

**Balance Sheet as at March 31, 2021**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property Plant and Equipment	2	150.14	206.18
(b) Other Intangible Assets	2.1	5.32	5.18
(c) Right of Use Assets	2.2	-	102.93
(d) Deferred tax assets (net)		33.26	6.85
(e) Other financial assets	3	606.37	7.80
<b>Total Non Current Assets</b>		<b>795.09</b>	<b>328.94</b>
<b>2 Current assets</b>			
(a) Inventories	4	686.01	6,151.42
(b) Financial Assets			
(i) Trade receivables	5	3,252.88	7,297.61
(ii) Cash and cash equivalents	6	454.69	18.73
(iii) Bank balances other than (ii) above	7	-	26.01
(vi) Loans & Advances	8	3.69	4.05
(c) Other Current Assets	9	41.60	252.96
<b>Total Current Assets</b>		<b>4,438.87</b>	<b>13,750.78</b>
<b>Total Assets Rs...</b>		<b>5,233.96</b>	<b>14,079.72</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	10	125.00	125.00
(b) Other Equity	11	4,045.43	5,066.64
<b>Total Equity</b>		<b>4,170.43</b>	<b>5,191.64</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities :-</b>			
<b>(a) Financial Liabilities</b>			
(i) Provision for employee benefits	12	63.46	55.68
(ii) Lease Liabilities		-	73.98
<b>Total Non current liabilities</b>		<b>63.46</b>	<b>129.66</b>
<b>3 Current liabilities :-</b>			
<b>(a) Financial Liabilities :-</b>			
(i) Borrowings	13	288.90	1,300.66
(ii) Trade payables	14	659.57	5,776.09
(iii) Provision for employee benefits	15	17.46	9.83
(iv) Lease Liabilities		-	39.89
(v) Other financial liabilities	16	-	10.56
(b) Other current liabilities	17	34.14	1,621.39
<b>Total Current liabilities</b>		<b>1,000.07</b>	<b>8,758.42</b>
<b>Total Equity and Liabilities Rs...</b>		<b>5,233.96</b>	<b>14,079.72</b>

Significant Accounting Policies

1

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



Rafique Malik  
Chairman  
DIN: 00521563

Sunil J. Shah  
Managing Director  
DIN: 01777226

Place : Mumbai

Date : 16th June, 2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	18	4,825.40	17,577.16
II Other income	19	16.05	88.06
<b>III Total Income (I + II)</b>		<b>4,841.45</b>	<b>17,665.22</b>
<b>IV Expenses:</b>			
a Purchases of stock-in-trade	20	(532.25)	16,369.85
b Changes in inventories of stock in trade	21	5,465.41	(2,360.56)
c Employee benefits expense	22	542.82	1,362.04
d Finance costs	23	84.74	108.54
e Depreciation and amortization expense	2	63.54	67.38
g Other expenses	24	262.04	849.10
<b>Total expenses</b>		<b>5,886.30</b>	<b>16,396.35</b>
<b>V Profit before Tax for the year (VI - V)</b>		<b>(1,044.85)</b>	<b>1,268.87</b>
<b>VI Tax expense :-</b>			
(1) Current tax	25	-	332.87
(2) Prior Period Taxes		(4.01)	8.82
(3) Deferred tax	26	(24.70)	1.45
<b>VII Profit after Tax for the year (V - VI)</b>		<b>(1,016.14)</b>	<b>925.73</b>
<b>VIII Other comprehensive income</b>		(5.07)	21.23
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(6.77)	21.23
Income tax relating to items that will not be reclassified to P&L			-
Deffered tax relating to items that will not be reclassified to P&L		1.70	
<b>IX Total comprehensive income for the year (VII - VIII)</b>		<b>(1,021.21)</b>	<b>946.96</b>
<b>X Earnings per equity share:</b>			
(1) Basic (INR per share)		(81.70)	75.76
(2) Restated(INR per share)		(81.70)	75.76
(3) Diluted(INR per share)		(81.70)	75.76

**Significant Accounting Policies**

1

**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

  
**Nagin D. Mehta**  
 Partner  
 17/06/2021

Partner

Membership Number: - 033258

For and on behalf of the Board of Directors

**METMILL FOOTWEAR PRIVATE LIMITED**






**Raffique Malik**

Chairman

DIN: 00521563



**Sunil J. Shah**

Managing Director

DIN: 01777226

Place : Mumbai

Date : 16<sup>th</sup> June, 2021

# METMILL FOOTWEAR PRIVATE LIMITED



## Statement of changes in equity for Year ended March 31, 2021

### A. Equity share capital

#### Particulars

	₹ in Lakhs
Balance at March 31, 2019	25.00
Bonus Shares issued out of free reserves	100.00
Balance at March 31, 2020	125.00
Changes in equity share capital	-
<b>Balance at March 31, 2021</b>	<b>125.00</b>

### B. Other Equity

#### Particulars

		₹ in Lakhs
<b>Balance as at March 31, 2019</b>	<b>A</b>	<b>4,226.52</b>
Profit for the year	B	925.73
Other comprehensive income (net of taxes)	C	21.23
<b>Total income for the year</b>	<b>D=(B+C)</b>	<b>946.96</b>
Impact on account of adoption of Ind AS 116 (Net of Taxes)	E	(6.84)
Reserves used for Bonus share issued	F	(100.00)
<b>Balance as at March 31, 2020</b>	<b>G=(A+D+E+F)</b>	<b>5,066.64</b>
Profit for the year	H	(1,016.14)
Other comprehensive income (net of taxes)	I	(5.07)
<b>Total income for the year</b>	<b>J=(H+I)</b>	<b>(1,021.21)</b>
<b>Balance as at March 31, 2021</b>	<b>K=(G+J)</b>	<b>4,045.43</b>

Out of Total 12,50,000 shares having face value Rs 10 each, fully paid, 10,00,000 shares are issued without consideration i.e. as bonus shares to the existing shareholders of 2,50,000 shares in the ratio of 4 bonus shares of face value of Rs 10 each, full paid up for each 1 fully paid up Equity share having face value of Rs. 10 each in Financial Year 2019-20.

