(2.30)
experience variance (i.e. Actual experience vs assumptions)	5.20	(2.38)
Components of defined benefit costs recognised in other comprehensive income	5.58	(4.69)

The principal financial assumptions used in the valuation are shown in the table

vii below:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate (per annum)	For H.O. - 7.50% p.a. and For Sales Staff - 6.55% p.a.	For H.O. - 7.55% p.a. and For Sales Staff - 6.85% p.a.
Salary growth rate (per annum)	For H.O. 10% p.a and For Sales Staff 5% p.a	For H.O. 10% p.a and For Sales Staff 5% p.a

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The principal demographic assumptions used in the valuation are shown in the

viii table below:

Particulars	As at March 31, 2019	As at March 31, 2018
Mortality rate (% of IALM 06-08)	100%	100%
Normal retirement age	60 Years	60 Years
Attrition / Withdrawal rates, based on Category: (per annum)		
H.O. years	8.82%	8.82%
Sales Staff years	43.04%	43.04%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTE : - 28

OTHER NOTES TO ACCOUNTS

Amount in Lakhs

ix Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	71.34	50.46

Particulars	2018-19	VALUES	2017-18	VALUES
Discount Rate (- / + 1%)				
- Decrease by 1%	7.80%	5.56	7.60%	3.84
- Increase by 1%	-6.80%	(4.83)	-6.60%	-3.32
Salary Growth Rate (- / + 1%)				
- Decrease by 1%	-6.30%	(4.46)	-6.40%	-3.21
- Increase by 1%	6.90%	4.92	7.10%	3.60
Attrition Rate (- / + 50% of attrition rates)				
- Decrease by 1%	8.50%	6.04	8.00%	4.03
- Increase by 1%	-5.70%	(4.06)	-5.20%	-2.60
Mortality Rate (- / + 10% of mortality rates)				
- Decrease by 1%	0.00%	0.01	0.00%	0.01
- Increase by 1%	0.00%	(0.01)	0.00%	-0.01

x Windup Liability / Discontinuance Liability

Particulars	As at March 31, 2019	As at March 31, 2018	Increase %
Discontinuance Liability	72.52	49.92	45%
Present Value of Obligation	71.34	50.46	41%
Ratio (Present Value of Obligation / Discontinuance Liability)	98%	101%	-3%

Windup Liability / Discontinuance Liability means the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.

6 Lease:

The Company has not taken any assets on Finance Lease. The Company has entered into operating lease arrangements for certain facilities and office premises. The Lease agreements generally provide for increase in rent. The risks & rewards of ownership are retained by the lessor. The lease payments recognised in the statement of Profit and Loss for the year, in "Other Expenses" (Note 24), as "Rent" Rs. 33.82 Lakhs (Previous Year Rs. 32.81 Lakhs). There are no future minimum rental payments in respect of non cancellable leases for certain facilities and office premises, since the lock in period for all the rental premises have been completed.

7 Segment Reporting:

Segment Reporting is required by Ind AS 108 - "Operating Segment" is not applicable as the company operates in one single primary business segment i.e. "Trading in Footwears"



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTE : - 28

OTHER NOTES TO ACCOUNTS

Amount in Lakhs

8 Corporate Social Responsibility (CSR)

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company
a) Gross amount required to be spent by the company during the year ended 31st March 2019 (as certified by the company) is Rs. 20.13 Lakhs(previous year Rs. 16.33 Lakhs).

The CSR amount required to be spent is arrived by taking 2% of average net profits of last 3 years.

CSR contribution has been made by the company for the F.Y. 2018-19 before the end of the financial year.

