METRO BRANDS LIMITED

42nd ANNUAL REPORT

2018-2019

metro BRANDS

BOARD OF DIRECTORS

Mr. Rafique Malik
Chairman

Ms. Aziza Malik
Whole-Time Director

Ms. Farah Malik Bhanji
Managing Director & CEO

Mr. Subhash Malik
Director

Mr. Rakesh Jhunjhunwala
Director

Mr. Utpal Sheth
Director

Mr. Manoj Kumar Maheshwari
Independent Director

Ms. Aruna Advani
Independent Director

Mr. Arvind Kumar Singhal
Independent Director

Mr. Karan Singh
Independent Director

Mr. Vikas Khemani
Independent Director

CORPORATE VISION

To be the most innovative footwear, foot care and accessories company, obsessed about customer delight, which is delivered by passionate people.

CORPORATE MISSION

To be the number one brand in the footwear and accessories market and to be recognized as a prestigious company through focused business development, differentiation through innovation, passion through empowerment, and cost reduction through economies of scale and world class systems and procedures.

CONTENTS

BOARD OF DIRECTORS

Mr. Rafique A. Malik (Chairman)
Ms. Farah Malik Bhanji (Managing Director & Chief Executive Officer)
Ms. Aziza R. Malik
Mr. Subhash Malik
Mr. Rakesh Jhunjhunwala
Mr. Utpal Sheth
Mr. Manoj Kumar Maheshwari
Ms. Aruna Advani
Mr. Arvind Kumar Singhal
Mr. Karan Singh
Mr. Vikas Khemani (w.e.f. 12.03.2019)

AUDIT COMMITTEE

Mr. Manoj Kumar Maheshwari (Chairman)
Ms. Farah Malik Bhanji
Ms. Aruna Advani

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

Ms. Aruna Advani (Chairperson)
Mr. Rafique A. Malik
Mr. Rakesh Jhunjhunwala
Mr. Manoj Kumar Maheshwari

ALLOTMENT AND TRANSFER COMMITTEE

Mr. Rafique A. Malik (Chairman)
Ms. Farah Malik Bhanji
Mr. Rakesh Jhunjhunwala
Mr. Utpal Sheth

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rafique A. Malik (Chairman)
Ms. Farah Malik Bhanji
Mr. Arvind Kumar Singhal

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms. Aruna Advani (Chairperson)
Ms. Farah Malik Bhanji
Mr. Subhash Malik

EXECUTIVE COMMITTEE

Mr. Rafique A. Malik (Chairman)
Ms. Farah Malik Bhanji
Ms. Aziza R. Malik
Mr. Sohel Kamdar
Mr. Jaiprakash J. Desai
Ms. Alisha R. Malik

COMPANY SECRETARY

Mr. Jaiprakash J. Desai

BANKERS

AXIS Bank Limited
HDFC Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
State Bank of India

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants
Heritage, 3rd Floor,
Near Gujarat Vidhyapith, Off Ashram Road,
Ahmedabad - 380 014.
Firm Reg. No. : 117365W

REGISTRAR AND TRANSFER AGENTS

Sharex Dynamic (India) Private Ltd.
Unit 1 Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (East), Mumbai - 400 072.
Telephone : 2851 5606/5644/ 2852 8087
Fascimile : 2851 2885
Web site : www.sharexindia.com
Email : sharexindia@vsnl.com
ISIN No. : INE317I01013

REGISTERED AND CORPORATE OFFICE

401, Zillion, 4th floor,
LBS Marg & CST Road Junction,
Kurla (West),
Mumbai - 400 070.
Telephone : 2654 7700
Fax : 2654 7788
Web site : www.metroshoes.net
E mail : info@metrobrands.com

UNIT

D2/D3, Bhagwan Sheth Estate,
Next to Arihant Commercial Complex,
Opp. Bata Warehouse, Purna Village,
Bhiwandi - 421302

Building No.B-3, Gala no. 3 to 12, Bhagwan Sheth Estate,
Next to Arihant Commercial Complex,
Purna Village,
Bhiwandi - 421302.

42nd Annual General Meeting of Members will be held at the Registered Office of the Company at 401, Zillion, 4th floor, LBS Marg & CST Road Junction, Kurla (West), Mumbai - 400 070 on Friday, 23rd August, 2019 at 11:00 a.m.

SHOWROOMS

States / Union Territories	City	No. of Showrooms
Andhra Pradesh (Seemandhra)	Guntur	1
	Kakinada	1
	Vijayawada	4
	Visakhapatnam	2
Arunachal Pradesh	Itanagar	1
Assam	Guwahati	4
	Jorhat	1
	Silchar	2
Bihar	Patna	6
Chandigarh	Chandigarh	6
Chhattisgarh	Bhilai	1
	Bilaspur	2
	Korba	1
	Raipur	6
Delhi	Delhi	11
Goa	Bardez	1
	Panaji	2
	Vasco Da Gama	1
Gujarat	Ahmedabad	9
	Anand	2
	Bharuch	1
	Bhavnagar	1
	Gandhidham	1
	Gandhinagar	1
	Jamnagar	3
	Rajkot	3
	Surat	10
	Vadodara	9
	Vapi	1
Haryana	Ambala	5
	Gurugram	3
	Karnal	1
	Rohtak	1
	Yamunanagar	2
Jammu & Kashmir	Jammu	1
Jharkhand	Dhanbad	2
	Jamshedpur	2
	Ranchi	4
Karnataka	Ballari (Bellary)	1
	Belagavi (Belgaum)	2
	Bengaluru	38
	Bidar	1
	Hubballi (Hubli)	2
	Kalaburgi (Gulbarga)	2
	Mangaluru (Mangalore)	7
	Manipal	2
	Mysuru (Mysore)	4
	Vijayapura	1
Kerala	Kochi	8
	Kottayam	1
	Kozhikode(Calicut)	5
	Thrissur	2
	Thiruvananthapuram (Trivandrum)	4
Madhya Pradesh	Bhopal	5
	Gwalior	2
	Indore	6
	Jabalpur	2
Manipur	Imphal	1
Meghalaya	Shillong	1