### Significant Accounting Policies

1

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

Rafique Malik

Chairman

DIN: 00521563

Sunil J. Shah

Managing Director

DIN: 01777226

Place : Mumbai

Date : 16th June, 2021



**METMILL FOOTWEAR PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**



₹ in Lakhs

PARTICULARS	For The year ended March 31, 2021		For The year ended March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax	(1,044.85)		1,268.87	
<b>Adjustments for :-</b>				
Depreciation	63.54		67.38	
Net Gain on derecognition of financial liability at amortized cost	(10.94)			
Gratuity Provision (Net off Payment)	8.62		15.39	
Foreign Exchange Fluctuation (year end Provision)	-		9.05	
Interest income	(5.50)		(2.15)	
Interest on Lease Liability	-		8.85	
Interest Paid	79.81		107.86	
<b>Operating profit before working capital changes</b>	<b>(909.32)</b>		<b>1,475.25</b>	
<b>Adjustments for :-</b>				
(Increase) / Decrease in Inventories	5,465.41		(2,360.56)	
(Increase) / Decrease in Trade Receivables	4,044.73		(2,571.62)	
(Increase) / Decrease in Other Current Assets	215.37		(58.66)	
(Increase) / Decrease in Other Non Current Assets	5.92		(1.47)	
(Increase) / Decrease in Loans under Current Assets	0.36		0.85	
Increase / (Decrease) in Trade Payables	(5,116.52)		3,745.93	
Increase / (Decrease) in Other Financial Liabilities	(10.56)		7.38	
Increase / (Decrease) in Other Current Liabilities	(1,587.25)		275.53	
<b>Cash Generated from Operations</b>	<b>2,108.14</b>		<b>512.63</b>	
Direct Taxes (Paid) / Refund	-		(374.65)	
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>2,108.14</b>		<b>137.98</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property Plant and Equipment	(7.50)		(143.89)	
Term deposit with original maturity more than 3 months but less than 12 months	26.01		(20.86)	
Term deposit with original maturity more than 12 months	(604.49)			
Purchase of Intangible assets - Computer software	(0.13)		(5.85)	
Interest income from Other Current Assets	5.50		2.15	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>(580.61)</b>		<b>(168.45)</b>
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Proceeds from borrowings	-		(0.84)	
Payment of Lease Liabilities	-		(42.07)	
Repayment of borrowings	-		-	
Interest Paid	(79.81)		(107.86)	
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)</b>		<b>(79.81)</b>		<b>(150.77)</b>
<b>Net increase/(Decrease) in cash and cash equivalents A+B+C</b>		<b>1,447.72</b>		<b>(181.24)</b>
Cash and cash equivalents at the beginning of the year		(993.03)		(811.79)
Cash and cash equivalents at the end of the year		454.69		(993.03)
<b>Net increase / (Decrease) in cash and cash equivalents</b>		<b>1,447.72</b>		<b>(181.24)</b>

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

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

Nagin D. Mehta  
Partner  
Membership Number: - 033258



For on behalf of the Board  
METMILL FOOTWEAR PRIVATE LIMITED

Rafique Malik  
Chairman  
DIN: 00521563

Sunil J. Shah  
Managing Director  
DIN: 01777226

Place : Mumbai  
Date : 16th June, 2021

**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 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 . 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 Reporting period.

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.

**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:





**Notes forming part of the Financial Statements for the year ended March 31, 2021**

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

On 01st April 2020 terms of all lease contracts are modified and non cancellable lesase is changed to cancellable lease, Hence remaining lease term of all lease contracts are extinguished and leasehold improvements are derecognised and tranferred to Statement of Profit and loss on 01st April 2020.

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.

**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.

Impairment Loss Recognised in Financial Year 2020-2021

a) Company has tested the Right to use asset on 01st April 2020 due to following internal source of information.

(i) Uncertainty arising to effectively utilization of the leased assets during Covid-19 pandemic which resulted in modification of lease contracts.

b) Rs. 102.93 Lakhs of Right to Use asset is recognised as impairment 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 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.



Notes forming part of the Financial Statements for the year ended March 31, 2021

**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 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**

i) 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

ii) 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 27(5) 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.

**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 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 of 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).



Notes forming part of the Financial Statements for the year ended March 31, 2021

**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 :**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, The Company has modified the terms of all non cancellable lease contracts from non cancellable lease to cancellable lease on 01st April 2020, due to which financial liabilities of all lease contracts are extinguished. Hence all the lease liabilities as on 01st April 2020 are derecognised as per paragraph 3.3.1 of Ind AS 109 Financial Instruments.

**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 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.



**METMILL FOOTWEAR PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2021



**Note 2.**

**Property, Plant and Equipment**

₹ in Lakhs

Description of Assets	Leasehold Improvements	Furniture and Fittings	Machinery and Equipment	Motor Vehicles	Computers	Total
<b>I. Cost</b>						
Balance as at March 31, 2019	17.73	65.46	45.34	37.88	29.39	195.80
Additions	19.84	85.44	21.30	-	17.31	143.89
Disposals	-	-	-	-	-	-
Balance as at March 31, 2020	<b>37.57</b>	<b>150.90</b>	<b>66.64</b>	<b>37.88</b>	<b>46.70</b>	<b>339.69</b>
Additions	-	3.65	-	-	1.29	4.94
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	<b>37.57</b>	<b>154.55</b>	<b>66.64</b>	<b>37.88</b>	<b>47.99</b>	<b>344.63</b>
<b>II. Accumulated depreciation</b>						
Balance as at March 31, 2019	9.12	25.42	22.43	23.30	22.10	102.37
Depreciation expense for the Period	3.87	9.34	8.32	2.86	6.75	31.14
Balance as at March 31, 2020	<b>12.99</b>	<b>34.76</b>	<b>30.75</b>	<b>26.16</b>	<b>28.85</b>	<b>133.51</b>
Depreciation expense for the Period	24.58	15.72	10.18	2.86	7.63	60.98
Balance as at March 31, 2021	<b>37.57</b>	<b>50.49</b>	<b>40.93</b>	<b>29.01</b>	<b>36.49</b>	<b>194.49</b>
<b>III. Net carrying amount (I-II)</b>						
Balance as at March 31, 2019	8.61	40.04	22.91	14.58	7.29	93.43
Balance as at March 31, 2020	24.58	116.14	35.89	11.72	17.85	206.18
Balance as at March 31, 2021	-	<b>104.06</b>	<b>25.71</b>	<b>8.87</b>	<b>11.50</b>	<b>150.14</b>