Particulars	As at March 31, 2019	As at March 31, 2018
For education	21.00	21.00

As per the information relating to the suppliers registered as Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises (Development) Act, 2006, the Company has identified such suppliers and information required under the said

9 Act has been complied and disclosed.

Particulars	As at March 31 2019	As at March 31, 2018
The principal amount remaining unpaid to any supplier at the end of the year	79.90	-
Interest due remaining unpaid to any supplier at the end of the year	1.56	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	61.45	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	1.56	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	0	-

10 Current year figures are shown in highlight & bold prints

11 All Figures are in decimal of 2 digit



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

NOTES : 28 (12.1 to 12.4)

12 Financial Instruments

12.1 Capital Management

Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Amount in Lakhs

Particulars	As at Mar 31, 2019	March 31, 2018
Equity		
Equity Share Capital	25.00	25.00
Other Equity	4,226.52	3,208.96
Total Equity	4,251.52	3,233.96
Total Debt	1,134.75	747.69
Debt Equity Ratio	0.27	0.23

12.2 Categories of financial instruments

Amount in Lakhs

Financial Assets and Financial Liabilities classified under Level 2 hierarchy

Particulars	As at Mar 31, 2019	As at March 31, 2018
Financial Assets		
Measured at fair value through profit		
- Investments in mutual funds	-	-
Measured at amortised cost		
- Trade receivables	4,725.99	3,771.08
- Cash and cash equivalents	2.52	6.78
- Other Bank balances	30.69	17.72
- Loans	4.90	3.00
- Other financial assets	6.33	6.33
Measured at fair value through Other		
- Investments in Bonds	-	-
Financial Liabilities		
Measured at amortised cost		
- Trade payables	1,956.63	1,430.35
- Other financial liabilities	71.34	50.46



12.3 Fair Value measurements

Fair valuation techniques and inputs used

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
 - interest rates and yield curves observable at commonly quoted intervals
 - implied volatilities
 - credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market – corroborated inputs')

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Financial assets measured at fair value

Financial assets	Fair value	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity	Fair value	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at Mar 31, 2019					As at March 31, 2018				
Investments in Mutual funds	-	NA	Net assets value (NAV) declared by	NA	NA	-	NA	Net assets value (NAV) declared by	NA	NA
Investments in bonds	-	NA	Net assets value (NAV) declared by	NA	NA	-	NA	Net assets value (NAV) declared by	NA	NA



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Fair value of financial assets and liabilities that are not measured at fair

The Company considers that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximates their fair value.

12.4 Financial Risk Management

The Company's activities expose it to variety of financial risks: credit risk, liquidity risk and market risk. In order to manage aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A] CREDIT RISK

i) Credit Risk Management:

Credit risk is the risk of the financial loss that the counterparty will default on its contractual obligation. The credit risk for the Company primarily arises from the credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases , cash and cash equivalents, deposits with banks and other receivables.

ii) Trade and other receivables:

The Company sells goods on credit basis to institutional parties. The average credit period for institutional parties is 90 to 120 days. No interest is charged on trade receivables on payment received even after the credit period. The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. As at 31st March, 2019 the company had 2 customers (as at 31st March,2018: 3 customers, as at 31st March, 2017 : 1 customer) that accounted for approximately 68% (as at 31st March, 2018 : 80%, as at 31st March, 2017 : 56%) of the trade receivables.

The Company's experience of delinquencies and customer disputes have been minimal.

List of Trade receivables whose outstanding to the Total Trade receivables is exceeding 10% -

Customer Name	As at Mar 31, 2019	As at March 31, 2018
Shoppers Stop Ltd.	56.16%	55.65%
Metro Brands Ltd. (formerly known as Metro Shoes Ltd.)	11.73%	11.96%
Lifestyle International Pvt. Ltd.		11.46%

iii) Cash and cash equivalents and deposits with banks:

Credit risk on Cash and Cash Equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

B) LIQUIDITY RISK

1) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

2) Maturity of financial liabilities

The table below analyse the Company's financial liabilities in to relevant maturity based on their remaining contractual maturities of all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance equal their carrying balances as the impact of discounting is not significant.

Amount in Lakhs

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Carrying amounts
Non- derivative financial liabilities				
Borrowings (Long term and Short term)	438.72	-		438.72
Non interest bearing:				
Trade Payables	947.69	-	-	947.69
Others	768.10	-	-	768.10
As at March 31, 2018				
Non- derivative financial liabilities				
Borrowings (Long term and Short term)	746.58	4.02		750.60
Non interest bearing:				
Trade Payables	1,430.35	-	-	1,430.35
Others	853.23	-	-	853.23
As at Mar 31, 2019				
Non- derivative financial liabilities				
Borrowings (Long term and Short term)	1,137.09	0.84		1,137.93
Non interest bearing:				
Trade Payables	1,956.63	-	-	1,956.63
Others	1,443.31	-	-	1,443.31



METMILL FOOTWEAR PRIVATE LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2019**

The company has access to following financing facilities which were undrawn as at the end of the reporting periods mentioned.