States / Union Territories	City	No. of Showrooms
Maharashtra	Aurangabad	6
	Badlapur	1
	Kalyan	2
	Kolhapur	2
	Mumbai	41
	Nagpur	9
	Nanded	2
	Nashik	6
	Navi Mumbai	8
	Pimpri /Chinchwad	3
	Pune	16
	Sangli	1
	Thane	7
Nagaland	Dimapur	1
Odisha	Bhubaneshwar	3
Puducherry	Puducherry	3
Punjab	Amritsar	7
	Bhatinda	2
	Hoshiarpur	1
	Jalandhar	3
	Ludhiana	8
	Mohali	2
	Pathankot	1
	Patiala	3
	Zirakpur	2
Rajasthan	Ajmer	2
	Alwar	1
	Bikaner	1
	Ganganagar	3
	Jaipur	11
	Jodhpur	2
	Kota	1
	Udaipur	2
Tamilnadu	Chennai	17
	Coimbatore	7
	Erode	1
	Madurai	2
	Nagercoil	1
	Salem	1
	Trichy	2
	Velachery	5
Telangana	Hyderabad/ Secunderabad	32
Uttar Pradesh	Prayagraj	2
	Bareilly	2
	Ghaziabad	6
	Gorakhpur	3
	Kanpur	1
	Lucknow	7
	Meerut	2
	Moradabad	1
	Noida	5
	Varanasi	5
Uttarakhand	Dehradun	3
	Haldwani	1
	Haridwar	1
West Bengal	Kolkata	16
	Howrah	2
	Siliguri	4
TOTAL		**504**

10 YEARS FINANCIAL HIGHLIGHTS

₹ in Lacs

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
No.of Showrooms	107	162	222	239	281	290	317	362	419	504
Gross Sales	28,589.48	41,201.62	54,675.30	66,604.74	76,599.06	84,155.37	91,919.58	103,113.64	121,577.66	135,288.94
Increase over previous years	23.15%	44.11%	32.70%	21.82%	15.01%	9.86%	9.23%	12.18%	17.91%	11.28%
Net Sales	25,493.68	36,644.43	46,415.39	55,907.52	63,609.10	70,195.16	76,718.14	86,755.31	104,300.81	115,445.84
Increase over previous years	22.89%	43.74%	26.66%	20.45%	13.78%	10.35%	9.29%	13.08%	20.22%	10.69%
EBIDTA (Earning Before Dep,Interest & Tax)	4,447.87	6,695.28	8,996.05	9,951.77	11,895.74	13,179.23	13,796.23	15,463.87	22,328.43	24,639.30
Depreciation	192.37	283.88	398.03	1,259.83	1,099.46	1,179.59	1,283.23	1,568.76	1,921.58	2,228.79
Profit Before Tax	4,255.36	6,408.72	8,596.98	8,674.92	10,794.97	11,993.16	12,513.09	13,895.12	20,452.95	22,386.66
Profit After Tax	2,834.23	4,306.32	5,833.97	5,890.95	7,160.09	7,926.46	8,204.76	9,149.85	13,516.58	14,784.15
Equity Dividend (%)	150%	200%	250%	100%	110%	120%	125%	135%	200%	24%*
Dividend Payout (%)	30.26%	26.47%	24.39%	29.02%	26.46%	26.74%	26.96%	26.15%	26.24%	25.98%
Equity Share Capital	488.70	488.70	489.80	1,471.07 *	1,472.05	1,472.05	1,472.75	1,472.75	1,472.75	13,276.71*
Reserves & Surplus	9,361.63	12,555.48	17,038.46	20,308.87	25,583.75	31,350.63	37,355.11	44,126.68	54,664.86	53,178.04
Net Worth	9,857.26	13,044.18	17,528.26	21,779.94	27,055.80	32,822.68	38,827.86	45,599.43	56,137.61	66,454.75
Loan Funds	-	-	-	-	-	-	-	-	-	-
Investments	2,817.51	2,152.74	720.87	3,560.22	7,863.06	3,696.25	7,652.50	9,057.50	17,894.56	20,276.96
Gross Fixed Assets	3,441.82	4,986.48	6,809.67	8,211.12	10,005.56	16,446.62	18,389.64	23,024.67	25,865.43	31,287.94
Net Fixed Assets	2,799.80	4,076.79	5,557.24	5,803.88	6,688.44	12,161.11	13,381.17	17,023.85	18,341.88	22,182.96

KEY INDICATORS

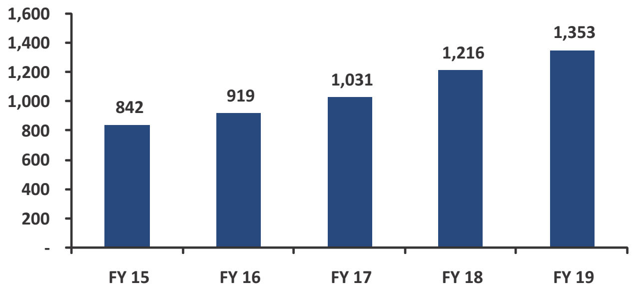
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Margin (%)	48.51%	48.61%	48.45%	47.82%	48.61%	48.64%	48.89%	49.44%	55.15%	55.24%
EBIDTA (%)	17.45%	18.27%	19.38%	17.80%	18.70%	18.78%	17.98%	17.82%	21.41%	21.34%
PAT (%)	11.12%	11.75%	12.57%	10.54%	11.26%	11.29%	10.69%	10.55%	12.96%	12.81%
Earning per share (in ₹)	58.00	88.12	39.67#	40.05#	48.66	53.85	55.72	62.13	10.20#	11.14 #
Book Value per share (in ₹)	201.70	266.92	119.20 #	148.05#	183.80	222.97	263.64	309.62	42.28#	50.05 #
Debt/Equity Ratio	-	-	-	-	-	-	-	-	-	-
Return on Capital Employed (%) (ROCE)	43.17%	49.13%	49.05%	39.83%	39.90%	36.54%	32.23%	30.47%	36.43%	33.69%
Return on Net Worth (%) (RONW)	28.75%	33.01%	33.28%	27.05%	26.46%	24.15%	21.13%	20.07%	24.08%	22.25%

*** Bonus Issue in the Ratio 2 : 1 in Financial Year 2012-13, Bonus Issue in the Ratio 8:1 in Financial Year 2018-19.**

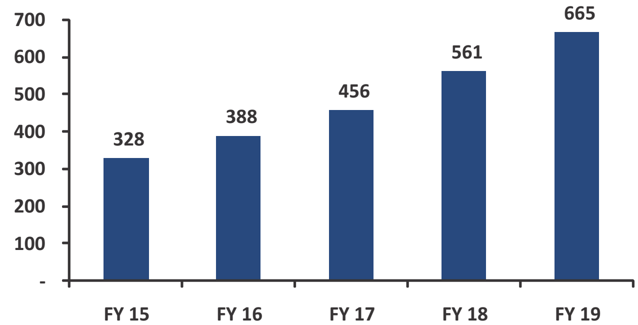
 # Impact of Issue of Bonus Shares.