**Note 2.1**

**Other Intangible Asset**

Description of Assets	Commercial Rights	Computer Software	Trade Mark	Total
<b>I. Cost</b>				
Balance as at March 31, 2019	41.00	4.44	1.21	46.66
Additions	-	5.85	-	5.85
Disposals	-	-	-	-
Balance as at March 31, 2020	<b>41.00</b>	<b>10.29</b>	<b>1.21</b>	<b>52.51</b>
Additions	-	2.70	-	2.70
Disposals	-	-	-	-
Balance as at March 31, 2021	<b>41.00</b>	<b>12.99</b>	<b>1.21</b>	<b>55.21</b>
<b>II. Accumulated depreciation</b>				
Balance as at March 31, 2019	41.00	4.02	0.57	45.60
Depreciation expense for the Period	-	1.61	0.12	1.73
Balance as at March 31, 2020	<b>41.00</b>	<b>5.63</b>	<b>0.69</b>	<b>47.33</b>
Depreciation expense for the Period	-	2.44	0.12	2.56
Balance as at March 31, 2021	<b>41.00</b>	<b>8.07</b>	<b>0.81</b>	<b>49.89</b>
<b>III. Net carrying amount (I-II)</b>				
Balance as at March 31, 2019	-	0.42	0.64	1.06
Balance as at March 31, 2020	-	4.66	0.52	5.18
Balance as at March 31, 2021	-	4.92	0.40	5.32

**Note 2.2 :**

**Right of Use Assets**

₹ in Lakhs

Particulars	Amount
Balance as at March 31, 2019	52.93
Additions	84.50
Depreciation expense for the period	34.50
Balance as at March 31, 2020	102.93
Additions	-
Impairment	102.93
Balance as at March 31, 2021	-





## Notes forming part of the Financial Statements for the year ended March 31, 2021

## Note 3

## Other Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>b. Term Deposits:</b>		
Deposit with original maturity of 12 months 25 days	604.49	-
<b>a. Security Deposits*</b>		
Unsecured, considered good - Others	1.88	7.80
<b>Total</b>	<b>606.37</b>	<b>7.80</b>

\*Security deposits have recorded at book value in view of insignificant amount

## Note 4

## Inventories under Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Stock in trade	686.01	6,151.42
<b>Total</b>	<b>686.01</b>	<b>6,151.42</b>

## Note 5

## Trade Receivables under Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade receivables - Unsecured, considered good</b>		
Holding Co. Metro Brands Ltd.	446.36	1,094.31
Others trade Receivable	2,806.52	6,203.30
<b>Total</b>	<b>3,252.88</b>	<b>7,297.61</b>

## Note 6

## Cash and cash equivalents under Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Unrestricted balances with Banks</b>		
in Current Accounts	453.64	16.75
<b>b. Cash on hand</b>	<b>1.05</b>	<b>1.98</b>
<b>Total</b>	<b>454.69</b>	<b>18.73</b>

## Note 7

## Other balances with bank

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Term Deposits:</b>		
Deposit with original maturity of more than 3 months but less than 12 months (Lien against letter of credit)	-	26.01
<b>Total</b>	<b>-</b>	<b>26.01</b>

## Note 8

## Loans under Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to employees# ( Unsecured, considered Good)	3.69	4.05
<b>Total</b>	<b>3.69</b>	<b>4.05</b>

# Loan given to employee have recorded at book value in view of insignificant amount

## Note 9

## Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Others</b>		
<b>Unsecured, considered good</b>		
Prepaid Expenses	1.23	4.85
Advances to Suppliers	0.81	-
<b>Balances with Government Authorities: -</b>		
GST Receivable	-	176.13
Income tax receivable(net)	39.56	35.39
MVAT Receivable	-	36.59
<b>Total</b>	<b>41.60</b>	<b>252.96</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2021**

**Note 10**

₹ in Lakhs

**Equity Share capital**

Share Capital	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of face value of Rs. 10 each	2,000,000.00	200.00	2,000,000.00	200.00
<b>Issued</b>				
Equity Shares of face value of Rs. 10 each	1,250,000.00	125	1,250,000.00	125
<b>Subscribed &amp; Paid up</b>				
Equity Shares of face value of Rs. 10 each fully paid	1,250,000.00	125	1,250,000.00	125
<b>Total</b>	<b>1,250,000.00</b>	<b>125.00</b>	<b>1,250,000.00</b>	<b>125.00</b>

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.

Out of above 12,50,000 shares, 10,00,000 shares are issued without consideration i.e. as bonus shares to the existing shareholders of 2,50,000 shares in the ratio of 4 bonus shares of face value of Rs 10 each, full paid up for each 1 fully paid up share having face value of Rs. 10 each in FY. 2019-20

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number in lakhs	Amount	Number in lakhs	Amount
Shares outstanding at the beginning of the year	12.50	125.00	2.50	25.00
Shares Issued during the year	-	-	10.00	100.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12.50	125.00	12.50	125.00

6,37,500 Equity Shares of Rs. 10 each fully paid up is held by Metro Brands Limited.