Amount in Lakhs

	As at Mar 31, 2019	As at March 31, 2018
Undrawn financing facilities		
Secured working capital facilities		
Amount Used	845.01	454.77
Amount Unused	654.99	245.23
Total	1,500.00	700.00
Letter of Credit (Unfunded)		
Amount used	47.20	-
Amount unused	952.80	1,800.00
Total	1,000.00	1,800.00

C] MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency risk, interest risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

1) Product Price risk

Product price increases which are not in line with the levels of customers discretionary spends, may affect the sales volumes. We are dealing only through institutional customers which are directly connected with the retail customers, hence any impact on retail customers spends indirectly affects the sales volume. In such a scenario, the risk is managed by offering judicious discounts to customers to sustain volumes. Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the institutional customers. This helps company protect itself from significant product margin losses.

2) Interest risk

The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The company uses available working capital limits for availing short term working capital demand loans with interest rates negotiated from time to time so that the company has an effective mix of fixed and variable rate borrowings. The company does not enter into financial instrument transactions for trading or speculative purposes or to manage interest rate exposure. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in company's profit before tax by approximately Rs. 2.14 Lakhs (2018: Rs. 1.13 Lakhs)



METMILL FOOTWEAR PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Amount in Lakhs

Particulars	As at Mar 31, 2019	March 31, 2018
Interest on Secured Working capital	38.27	19.37
Interest Rate	8.95%	8.60%
Interest amount per 50 basis point	2.14	1.13

3) Currency risk

The Company's significant transactions are in Indian rupees and therefore there is minimal

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs in

Amount in Lakhs

Particulars	As at Mar 31, 2019	As at March 31,
Trade Payables (USD)	76.75	175.61

Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Amount in Lakhs

Particulars	As at Mar 31, 2019	March 31, 2018
USD sensitivity		
₹/USD -Increase by 1% #	-0.77	-1.76
₹/USD -Decrease by 1% #	0.77	1.76

Holding all other variables constant





Nagin D. Mehta

B. Com, F. C. A
M : +91 98191 90230

Saurabh Vora

B. Com, F. C. A
M : +91 97696 84213

Priyal Vora

B. Com, F. C. A
M : +91 97693 56973

Vora Mehta & Associates

Chartered Accountants

B/6, 2nd Floor, Viral Apartment,
Above Radha Krishna Hotel,
Opp. Shoppers Stop,
S.V. Road, Andheri (West)
Mumbai - 400 058.

Tel.: (O) 022 26280077 / 26280088

Email: caoffice.vma@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METMILL FOOTWEAR PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **METMILL FOOTWEAR PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of change in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive income, cash flows and the statement of change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.





Nagin D. Mehta

B. Com, F. C. A
M : +91 98191 90230

Saurabh Vora

B. Com, F. C. A
M : +91 97696 84213

Priyal Vora

B. Com, F. C. A
M : +91 97693 56973

Vora Mehta & Associates

Chartered Accountants

B/6, 2nd Floor, Viral Apartment,
Above Radha Krishna Hotel,
Opp. Shoppers Stop,
S.V. Road, Andheri (West)
Mumbai - 400 058.

Tel.: (O) 022 26280077 / 26280088

Email: caoffice.vma@gmail.com

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, other Comprehensive income, the cash flows and the statement of change in equity of the Company dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. *The Company has disclosed the impact of pending litigations on its financial position. Refer Annexure A (vii) (b) of this Audit report and Note 28(1) of the Financial statements,*
 - ii. *The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.*
 - iii. *There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.*

For Vora Mehta & Associates
Chartered Accountants
Firm's Registration Number: - 136541W



(Nagin D. Mehta)
(Partner)

Membership Number: - 033258

Place: - MUMBAI

Date: - 5TH JULY, 2019



Nagin D. Mehta

B. Com, F. C. A
M : +91 98191 90230

Saurabh Vora

B. Com, F. C. A
M : +91 97696 84213

Priyal Vora

B. Com, F. C. A
M : +91 97693 56973

Vora Mehta & Associates

Chartered Accountants

B/6, 2nd Floor, Viral Apartment,
Above Radha Krishna Hotel,
Opp. Shoppers Stop,
S.V. Road, Andheri (West)
Mumbai - 400 058.