PERFORMANCE AT A GLANCE

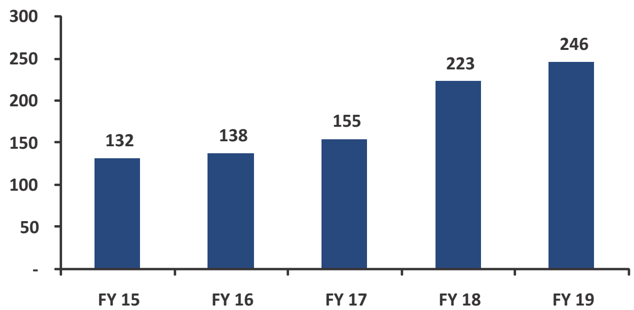
Turnover ₹ In Crore



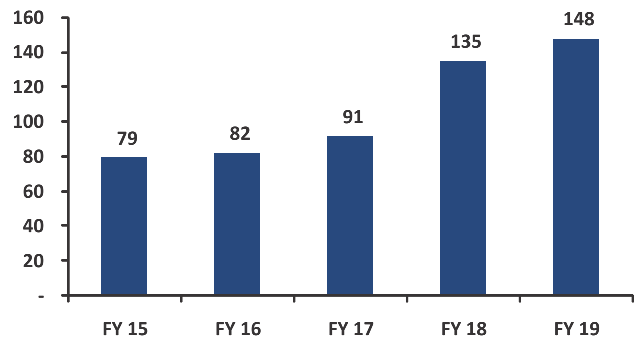
Net Worth ₹ In Crore



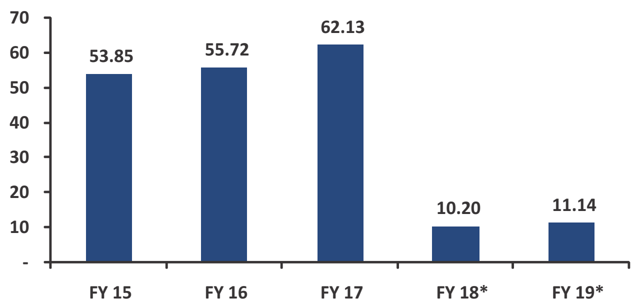
EBIDTA ₹ In Crore



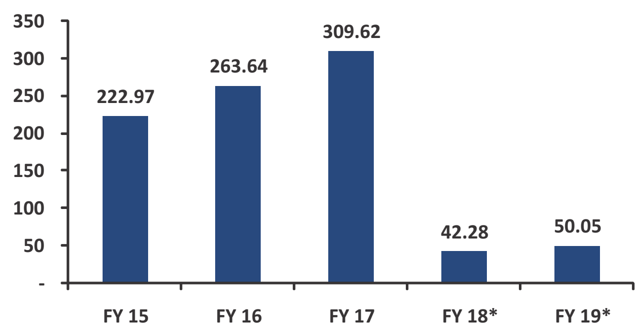
Profit After Tax ₹ In Crore



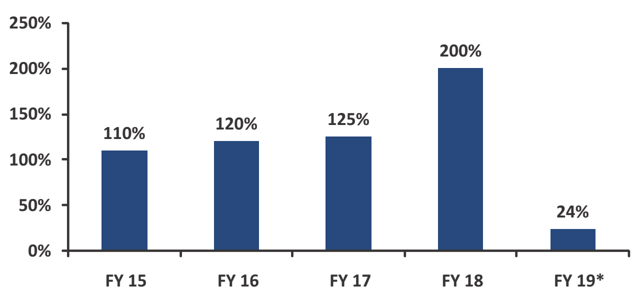
Earning Per Share ₹



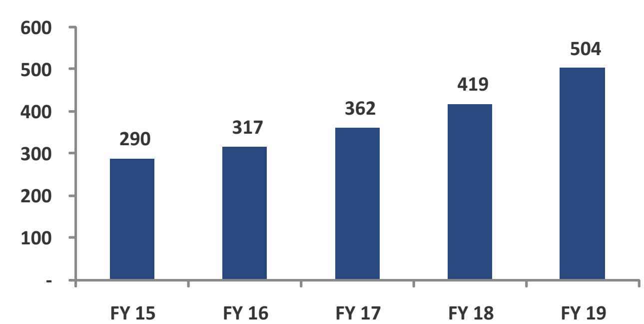
Book Value Per Share ₹



Dividend %



No. of Showrooms



*Post Bonus shares in the ratio of 8:1 in FY2018-19

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 42nd Annual Report together with the Audited Accounts of Metro Brands Limited ('Your Company') for the year ended 31st March 2019.

1. FINANCIAL RESULTS

(₹ in Lacs)

	Particulars	Standalone		Consolidated	
		2018-19	2017-18	2018-19	2017-18
	Gross Sales	**135,289**	**121,578**	**144,119**	**128,545**
Less:	Taxes	19,843	17,277	**22,462**	20,061
	Sales (Net of Tax)	**115,446**	**104,301**	**121,657**	**108,484**
	Profit before depreciation & Tax	24,616	22,375	26,100	23,442
Less:	Depreciation	2,229	1,922	2,260	1,952
	Profit Before Tax	**22,387**	**20,453**	**23,840**	**21,490**
Less:	Provision for tax	7,227	6,823	7,669	7,233
Less:	Deferred Tax Liability	353	100	353	59
Less:	Tax pertaining to earlier years	23	13	30	13
(Add):	Share of profit of Joint Venture	-	-	(150)	(43)
	Profit After Tax	**14,784**	**13,517**	**15,938**	**14,228**
Add/ (Less):	Other comprehensive income/(Loss) (net of taxes)	(78)	(54)	(82)	(50)
	Total Comprehensive Income	**14,706**	**13,463**	**15,856**	14,178
Less:	Total Comprehensive Income attributable to Non Controlling Interest	**-**	**-**	490	329
	Total Comprehensive Income attributable to Owner's of the Company	**14,706**	**13,463**	**15,366**	**13,849**

Performance Overview

1.1 Standalone

The challenging business environment faced by overall economy as well as the Retail Industry continued during the year. On a Standalone basis, your Company was able to achieve the Gross Turnover of ₹ 1,352.89 crore, a growth of 11.28% as compared to Gross Turnover of ₹ 1,215.78 crore during the previous year.