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

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number in lakhs	% of Holding	Number in lakhs	% of Holding
Metro Brands Limited.	6.375	51.00	6.375	51.00
Shri. Sunil J. Shah	6.125	49.00	6.125	49.00
<b>Total</b>	<b>12.500</b>	<b>100.00</b>	<b>12.500</b>	<b>100.00</b>

**Note 11**

**Other Equity - Retained Earnings**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Surplus</b>		
Opening Balance as on 1st April	5,066.64	4,226.52
(+) Profit for the current year before Other comprehensive income	(1,016.14)	925.73
<b>b) Items of Other Comprehensive Income Net of Taxes</b>		
Remeasurements of defined benefit plans	(5.07)	21.23
c) Reserve used for bonus shares	-	(100.00)
d) Impact on account of adoption of Ind AS 116 (net of Taxes)	-	(6.84)
<b>Closing Balance as on 31st March</b>	<b>4,045.43</b>	<b>5,066.64</b>

**Note 12**

**Provisions under Non Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded) [ refer note 27(5) ]	63.46	55.68
<b>Total</b>	<b>63.46</b>	<b>55.68</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2021**

**Note 13**

**Financial liability - Borrowings under Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>From Bank</b>		
Cash Credit	-	1,011.76
(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)		
<b>Others :-</b>		
<b>Unsecured :-</b>		
(a) Loans and advances from related parties		
<u>no repayment terms, but repayable on demand :-</u>		
Holding Company - Metro Brands Ltd.	148.34	148.34
Director - Sunil Shah	140.56	140.56
<b>Total</b>	<b>288.90</b>	<b>1,300.66</b>

**Note 14**

**Trade Payable under Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Total Outstanding dues of Creditors of Micro Enterprises and Small Enterprises Categories</b>		
Payable to Msme	46.84	85.18
<b>Total Outstanding dues of Creditors other than of Micro Enterprises and Small Enterprises</b>		
Payable to Others	612.73	5,690.91
<b>Total</b>	<b>659.57</b>	<b>5,776.09</b>

**Note 15**

**Provisions under Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Provision for employee benefits</b>		
Provision for Gratuity (unfunded) [refer note 27(5)]	17.46	9.83
<b>Total</b>	<b>17.46</b>	<b>9.83</b>

**Note 16**

**Other Financial Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt	-	0.84
Interest on unsecured loan Payable	-	-
Holding Company - Metro Brands Ltd.	-	4.99
Director- Sunil J Shah	-	4.73
<b>Total</b>	<b>-</b>	<b>10.56</b>

**Note 17**

**Other Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Income received in advance from customers :-</b>		
Holding Company - Metro Brands Ltd. EBO	-	1,595.60
Other customer	0.22	-
<b>Other payables :-</b>		
(i) Statutory obligation	33.92	25.79
<b>Total</b>	<b>34.14</b>	<b>1,621.39</b>





# METMILL FOOTWEAR PRIVATE LIMITED



Metmill Footwear

Notes forming part of the Financial Statements for the year ended March 31, 2021

## Note 18

### Revenue from Operations

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products - (Traded Goods) - Footwear & Bags	4,744.76	17,103.16
Sale of Service	80.64	474.00
<b>Total</b>	<b>4,825.40</b>	<b>17,577.16</b>

## Note 19

### Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Bank Fixed Deposits	5.49	2.15
Interest on Income Tax Refund	0.01	-
Interest on Sales tax Refund	4.03	-
Sales Tax Refund	-	85.91
Foreign Exchange Fluctuation	6.52	-
<b>Total</b>	<b>16.05</b>	<b>88.06</b>

## Note 20

### Purchases of Stock-in-Trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Footwear & Bags	(553.10)	16,263.66
Packing Materials	20.85	106.19
<b>Total Purchases of Stock-in-Trade</b>	<b>(532.25)</b>	<b>16,369.85</b>

## Note 21

### Changes in Inventories of Stock-In-Trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Inventories at the end of the year :</b>		
Stock-in-trade (end)	686.01	6,151.42
<b>Inventories at the beginning of the year :</b>		
Stock-in-trade (opening)	6,151.42	3,790.86
<b>Net (increase) / decrease in Stock-in-trade</b>	<b>5,465.41</b>	<b>(2,360.56)</b>

## Note 22

### Employee Benefits Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages & Directors Remuneration	495.07	1,235.98
Contributions to : - Provident fund	18.73	35.76
Contributions to : - ESIC	9.12	42.27
Gratuity	14.96	18.50
Maharashtra labour welfare board	0.12	0.58
Staff welfare expenses	4.82	28.95
<b>Total</b>	<b>542.82</b>	<b>1,362.04</b>



Notes forming part of the Financial Statements for the year ended March 31, 2021

**Note 23**

**Finance costs**

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bank Interest	35.62	55.33
Interest on Buyers credit	0.85	-
Interest on Lease Liability	-	8.85
Interest on Car Loan	0.01	0.23
Interest on late payments to Msme parties	4.93	0.67
Interest on Unsecured Loan (Related Party)		
Holding Company - Metro Brands Ltd. creditor	22.25	22.31
Director- Sunil J Shah	21.08	21.14
<b>Total</b>	<b>84.74</b>	<b>108.54</b>

**Note 24**

**Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	4.00	12.53
Bank Charges	1.71	1.53
LC Charges	0.18	1.25
Maintenance and Other Expenses	2.08	4.27
Rent	27.75	3.14
Insurance	7.97	5.65
Repairs and maintenance - Others	3.52	14.23
Advertisement & Sales promotion	5.18	339.83
Commission on sales	36.71	9.45
Bad Debts	-	10.42
Freight, Transportation, Logistic, loading & unloading charges	95.37	286.58
Communication	1.43	2.29
Carrier & Postage	0.52	3.28
Travelling and conveyance	15.51	44.67
Printing and stationery	1.28	5.49
Legal and professional	8.10	15.06
Directors Sitting fees	2.10	-
Payments to auditors - Refer Note 27(2)	6.00	6.00
Other Taxes & Interest on delayed payment of taxes	1.72	1.53
Corporate Social Responsibility - Refer Note 27(8)	26.50	32.00
Sales Tax Assessment Dues	3.01	10.04
Motor Car Expenses	2.38	5.08
Miscellaneous Expenses - Note 24.1	8.90	16.71
Other selling expenses - Note 24.1	0.12	3.54
Foreign Exchange fluctuation	-	14.53
<b>Total</b>	<b>262.04</b>	<b>849.10</b>