Tel.: (O) 022 26280077 / 26280088

Email: caoffice.vma@gmail.com

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the Fixed Assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
- (c) There are no immovable properties held in the name of the Company.
- (ii) As explained to us, the management at regular intervals during the year has physically verified inventories, in our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business, the company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records;
- (iii) The company has not granted any loan secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Consequently requirement of clauses (iii,a), (iii,b) and (iii,c) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to information and explanation given to us, the Company has not accepted any deposits from public.
- (vi) The Company has not liable for maintaining Cost accounts and Cost records as per applicability condition laid down under the Companies (Cost Records and Audit) Rules, 2014 under rule 3 (A) to 3 (D) read with Section 148 (1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory and other dues.
- (a) The company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee’s State Insurance, Income Tax, GST and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, details of disputed dues in respect of income tax, excise duty, customs duty, GST and cess were in arrears, as at 31.03.2019 for a period of more than six months from the date they became payable are given below :-





Nagin D. Mehta

B. Com, F. C. A
M : +91 98191 90230

Saurabh Vora

B. Com, F. C. A
M : +91 97696 84213

Priyal Vora

B. Com, F. C. A
M : +91 97693 56973

Vora Mehta & Associates

Chartered Accountants

B/6, 2nd Floor, Viral Apartment,
Above Radha Krishna Hotel,
Opp. Shoppers Stop,
S.V. Road, Andheri (West)
Mumbai - 400 058.

Tel.: (O) 022 26280077 / 26280088

Email: caoffice.vma@gmail.com

Name of the Statute	Nature of Dues	Forum	Period	Amount in lakhs
MVAT Act 2002	MVAT liability	Joint Commissioner of Sales Tax - Thane	F.Y. 2013 - 14	14.46
MVAT Act 2002	Interest on MVAT	Joint Commissioner of Sales Tax - Thane	F.Y. 2013 - 14	11.79
MVAT Act 2002	Penalty on MVAT	Joint Commissioner of Sales Tax - Thane	F.Y. 2013 - 14	3.62

- (viii) Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any Bank. The company has not taken any loans from financial institution, Government and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (x) In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Vora Mehta & Associates
Chartered Accountants
Firm's Registration Number: - 136541W



(Signature)

(Nagin D. Mehta)
(Partner)

Membership Number: - 033258

Place: - MUMBAI
Date : - 5TH JULY, 2019



Nagin D. Mehta

B. Com, F. C. A
M : +91 98191 90230

Saurabh Vora

B. Com, F. C. A
M : +91 97696 84213

Priyal Vora

B. Com, F. C. A
M : +91 97693 56973

Vora Mehta & Associates

Chartered Accountants

B/6, 2nd Floor, Viral Apartment,
Above Radha Krishna Hotel,
Opp. Shoppers Stop,
S.V. Road, Andheri (West)
Mumbai - 400 058.

Tel.: (O) 022 26280077 / 26280088

Email: caoffice.vma@gmail.com

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **METMILL FOOTWEAR PRIVATE LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





Nagin D. Mehta

B. Com, F. C. A
M : +91 98191 90230

Saurabh Vora

B. Com, F. C. A
M : +91 97696 84213

Priyal Vora

B. Com, F. C. A
M : +91 97693 56973

Vora Mehta & Associates

Chartered Accountants

B/6, 2nd Floor, Viral Apartment,
Above Radha Krishna Hotel,
Opp. Shoppers Stop,
S.V. Road, Andheri (West)
Mumbai - 400 058.
Tel.: (O) 022 26280077 / 26280088
Email: caoffice.vma@gmail.com

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vora Mehta & Associates
Chartered Accountants
Firm's Registration Number: - 136541W



(Nagin D. Mehta)
(Partner)

Membership Number: - 033258

Place: - MUMBAI
Date : - 5TH JULY, 2019