The Profit before Tax was higher at ₹ 223.87 crore compared to 204.53 crore in the previous year, up by 9.45%. The Profit after Tax was higher at ₹ 147.06 crore compared to 134.63 crore in the previous year, a growth of 9.23%.

1.2 Consolidated

On a Consolidated basis, the Company recorded Gross Turnover of ₹ 1441.19 crore during the year under review, as against the Gross Turnover of ₹ 1,285.45 crore during the previous year, an increase of 12.12%.

The Profit before Tax and the Profit after Tax were increased to 238.40 crore and 158.56 crore compared to the Profit before Tax and the Profit after Tax of ₹ 214.90 crore and ₹ 141.78 crore in the last year, showing a growth of 10.94% and 11.83% respectively.

2. DIVIDEND

The Board of Directors of your Company has declared and paid an interim dividend of ₹2.40 per equity share of the face value of ₹10/- per share i.e. 24% (post allotment of Bonus Shares in the ratio of 8:1) against ₹20/- per equity share (pre-Bonus) i.e. 200% in the previous year. The Board recommends this as the Full and Final Dividend for the F.Y. 2018-19. The Board of Directors of your Company has approved and adopted the Dividend Distribution Policy of the Company and dividend declared and paid during the year is in accordance with the said Policy. The total dividend payout was ₹38.41 crore including dividend distribution tax of ₹6.55 crore.

3. GENERAL RESERVE

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review. During the year your Company utilized the amount available under the Securities Premium Account and balance from the General Reserve account and Retained earnings of the Company for issuing the Bonus Equity Shares in the ratio of 8 Equity Shares for every 1 share held by the Shareholders of the Company.

4. FINANCE

Your Company has been financing its operations and expansions through internal accruals. Your Company retained highest credit rating A1+ for short term and AA for long term by CARE, a leading rating agency.

5. BUSINESS OPERATIONS

We are glad to inform that your Company had achieved remarkable milestone of 500 stores during the year. Your Company is recognized as a leading Specialty Branded Footwear Retailer with strong nationwide presence across premium, affordable and value categories. Your Company continued with its expansion plan and opened 93 new stores including relocation of 29 existing stores. Your Company has opened its first stores in the cities of Alwar (Rajasthan), Bidar (Karnataka), Dimapur (Nagaland), Imphal (Manipur), Jamshedpur (Jharkhand), Jorhat (Assam), Korba (Chhattisgarh), Moradabad (Uttar Pradesh), Rohtak (Haryana), Shillong (Meghalaya), Vasco Da Gama (Goa) and Zirakpur (Punjab). The total number of stores reached 504 at the end of the year.

During the year, number of Premium and Affordable fashion stores increased from 311 to 345 contributing sales ₹ 1127.50 Crores against ₹ 1057.16 Crores for the previous year. The number of Value line stores increased from 30 to 41 contributing sales ₹ 45.4 Crores against ₹ 41.32 Crores for the previous year whereas Value line (Shop-in-Shops) increased from 21 to 22 contributing sales ₹ 9.32 Crores against ₹ 8.95 Crores for the previous year. The Crocs stores increased from 57 to 96 registering sales ₹ 138.1 Crores against ₹ 80.59 Crores for the previous year. The E-commerce sales increased to ₹ 20.69 Crores from ₹18.95 Crores during the previous year. The Raw material and Footwear components trading division achieved sales of ₹10.88 Crores against ₹7.10 Crores during the previous year.

The Loyalty club members increased to 60.09 Lacs (previous year 47.43 Lacs) with growth of 26.69 % for the year.

During the current year, your Company has opened 7 stores including 3 Premium and Affordable fashion stores, 3 Crocs Stores, 1 Value line stores During first three months of the current year, your Company achieved gross Sales of ₹ 355.5 Crores with a growth of 8.3% compared to the same period last year.

6. INCREASE IN AUTHORISED CAPITAL AND ISSUE OF EQUITY SHARES

During the year, the Authorized Share Capital of the Company was increased from ₹ 15 Crores to ₹ 150 Crores vide special resolution passed by the Shareholders of the Company in their Annual General Meeting held on 29th September 2018.

Issue of Equity Shares under ESOP

During the year, your Company has allotted 37,695 Equity shares of Rs. 10/- each to 10 (Ten) eligible employees on exercise of options granted under the Employees' Stock Option Scheme 2008. A brief summary is tabled:

Sr. No.	Date of Allotment	No. of Equity Shares allotted of ₹ 10 each	Exercise Price	Money realized by exercise of options (₹)
1	6th August, 2018	11,735	8,185 Equity Shares @ Rs. 108.33/- per share 675 Equity Shares @ Rs. 325/- per share 2,875 Equity Shares @ Rs. 525/- per share	26,15,458
2	5th September, 2018	4,600	1,000 Equity Shares @ Rs. 325/- per share 3,600 Equity Shares @ Rs. 525/- per share	22,15,000
3	1st October, 2018	6,375	5,375 Equity Shares @ Rs. 325/- per share 1,000 Equity Shares @ Rs. 108.33/- per share	18,55,208
4	6th March, 2019	14,985 (post Bonus)	8,100 Equity Shares @ Rs. 58.33/- per share (option vested during the period under review) 6,885 Equity Shares @ Rs. 36.11/- per share	7,21,125
	TOTAL	**37,695**		**74,06,792**

As on 31st March 2019 the total number of options in force were 54,900.

As provided in the first proviso to subsection (3) of section 134 of the Companies Act, 2013, the detailed disclosure pursuant to Rule 9 of the Companies (Share Capital and Debentures) Rules 2014 is given as notes to accounts.

Issue of Bonus Equity Shares

As approved by the members of the Company in their Annual General Meeting held on 29th September 2018, your Company has allotted Bonus Shares in the ratio of 8 (Eight) Equity Shares for every 1 (One) share held by the Shareholders of the Company.

7. SIGNIFICANT ACTIVITIES AND DEVELOPMENTS

The new name of your Company **"Metro Brands Limited"** is effective from 6th September 2018.

Consequent to increase in the Authorized Share capital and change in the name, Company has changed its Authorized Share Capital clause and Name Clause in the Memorandum of Association. Further, the Object clause and Liability clause have also been amended to be in conformity with the Companies Act, 2013.