Notes forming part of the Financial Statements for the year ended March 31, 2021

**Note 24.1****Other Miscellaneous & Selling Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Miscellaneous expenses</b>		
Shoe and Bag Repair Expenses	0.07	0.23
Professional Tax	0.03	0.03
Data Entry charges	-	0.30
Computer Expenses	2.32	2.70
Gst paid on damaged goods & advertising	0.41	1.96
Office Expenses	3.08	7.82
Security Charges	2.99	3.67
<b>Total of Miscellaneous expenses</b>	<b>8.90</b>	<b>16.71</b>
<b>Other Selling expenses</b>		
Material Display Charges	0.12	3.54
<b>Total of Other Selling Expenses</b>	<b>0.12</b>	<b>3.54</b>





**Note 25**

**Current Tax**

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

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax</b>		
In respect of current year	-	332.87
In respect of prior year	(4.01)	8.82
	(4.01)	<b>341.69</b>
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences & reduction in tax rate	(24.70)	1.45

**(b) Income tax recognised in other comprehensive income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax</b>		
Remeasurement of defined benefit obligations	-	-
<b>Deferred Tax</b>		
Remeasurement of defined benefit obligations	1.70	-
<b>Bifurcation of income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit and loss	1.70	-

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	(1,044.85)	1,268.87
Income tax expense calculated at (AY 2020-21: 25.168%),(AY 2021-22: -25.168%)	-	319.35
Effect of expenses that are non-deductible in determining taxable profit	-	13.53
Deferred Tax due change in tax rates (Recognised in Statement of Profit and Loss A/c)	-	1.13
Deferred Tax for the Current Year (Recognised in Statement of Profit and Loss A/c)	(24.70)	0.32
Prior Period Taxes	(4.01)	8.82
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>(28.71)</b>	<b>343.15</b>

**Note :**

The tax rate used for the 31 Mar 2021 reconciliations above is the corporate tax rate of 25.168% (including surcharge 10% and Education and higher education cess 4%) payable by corporate entities in India on taxable profits under Indian income tax laws.



**Note 26**

Deferred tax

₹ in Lakhs

Particulars	For the year ended March 31, 2021				Closing Balance
	Opening Balance/Adjusted Through Reserves	Recognised in the Statement of Profit and Loss due to change in tax rate	Recognised in the Statement of Profit and Loss for current year timing Difference	Derecognised in the Statement of Profit and Loss for current year due to Impairment	
<b>Tax effect of items constituting deferred tax asset/(liabilities)</b>					
Property, plant and equipment	4.11	-	8.78	-	12.89
Right to Use Asset	2.75	-	-	(2.75)	0.00
Ind AS 19 and others including OCI	-	-	20.37	-	20.37
<b>Net deferred tax asset/(liabilities)</b>	<b>6.86</b>	<b>-</b>	<b>29.15</b>	<b>(2.75)</b>	<b>33.26</b>

**Sub note :**

1. Deferred tax on Right to use Assets is transferred to statement of Profit and loss Account because all Right to use Assets has been Impaired. Refer note- 27.6

Particulars	For the year ended March 31, 2020				Closing Balance
	Opening Balance/Adjusted Through Reserves	Recognised in the Statement of Profit and Loss due to change in tax rate	Recognised in the Statement of Profit and Loss for current year timing Difference	Derecognised in the Statement of Profit and Loss for current year due to Impairment	
<b>Tax effect of items constituting deferred tax asset/(liabilities)</b>					
Property, plant and equipment	5.51	(0.75)	(0.65)	-	4.11
Right to Use Asset	2.81	(0.38)	0.33	-	2.75
<b>Net deferred tax asset/(liabilities)</b>	<b>8.32</b>	<b>(1.13)</b>	<b>(0.32)</b>	<b>-</b>	<b>6.86</b>



**NOTE :- 27**

**OTHER NOTES TO ACCOUNTS**

₹ in Lakhs

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contingent Liabilities	0.00	0.00

(A) There is no commitments made by the Company

**2 REMUNERATION TO AUDITORS**

	As at March 31, 2021	As at March 31, 2020
Statutory Audit,	2.50	2.50
Income Tax Audit,	0.75	0.75
Other Matters	2.75	2.75
	<b>6.00</b>	<b>6.00</b>

**3 Earning per Share (EPS)**

	As at March 31, 2021	As at March 31, 2020
Net Profit after tax (Rs in millions)	(1,021.21)	946.96
Profit attributable to Equity Shareholder (Rs in millions)	(1,021.21)	946.96
Number of Equity Shares (Weighted Avg. Basis)	12.50	12.50
Basic and diluted EPS (INR per share)	(81.70)	75.76
EPS Excluding Exceptional Items (INR per share)	(81.70)	75.76
Restated EPS (INR per share)	(81.70)	75.76
Nominal value of shares (INR per share)	10.00	10.00

**4 Related party disclosures, as required by "Ind AS - 24 Related Parties Disclosures" are given below:**

**A] Related parties and their relationship: -**

Associated companies & firms :

METRO BRANDS LTD	HOLDING COMPANY
MAYUR CHEMICALS	SUNIL J SHAH (PARTNER)
NEOLAND PROJECTS PVT. LTD.	SUNIL J SHAH (DIRECTOR)
M.V. SHOE CARE PVT LTD	SUNIL J SHAH (DIRECTOR)
NIRAV S. SHAH	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





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

Sr no.	Party Name and Nature of Transactions	₹ in Lakhs			
		Volume of Transactions 31.03.2021	Outstanding Balances 31.03.2021	Volume of Transactions 31.03.2020	Outstanding Balances 31.03.2020
(i)	<b>Loan Taken</b>				
	Metro Brands Ltd	-	148.34	-	148.34
	Sunil J Shah	-	140.56	-	140.56
(ii)	<b>Loan repaid</b>				
	Metro Brands Ltd	-	-	-	-
	Sunil J Shah	-	-	-	-
(iii)	<b>Interest Paid on Loan</b>				
	Metro Brands Ltd	22.25	-	22.31	4.99
	Sunil J Shah	21.08	-	21.14	4.73
(iv)	<b>Rent &amp; Electricity Chgs Paid</b>				
	Mayur Chemicals	18.26	-	16.28	-
(v)	<b>Managerial Remuneration</b>				
	Shri Sunil J shah	30.00	2.50	71.20	2.50
(vi)	<b>Sales</b>				
	Metro Brands Ltd (Net off Taxes and returns).	3,684.95	446.36	9,952.00	1,094.31
	Sale of service	9.23	-	72.40	-
	Advance from Metro Brands Ltd. against sales	-	-	-	(1,595.60)
(vii)	<b>Purchase &amp; Purchase Returns</b>				
	Metro Brands Ltd	-	-	-	-
(viii)	<b>Other Expenses &amp; Expenses Recovered</b>				
	Metro Brands Ltd	-	-	-	-
	Metro Brands Ltd . - Expenses Recovered	14.17	-	121.62	-
(ix)	<b>Salary to Nirav Shah</b>	20.00	1.67	57.92	2.08
(xi)	<b>Off balancesheet</b>				
	Corporate guarantee provided by Metro Brands Ltd	-	2,500	-	2,500

**5 Employee Benefits Disclosure**

₹ in Lakhs

Disclosure as required by Ind AS -19 "Employee Benefits" are given below:

**a Employee Benefits**

Particulars	As at March 31, 2021	As at March 31, 2020
Salary & Wages (other than directors remuneration)	465.07	1164.78
Employee welfare expenses	4.82	28.95

**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, 2021	As at March 31, 2020
Contribution to Provident Fund	18.73	35.76
Contribution to ESIC Fund	9.12	42.27

**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, 2021	As at March 31, 2020
Present Value of Obligation	80.92	65.51
Fair Value of Plan Assets	-	0.00
Surplus / (Deficit)	(80.92)	(65.51)
Effects of Asset Ceiling, if any	-	0.00
Net Asset / (Liability)	(80.92)	(65.51)

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

Particulars	As at March 31, 2021	As at March 31, 2020
In Income Statement	14.96	18.50
In Other Comprehensive Income	6.77	(21.23)
<b>Total Expenses Recognized during the period</b>	<b>21.73</b>	<b>(2.73)</b>



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

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Obligation as at the beginning	65.51	71.34
Current Service Cost	11.65	13.82
Interest Expense or Cost	3.31	4.68
Re-measurement (or Actuarial) (gain) / loss arising from:	-	0.00
change in demographic assumptions	-	0.02
change in financial assumptions	(10.57)	1.03
experience variance (i.e. Actual experiences vs assumptions)	17.34	(22.28)
Past Service Cost	-	0.00
Benefits Paid	(6.32)	(3.11)
<b>Present Value of Obligation as at the end</b>	<b>80.92</b>	<b>65.51</b>

**iv Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

Particulars	As at March 31, 2021	As at March 31, 2020
Current Liability (Short term)	17.46	9.83
Non-Current Liability (Long term)	63.46	55.68
<b>Present Value of Obligation</b>	<b>80.92</b>	<b>65.51</b>

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

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current Service Cost	11.65	13.82
Past Service Cost	0.00	0.00
Interest Expense or Cost	3.31	4.68
<b>Present Value of Obligation as at the end</b>	<b>14.96</b>	<b>18.50</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Actuarial (gains) / losses</b>		
change in demographic assumptions	0.00	0.02
change in financial assumptions	(10.57)	1.03
experience variance (i.e. Actual experience vs assumptions)	17.34	(22.28)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>6.77</b>	<b>(21.23)</b>



# METMILL FOOTWEAR PRIVATE LIMITED



Notes forming part of the Financial Statements for the year ended March 31, 2021

Metmill Footwear

vii The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (per annum)	For H.O. - 6.40% p.a. and For Sales Staff - 4.35% p.a.	For H.O. - 7.50% p.a. and For Sales Staff - 6.55% p.a.
Salary growth rate (per annum)	For H.O. 0% p.a for first year and thereafter 8.5% p.a. and For Sales Staff 0% p.a. for first year and thereafter 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.

viii The principal demographic assumptions used in the valuation are shown in the table below:

Particulars	As at March 31, 2021	As at March 31, 2020
Mortality rate (% of IALM 2012-14)	100%	100%
Normal retirement age	60 Years	60 Years
<b>Attrition / Withdrawal rates, based on Category: (per annum)</b>		
H.O. years	9%	8.82%
Sales Staff years	43%	43.04%

\*Attrition rate has been considered as 100% for certain employees (90 employees) who are expected to leave the organisation in 21-22

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.





**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, 2021	As at March 31, 2020
<b>Defined Benefit Obligation (Base)</b>	<b>80.92</b>	<b>65.51</b>

Particulars	VALUES		VALUES	
	2020-21	2019-20	2020-21	2019-20
₹ in Lakhs				
Discount Rate (- / + 1%)				
- Decrease by 1%	6.8%	5.50	9.00%	5.90
- Increase by 1%	-6.0%	(4.86)	-7.70%	(5.04)
Salary Growth Rate (- / + 1%)				
- Decrease by 1%	-4.9%	(3.96)	-7.00%	(4.59)
- Increase by 1%	5.2%	4.21	7.80%	5.11
Attrition Rate (- / + 50% of attrition rates)				
- Decrease by 1%	6.2%	5.02	16.10%	10.55
- Increase by 1%	-4.1%	(3.32)	-9.30%	(6.09)
Mortality Rate (- / + 10% of mortality rates)				
- Decrease by 1%	0.0%	0.01	0.00%	0.01
- Increase by 1%	0.0%	(0.01)	0.00%	(0.01)

**x Windup Liability / Discontinuance Liability**

Particulars	As at March 31, 2021	As at March 31, 2020	Increase %	As at March 31, 2020	As at March 31, 2019	Increase %
Discontinuance Liability	90.10	68.42	32%	68.42	72.52	-6%
Present Value of Obligation	80.92	65.51	24%	65.51	71.34	-8%
Ratio (Present Value of Obligation / Discontinuance Liability)	90%	96%	-6%	0.96	0.98	-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:**

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method without restatement and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

Due to Covid-19 impact company has -

- a) tested the Right to use asset on 01st April 2020 due to following internal source of information.
  - (i) Uncertainty arising to effectively utilization of the leased assets during Covid-19 pandemic which resulted in modification of lease contracts.
  - b) Rs. 102.93 Lakhs of Right to Use asset is recognised as impairment loss.