In September 2007, the Company made a preferential issue of Equity Shares specifically to its employees, associates and other stakeholders such as landlords of the showrooms operated by the Company, vendors and professionals, who were associated with the Company over many years and contributed to the growth of the Company, to enable them become shareholders of the Company. The invitation was purely to these persons on a private placement basis. There was no offer / invitation made to the general public. Most of associates applied also in the names of their family members / relatives and thus the total number of allottees reached 118 with 66 Associates and 52 employees. The said preferential allotment of shares was thus in violation of section 67 (3) Companies Act, 1956 and consequential violations of other relevant provisions of the Companies Act, 1956.

Over the period, out of total 118 allottees, 11 such persons sold their shareholding to Mr. Rafique A. Malik (Promoter of the Company) and 4 such persons sold their shareholding to certain other original allottees, thereby reducing the number of allottees to 103 (including 41 Employees).

The Company subsequently provided an Exit Offer to the said Preferential Allottees in compliance with the SEBI Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 as amended by the circular no. CFD/DIL3/CIR/P/2016/53 dated May 3, 2016. The Company authorized one of the promoters Mr. Rafique A. Malik to provide offer for Exit to the said allotees. Out of 103 Preferential Allottees, 88 Preferential Allottees sent their responses. All the responses received were only for Rejection of offer made to them. The Company has thus fully complied with the applicable requirements of SEBI Circulars.

The Company has also made an application to the ROC, Mumbai for compounding of said non-compliance. The application has been forwarded by the Registrar of Companies to the National Company Law Tribunal (NCLT), Mumbai for hearing and the matter is pending for hearing with NCLT.

Your Company has started with Franchise model for its value line store. First such store was opened in March 2019 in Dhanbad (Bihar). Your Company started its operations from the Representative office in China in April, 2018. During the year, your Company purchased additional office space of 14,513 sq. fts., adjoining the Company's existing office premises from Allium Property LLP (a related party). In order to meet Company's expansion plans, an additional warehouse having area of 170,000 sq. ft has been taken on a long-term lease at Bhiwandi, which is under construction and expected to start operations by December 2019. In addition to its e-commerce website **www.metroshoes.net,** your Company has launched an e-commerce website **www.mochishoes.com** in May 2019 to cater to online customers. In September 2018, the Company also had major marine claim due to cyclone in China which was fully settled by the end of the year.

Pursuant to the notification dated 2nd November 2018 issued by the Ministry of Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has registered itself on the Trade Receivables Discounting System (TReDS) platform, an online electronic platform for factoring of trade receivables of Micro Small and Medium Enterprises (MSME) sellers, under Mynd Solutions (Known as M1 exchange) set up as per the notification of Reserve Bank of India (RBI). As per the notification of Reserve Bank of India, the Company has obtained Legal Entity Identifier (LEI) code, 20-character unique identity code assigned to entities who are parties to a financial transaction, as a key measure to improve the quality and accuracy of financial data systems for better risk management.

The Company has adopted a Compliance Management System known as 'Legatrix' an automated Statutory Task Manager, to enable the Board to review on real time basis compliance reports of all the laws applicable to the Company, as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any.

Your Company's plan for raising capital was approved in the Extra-ordinary General Meeting of the members held on 28th February 2019. Your Company is exploring various options for long term capital requirement.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report has been presented as Annexure – 1 forming a part of this Annual Report.

9. SUBSIDIARY COMPANY

Metmill Footwear Private Limited (Metmill) (a 51% subsidiary of your Company) has reported Gross Sales of ₹ 169.76 Crores, a growth of 34% and Profit after Tax of ₹ 10.18 Crores, increase of 36.98% for the year under review.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Account) Rules, 2014 a separate statement containing the salient features of the financial statement of 'Metmill' in the prescribed format, AOC - 1 is attached as per Annexure - 2 of this Report.

The Audited Consolidated Financials (CFS) of your Company for the Financial Year ended 31st March, 2019 prepared in compliance with the provisions of IND AS 27 issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs (MCA), Government of India also forms part of this Annual Report.

The annual accounts of Metmill along with the related detailed information, is available for inspection by the members at the Registered Office of the Company during business hours, up to the date of the Annual General Meeting. The copies of the audited accounts of 'Metmill' can be sought by any member by making a written request addressed to the registered office.

10. JOINT VENTURE

M.V. Shoe Care Private Limited (MVSC), a Joint Venture, wherein your Company holds 49% of Equity Shares, has reported Gross Sales of ₹ 23.74 Crores, a growth of 19.37% and Profit after Tax of ₹ 3.43 Crores, increase of 192.33% for the year under review.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Account) Rules, 2014, a separate statement containing the salient features of the financial statement of MVSC in the prescribed format, AOC - 1 is also attached as per Annexure - 2 of this Report.

The annual accounts of MVSC along with the related detailed information, is available for inspection by the members at the Registered Office of your Company during business hours, up to the date of the Annual General Meeting. The copies of the audited accounts of MVSC can be sought by any member by making a written request addressed to the registered office.

11. BOARD OF DIRECTORS

The Board of your Company consists of 11 members of whom 4 are Executive Directors and 7 are Non-Executive Directors including 5 Independent Directors.

Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Vikas Vijaykumar Khemani (DIN: 00065941) was appointed as an Additional Director of your Company with effect from 12th March, 2019. It is proposed to appoint him as an Independent Director in the ensuing Annual General Meeting.

In accordance with the provisions of the applicable Act, the Articles of Association of your Company and Subscription and Shareholders Agreement, amended from time to time, Ms. Aziza R. Malik (DIN: 00167534) and Mr. Subhash H. Malik (DIN: 08079949), Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

Your Company has received declarations from the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under section 149(6) and Schedule IV of the Companies Act, 2013.

The Board met 6 times during the year under review on 2nd May 2018, 7th June 2018, 23rd August 2018, 6th December 2018, 30th January 2019 and 12th March 2019. The maximum gap between any two Board Meetings was less than one hundred and twenty days. The Number of meetings attended by each Director at Board and Committee meetings held during the year under review is as follows:

ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS AND NUMBER OF MEETINGS ATTENDED BY EACH DIRECTOR:

Name of the Director	Board Meeting	Audit Committee Meeting	Nomination, Remuneration and Compensation Committee Meeting	Corporate Social Responsibility Committee Meeting	Independent Directors' Meeting	Allotment and Transfer Committee	IPO Committee	Stakeholders Relationship Committee
Meetings Held	**6**	**5**	**3**	**3**	**1**	**5**	**1**	**1**
Directors' Attendance								
Mr. Rafique Malik	6	-	3	3	-	5	1	-
Ms. Farah Malik Bhanji	6	5	-	3	-	5	1	1
Ms. Aziza R. Malik	6	-	-	-	-	-	-	-
Mr. Rakesh Jhunjhunwala	2	-	0	-	-	0	-	-
Mr. Utpal Sheth	3	-	-	-	-	0	-	-
Mr. Manoj Kumar Maheshwari	5	5	3	-	1	-	-	-
Ms. Aruna Advani	6	5	3	-	1	-	-	1
Mr. Arvind Kumar Singhal	6	-	-	3	1	-	-	-
Mr. Karan Singh	4	-	-	-	0	-	-	-
Mr. Subhash Malik	6	-	-	-	-	-	-	1
Mr. Vikas Khemani (appointed on 12.03.2019)	1	-	-	-	-	-	-	-

12. KEY MANAGERIAL PERSONNEL

On recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors in a meeting dated 12th March, 2019 has designated the following persons as Key Managerial Personnel of the Company:

1. Mr. Rafique A. Malik (Chairman)
2. Ms. Farah Malik Bhanji (Managing Director & CEO)
3. Ms. Aziza R. Malik (Whole-time Director)
4. Ms. Alisha Malik (Vice President – E-Commerce)
5. Mr. Sohel Kamdar (Chief Operating Officer)
6. Mr. J. J. Desai (Company Secretary & CFO)
7. Mr. Kaushal Parekh (Vice President – Finance & Business Process)

13. GENERAL MEETINGS

Sr. No.	Type of Meeting	Date
1	Extra-ordinary General Meeting	3rd August, 2018
2	Annual General Meeting	29th September, 2018
3	Extra-ordinary General Meeting	28th February, 2019

14. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

A separate meeting of the Independent Directors was held on 12th March, 2019, without the attendance of non-independent Directors and members of the management. All Independent Directors, except Mr. Karan Singh, attended the said meeting.

The Chairman had organized the evaluation process as per the provisions of Section 178(2) of the Companies Act, 2013. The Board reviewed the performance of the Board of Directors as a whole, Managing Director, Whole Time Directors, Non-Executive and Independent Directors, Committees and the Chairman as per the evaluation reports placed at the meeting.

15. COMMITTEES OF THE DIRECTORS

Your Company has formed the following committees of the Directors as per the provisions of the Companies Act:

- AUDIT COMMITTEE consists of Mr. Manoj Kumar Maheshwari, Independent Director as Chairman and Ms. Aruna Advani, Independent Director and Ms. Farah Malik Bhanji, Managing Director and CEO as members. The Company Secretary acts as a Secretary to the Committee. The Vice President – Finance and Business Processes, Chief Operating Officer and Head – Internal Audit are permanent invitees to the Meetings of the Committee. M/s. Aneja Associates, Internal Auditors are also invited to represent quarterly reports in the meetings of the Audit Committee. The Committee met 5 times during the year under review on 7th June 2018, 23rd August 2018, 6th December 2018, 30th January 2019 and 12th March 2019.

  The Board of Directors in its meeting dated 30th January 2019 has amended terms of reference of the Committee as per SEBI Regulations.

- NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE consists of Ms. Aruna Advani, Independent Director as a Chairperson of the Committee and Mr. Rafique Malik, Chairman of the Company, Mr. Rakesh Jhunjhunwala, Director and Mr. Manoj Kumar Maheshwari, Independent Director as other members. The Company Secretary acts as a Secretary to the Committee. The Committee met 3 times during the year under review on 7th June 2018, 30th January 2019 and 12th March 2019. The Board of Directors in its meeting dated 30th January 2019 has amended terms of reference of the Committee as per SEBI Regulations. The Nomination, Remuneration and Compensation Policy of the Company is available at the website of the Company at: www.metroshoes.net

- CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE consists of Mr. Rafique Malik, Chairman of the Company as a Chairman of the Committee and Ms. Farah Malik Bhanji, Managing Director and CEO and Mr. Arvind Kumar Singhal, Independent Director as members. The Company Secretary acts as a Secretary to the Committee. The Committee met 3 times during the year under review on 7th June 2018, 23rd August 2018 and 6th December 2018.

  The Annual report on CSR activities undertaken during the year under review has been annexed and forms part as per Annexure - 3 of this Report.

- ALLOTMENT AND TRANSFER COMMITTEE consists of Mr. Rafique Malik, Chairman of the Company as a Chairman of the Committee and Ms. Farah Malik Bhanji, Managing Director and CEO, Mr. Rakesh Jhunjhunwala, Director and Mr. Utpal Sheth, Director as members. The Company Secretary acts as a Secretary to the Committee. The Committee met 5 times during the year under review on 6th August 2018, 5th September 2018, 1st October 2018, 12th December 2018 and 6th March 2019.

- IPO COMMITTEE has been constituted by the Board of Directors in its meeting dated 2nd May, 2018 consisting of Mr. Rafique A. Malik, Chairman of the Company as Chairman and Ms. Farah Malik Bhanji, Managing Director & CEO, Mr. Utpal Sheth, Director and Mr. J. J. Desai, Company Secretary & CFO as members. Post constitution, the Committee met once on 2nd January, 2019. Later, the Board of Directors in its meeting dated 30th January 2019 amended terms of reference of the Committee as per SEBI Regulations.

- STAKEHOLDERS' RELATIONSHIP COMMITTEE has been constituted by the Board of Directors in its meeting dated 30th January, 2019 to specifically look into various aspects of interest of shareholders, debenture holders and other security holders of the Company. It consists of Ms. Aruna Advani, Independent Director as a Chairperson of the Committee and Ms. Farah malik Bhanji, Managing Director and CEO and Mr. Subhash Malik, Director as members. The Company Secretary acts as a Secretary to the Committee. Post constitution, the Committee met once on 12th March, 2019.

16. RELATED PARTIES TRANSACTIONS

All related party transactions that were entered during the Financial Year were at arm's length relationship and were in ordinary course of business. These transactions were approved by the Audit Committee and the Board.

The Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2018-19 in the prescribed format, AOC - 2 are provided in Annexure - 4 to this Report.

17. LOANS, GUARANTEES AND INVESTMENTS

The Particulars of loans, investments or guarantees covered under the provision of Section 186 of the Companies Act, 2013 are provided in Annexure - 5 to this Report.

18. RISK MANAGEMENT

Your Company has an elaborate Risk Management procedure and has the Risk Management Policy in place to identify the risks including those which in the opinion of the Board may threaten the existence of the Company, monitor the risks and their mitigating actions.