Calculation of Net Gain adjusted in Expenses

Particulars	Amount
Right to use Assets Impaired as per Ind AS 36	102.93
Derecognition of Lease liability as per Ind AS 109 (Refer Note 1b.M)	(113.87)
<b>Net Gain on Derecognition of Lease liability and Right to use asset</b>	<b>(10.94)</b>

Following are the disclosures as required by Para 53

Particulars	₹ in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Depreciation charge for right-of-use assets by class of underlying asset	0.00	34.50
Interest expense on lease liabilities	0.00	8.85
Total cash outflow for short term leases	38.69	3.14
Total cash outflow for long term leases	0.00	42.07
Total cash outflow for leases	0.00	45.21
Additions to right-of-use assets	0.00	84.50
The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.	0.00	102.93



₹ in Lakhs

Right to Use Asset	As at March 31, 2021	As at March 31, 2020
Opening Balance	102.93	52.93
Additions during the current year	-	84.50
Impairment loss during the year (as per Ind AS 36)	(102.93)	-
Amortisation during the year	-	(34.50)
Closing Balance	-	102.93
Lease Liability	As at March 31, 2021	As at March 31, 2020
Opening Balance	113.87	62.59
Additions during the current year	-	84.50
Derecognition during the current year (as per Ind AS 109)	(113.87)	-
Interest during the year	-	8.85
Lease payment during the year	-	(42.07)
Closing Balance	-	113.87
Lease Liabilities included in Financial statement	As at March 31, 2021	As at March 31, 2020
Current	-	39.89
Non- Current	-	73.98
Amounts Recognised in Statement of Profit & Loss	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	-	8.85
Amortisation of ROU	-	34.50
Expenses relating to short term leases/Variable lease payments	38.69	3.14
Impairment Loss booked during the current year	102.93	-
Derecognition of Lease Liability during the current year	(113.87)	-
Expenses relating to leases of low value assets	-	-
<b>Total</b>	<b>27.75</b>	<b>46.49</b>

₹ in Lakhs

Amounts Recognised in Statement of Cash Flows	As at March 31, 2021	As at March 31, 2020
Cash outflow from operating activities	38.69	3.14
Cash outflow from financing activities	-	42.07
Total Cash outflow for Leases	38.69	45.21

**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"

**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 2021 (as certified by the company) is Rs.25.98 Lakhs( F.Y 19-20 : - 24.84 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. 2020-21 before the end of the financial year.

Particulars	As at March 31, 2021	As at March 31, 2020
For Medical	26.50	21.00
For Education	0.00	11.00



**METMILL FOOTWEAR PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2021



- 9 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 Act has been complied and disclosed.

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31 2020
The principal amount remaining unpaid to any supplier at the end of the year	<b>46.63</b>	85.09
Interest due remaining unpaid to any supplier at the end of the year	<b>0.21</b>	0.09
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	<b>118.26</b>	51.76
The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>0.00</b>	0.09
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	<b>0.27</b>	0.00

- 10 Current year figures are shown in highlight & bold prints

- 11 All Figures are in decimal of 2 digit





**NOTES : 27 (12.1 to 12.6)****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.

₹ in Lakhs

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Equity</b>		
Equity Share Capital	125.00	125.00
Other Equity	4,045.43	5066.64
<b>Total Equity</b>	<b>4,170.43</b>	<b>5191.64</b>
<b>Total Debt</b>	<b>288.90</b>	<b>1300.66</b>
<b>Debt Equity Ratio</b>	<b>0.07</b>	<b>0.25</b>

**12.2 Categories of financial instruments**

₹ in Lakhs

Financial Assets and Financial Liabilities classified under Level 2 hierarchy

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Financial Assets</b>		
<b>Measured at fair value through profit or loss</b>		
- Investments in mutual funds	-	-
<b>Measured at amortised cost</b>		
- Trade receivables	3,252.88	7297.61
- Cash on hand	1.05	1.98
- Other Bank balances	453.64	16.75
- Fixed Deposits	-	26.01
- Loans	3.69	4.05
- Other financial assets	606.37	7.80
<b>Measured at fair value through Other Comprehensive Income</b>		
- Investments in Bonds	-	0.00
<b>Financial Liabilities</b>		
<b>Measured at amortised cost</b>		
- Trade payables	659.57	5776.09
- Other financial liabilities	80.92	65.51



**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		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity	Fair value		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at Mar 31, 2021	Fair value hierarchy				As at Mar 31, 2020	Fair value hierarchy			
Investments in Mutual funds	-	NA	Net assets value (NAV) declared by the respective asset management companies	NA	NA	-	NA	Net assets value (NAV) declared by the respective asset management companies	NA	NA
Investments in bonds	-	NA	Net assets value (NAV) declared by the respective asset management companies	NA	NA	-	NA	Net assets value (NAV) declared by the respective asset management companies	NA	NA

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

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 counter party 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, 2021 the company had 2 customers (as at 31st March, 2020: 2 customers, as at 31st March, 2019: 2 customers, ) that accounted for approximately 82.69% (as at 31st March, 2020 : 64%, ) 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, 2021	As at Mar 31, 2020
Shoppers Stop Ltd.	68.97%	49%
Metro Brands Ltd.	13.72%	15%

**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.



Notes forming part of the Financial Statements for the year ended March 31, 2021

**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.

₹ in Lakhs			
Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	Carrying amounts
<b>As at Mar 31, 2020</b>			
<b>Non- derivative financial liabilities</b>			
Borrowings(Short term & Long Term)	1,311.22	-	1,311.22
Lease Liability(Short term & Long Term)	39.89	73.98	113.87
Non interest bearing:			
Trade Payables	5,776.09	-	5,776.09
Others	1,621.39	-	1,621.39
<b>As at Mar 31, 2021</b>			
<b>Non- derivative financial liabilities</b>			
Borrowings(Short term & Long Term)	288.90	-	288.90
Lease Liability(Short term & Long Term)	-	-	-
Non interest bearing:			
Trade Payables	659.57	-	659.57
Others	34.14	-	34.14

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

₹ in Lakhs		
Undrawn financing facilities	As at Mar 31, 2021	As at Mar 31, 2020
Secured working capital facilities		
Amount Used	0	1,011.76
Amount Unused	1500	488.24
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>
Letter of Credit (Unfunded)		
Amount used	174.14	149.01
Amount unused	825.86	850.99
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>

**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.





## Notes forming part of the Financial Statements for the year ended March 31, 2021

**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. 2.34 Lakhs For the financial year 2020-21 (2020: Rs. 3.29 Lakhs 2019: Rs. 2.14 Lakhs)

Particulars	₹ in Lakhs	
	As at Mar 31, 2021	As at Mar 31, 2020
Interest on Secured Working capital limit	35.62	55.33
Interest Rate	7.60%	8.40%
Interest amount per 50 basis point fluctuation	2.34	3.29

**3) Currency risk**

The Company's significant transactions are in Indian rupees and therefore there is minimal foreign currency risk. The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs in lacs, is as follows

Particulars	₹ in Lakhs	
	As at Mar 31, 2021	As at Mar 31, 2020
Trade Payables	-	190.51

**4) Sensitivity:**

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

Particulars	₹ in Lakhs	
	As at Mar 31, 2021	As at Mar 31, 2020
USD sensitivity		
₹/USD -Increase by 1% #	0.00	(1.91)
₹/USD -Decrease by 1% #	0.00	1.91

# Holding all other variables constant

12.5 Financial Statements has been adopted by board of directors as on 16 June , 2021

12.6 There were no significant purchases in F.Y 2020-21. Company has evaluated brands based on current needs of customers and requirement of reasonable working capital. Thereby discontinuing the distribution of some brands which were based on high working capital requirement. Stock of such discontinued brands was returned back to vendors resulting into negative purchase.



**Note**

**28 : Disclosure of Covid - 19 impact**

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19.

**Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has evaluated the likely impact of the COVID 19 on the overall business of the Company. The Company as at the date of the approval of these financials, has used various available sources of information to analyse the carrying amount of its financial assets and exposures.

The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

**Impact on Revenues and associated costs:**

The nationwide lockdown and subsequent changes to the lockdown have impacted the revenues from operations for the period of reporting of the financial statements. As the unlock of lockdowns across the country in various phases begins, the Company started continuously evaluating the dynamic situation and accordingly started its operations at its stores.

**Impact on Non-financial assets:**

The Company has assessed the impact of the COVID-19 pandemic on the carrying amounts of non-financial assets in accordance with the requirements of IND AS 36 - Impairment of assets. The Company has considered the external and internal sources of information in assessing the indicators for impairment. Based on the assessment, management believes that there are indications for impairment of the non-financial assets (Right of Use Assets) (Refer Note. 27.6).

**Impact on Receivables:**

The revenue from operations primarily consist of cash sales. The sales on credit basis are insignificant as compared to total revenue from operations. Accordingly, the management has assessed the impact of COVID-19 pandemic on the receivables as at the reporting date and believes that the same are good and recoverable.

**Impact on Inventory:**

The Company has assessed the impact of COVID-19 pandemic on the carrying amount of its inventory as at reporting date. The inventory of the company being in the nature of footwear, bags and accessories, the management has evaluated whether it has been impacted due to change in economic conditions on account of COVID-19 pandemic. Management believes that it has no significant impact on the valuation of inventory as at the reporting date considering the fact that the net realisable value of the inventory being higher than the cost.

**Impact on Loans and Advances:**

The Company has given loans and advances to its selling agents, retail agents, employees, vendors, etc. The management has evaluated the impact of COVID-19 pandemic and believes that these are recoverable.

**Impact on Leases:**

The Company has modified the terms of all non cancellable lease contracts from non cancellable lease to cancellable lease on 01st April 2020, due to which financial liabilities of all lease contracts are extinguished. Hence all the lease liabilities as on 01st April 2020 are derecognised as per paragraph 3.3.1 of Ind AS 109 Financial Instruments.



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

  
**Rafique Malik**  
Chairman  
DIN: 00521563

  
**Sunil J. Shah**  
Managing Director  
DIN: 01777226



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# Vora Mehta & Associates

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF METMILL FOOTWEAR PRIVATE LIMITED

#### I. Report on the Financial Statements

##### 1. Opinion

- a) We have audited the accompanying financial statements of **METMILL FOOTWEAR PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- b) 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### 2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

##### 3. Emphasis of Matter

We draw attention to Note 28 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position of the company.

We also draw attention to Note 27.12.6 to the financial statements regarding discontinuance of distribution of some brands and introduction of new brands.

Our opinion is not modified in respect of these matters.

##### 4. Other Information - Board of Director's Report.

- a. The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.







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- b. In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report; we are required to report that fact. We have nothing to report in this regard

### 5. Management's Responsibilities for the Financial Statements.

- a. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- b. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

### 6. Auditor's Responsibilities for the Audit of Financial Statements.

- A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is





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higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## II. Report on Other Legal and Regulatory Requirements

### 1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.





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- 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



**(Nagin D. Mehta)**  
**(Partner)**

**Membership Number: - 033258**  
**UDIN - 21033258AAAACB1459**

**Place: - MUMBAI**

**Date: - 17<sup>th</sup> JUNE, 2021**





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## **“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 2021, 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 is 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.





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- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no disputed dues in respect of income tax, excise duty, customs duty, GST and cess were in arrears, as at 31.03.2021.
- (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 given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and 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**



**(Nagin D. Mehta)**  
**(Partner)**

**Membership Number: - 033258**  
**UDIN - 21033258AAAACB1459**

**Place: - MUMBAI**  
**Date: - 17<sup>th</sup> JUNE, 2021**



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### 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 2021 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.







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### 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 2021, 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  
UDIN - 21033258AAAACB1459

Place: - MUMBAI  
Date : - 17<sup>th</sup> JUNE, 2021