Risk management process has been established across the Company and is designed to identify assess and frame a response to threats that affect the achievement of its objectives. Further it is embedded across all the major functions and revolves around the goals and objectives of the organization. The key risks are also discussed at the Audit Committee. The Board has set out a review process so as to report to the Board the progress on the initiatives for the major risks of the Company.

During the year under review, Risk Officer of your Company had reviewed risk assessment of Company's operations in discussion with various stakeholders and updated the Risk Register accordingly.

19. NEW POLICIES

During the year under review, the Board of Directors has adopted the following policies, including certain policies which would be effective only if your Company's shares will be listed on a stock exchange in future:

i. Policy on Materiality of Related Party Transactions

ii. Policy for Determination of Material Subsidiaries

iii. Policy for regulation of Insider Trading

iv. Policy for Determination of Materiality (for the purpose of making disclosures to Stock Exchange(s))

v. Policy for Preservation of Documents

vi. Vigil mechanism and whistle blower policy

vii. Code of conduct for the Board of directors and the senior management

viii. Policy for diversity of the Board

ix. Code for Independent Directors and familiarization program imparted to Independent Directors

x. Succession plan for appointment of Board and senior management

xi. Accrual Accounting Policy

20. INTERNAL FINANCIAL CONTROLS AND SYSTEMS

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These controls ensure safeguarding of the assets of the Company and deviations if any are reported for appropriate action.

Internal audit reports are discussed in the Audit Committee meetings to review adequacy and effectiveness of your Company's internal control environment and necessary action are taken to strengthen the control in the required areas of business operations and to also monitor the implementation of audit recommendations, including those relating to strengthening of your Company's risk management policies and systems.

The control criteria ensures the orderly and efficient conduct of the Company's business, including adherence to its 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.

Based on the assessment carried out by the Management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate Internal Financial Controls system that is operating effectively as at 31st March, 2019.

There were no instances of fraud which necessitates reporting of material misstatement to the Company's operations.

21. GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / matters on these items during the year under review:

i. Details relating to deposits covered under Chapter V of the Act.

ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.

iii. Neither the Managing Director nor the Whole-time Director of your Company received any remuneration or commission from any of its subsidiaries.

iv. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

22. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review no complaints were received under the said Act.

23. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of Annual Return in Form MGT-9, is provided in Annexure - 6 to this Report. The members may also find the annual return at: www.metroshoes.net

24. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, (Regn. No. 117365W) who are statutory auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), it is proposed to re-appoint M/s. Deloitte Haskins & Sells as Statutory Auditors of your Company for a further period of three (3) years, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 45th Annual General Meeting of the Company. M/s. Deloitte Haskins & Sells has completed a 5-year term, however, before introduction of the Companies Act, 2013 they had completed 2 years as the Statutory Auditors of your Company. Hence their reappointment as the Statutory Auditors of your Company is proposed for the balance 3-year term.

25. AUDITORS REPORT

The Auditor's Reports prepared by the Statutory Auditors both in respect of Standalone Financial Statement and Consolidated Financial Statement do not contain any qualification, reservation or adverse remark.

26. COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, your Company does not fall under any of the classes of companies prescribed in the Act. Hence as specified under Section 148(1) of the Companies Act, 2013, your Company is not required to include cost records in their books of account and get its cost accounting records audited by a Cost Accountant and submit a compliance report in the prescribed form.

27. SECRETARIAL AUDIT REPORT

Mr. A. Sekar, Practicing Company Secretary, was appointed as a Secretarial Auditor to conduct Secretarial Audit of the records and documents for the Financial Year 2018-19. The Secretarial Audit Report confirms that your Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. and do not contain any qualification, reservation or adverse remark.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed marked as Annexure - 7 to this Report.

28. COMPLIANCE WITH SECRETARIAL STANDARDS

As per paragraph 9 of Secretarial Standard on Meetings of the Board of Directors (SS-1), the Company has complied with all the provisions of the applicable Secretarial Standards.

29. PARTICULARS OF EMPLOYEES

The statement containing information forming part of this Directors Report is provided in the Annexure – 8 to this Report.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for conservation of energy, technology absorption, foreign exchange earnings and outgo is provided as Annexure – 9 to this Report.

31. CORPORATE GOVERNANCE AND DISCLOSURES

Your Company being unlisted, is not required to furnish any information about Corporate Governance under clause 49 of the listing agreements with the Stock Exchange. Your Company has provided mandatory disclosures required under Companies Act, 2013 by this Report and attachments as under.

Following reports have been annexed and form the part of this report.

Annexure –1: Management Discussion and Analysis Report

Annexure –2: Statement containing the salient features of the financial statement of 'Metmill' (Subsidiary Company) and 'MVSC' (Associate Company)

Annexure – 3: CSR Report

Annexure – 4: Particulars of contracts / arrangements made with the related parties

Annexure – 5: Particulars of loans, investments or guarantees

Annexure – 6: Extract of Annual Return

Annexure – 7: Secretarial Audit Report

Annexure – 8: Particulars of employees

Annexure – 9: Conservation of energy, technology absorption, foreign exchange earnings and outgo

32. VIGILANCE MECHANISM

Your Company believes in the conduct of affairs in a fair and transparent manner with the highest standards of professionalism, honesty, integrity and ethics. The Vigil Mechanism as envisaged in the Companies Act 2013 the Rules prescribed thereunder is implemented through the Company's Vigil Mechanism / Whistle Blower Policy, as adopted by the Board, to enable the Directors, employees and all stakeholders of the Company to report to the management, instances of unethical behavior, actual or suspected fraud or violation of your Company's Ethics Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. Concerned persons may send mail to help@metrobrands.com in or call these numbers: 8928009922 / 8928009933.

33. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134 of the Companies Act, 2013 it is hereby confirmed that,

a) in the preparation of the annual accounts for the year ended 31st March 2019, the applicable accounting standards had been followed;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31st March 2019 and of the profits of your Company for the period ended 31st March 2019;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts for the period ended 31st March, 2019 on a going concern basis;

e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

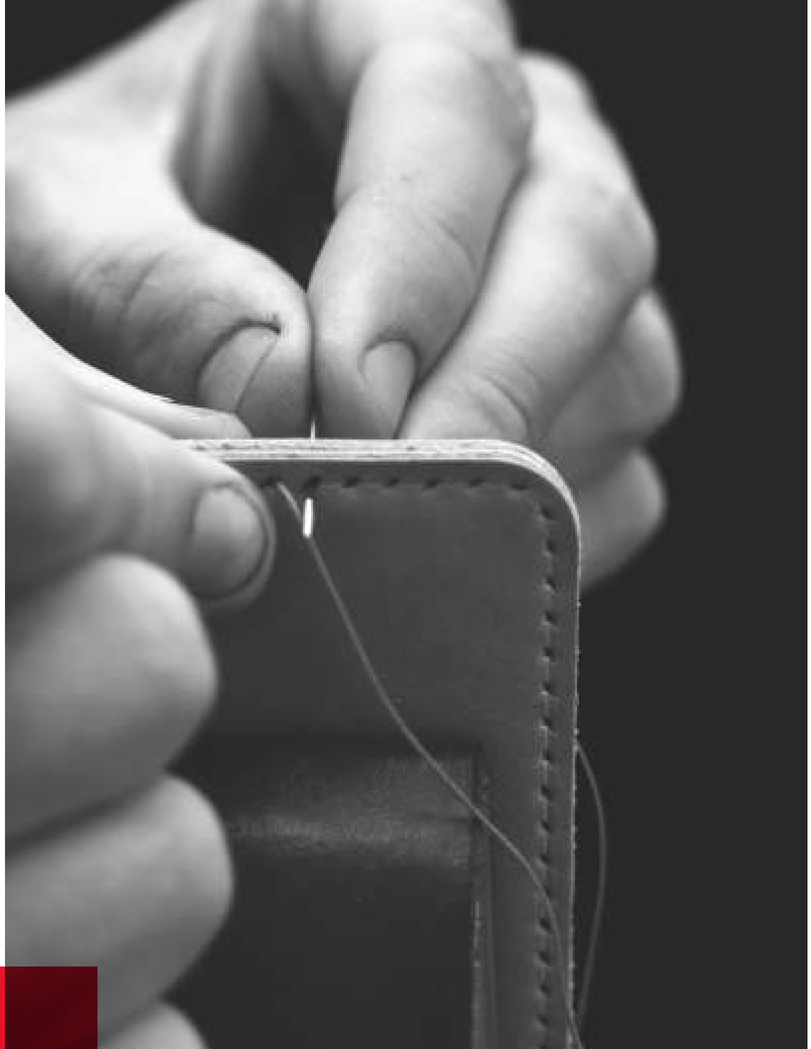
34. ACKNOWLEDGEMENTS

Your Directors would like to thank the Customers, Suppliers, Banks and other Stakeholders for overwhelming trust and confidence that helped us to maintain the growth.

Most importantly, your Directors acknowledge the support and dedication of all the employees of your Company and also wish to express their gratitude to the Members for their continued support. Your support is our driving force and makes us want to do our best in these exciting times.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Rafique A. Malik
CHAIRMAN
PLACE: Mumbai
DATED: 8th July, 2019



ANNEXURE
TO THE

DIRECTORS' REPORT

Annexure 1 to the Directors' Report

Management Discussion and Analysis Report

Global Economy

After a strong growth in early 2018, global economic activity slowed notably in the second half, reflecting a confluence of factors affecting major economies. It is on track to stabilize, but its momentum is fragile and facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes between the World's largest economies especially the United States and China, an abrupt tightening of global financial conditions and intensifying climate risks.

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. The US economy had expanded at a fast pace in 2018, as tax cuts and spending increase stimulated demand. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Some vulnerable emerging market economies come under strain as the US dollar gained value and the level of risk that global financial investors were prepared to accept dropped. Most of these countries have seen increase in their external borrowing cost. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind. While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices. For these economies, the sharp drop in global commodity prices in 2014/15 has continued to weigh on fiscal and external balances, while leaving a legacy of higher levels of debt. According to the UN World Economic Situation and Prospects 2019, global growth is expected to remain at 3.0 per cent in 2019 and 2020.

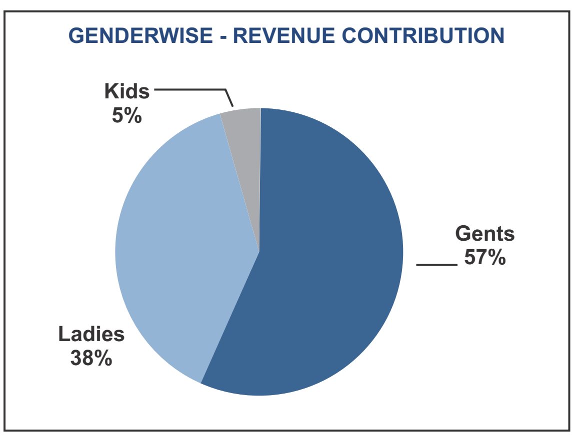
Indian Economy

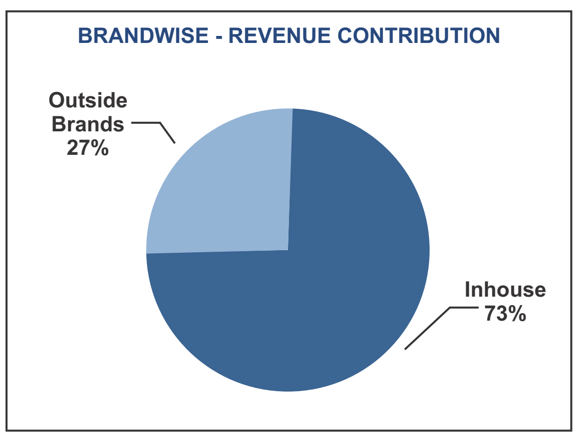
Indian economy is one of the best performers in the World. It witnessed a roller-coaster ride in the year 2018. The economy rushed ahead in the first half of 2018 after recovering from impact of a major tax overhaul and demonetization. Growth accelerated in the first quarter at the fastest rate among major economies, however slowed down in other quarters.India probably lost its spot as the fastest growing major economy to China in the January-March quarter as a chill in domestic and global consumer demand hit manufacturers and service providers. Several indicators such as automobile sales, rail freight, petroleum product consumption, domestic air traffic and imports indicated a slowdown in domestic consumption both in urban and rural areas. However, a few positives like overall GDP growth, management of retail inflation, increased use of technology and Aadhaar for delivery of cash support; the stock market and currency indices showed confidence in the economy. The government didn't have to report to offer any significant tax cut or cut in non-productive expenditure like subsidies, except oil. The economy expanded by 6.8 per cent in 2018 and is projected to grow at 7% per cent in fiscal year 2019and 2020; revised downward from earlier projection of 7.2%. The RBI expects growth in the range of 6.4-6.7% in the first half of 2019-20 and 7.2-7.5% in the second half. The Indian Government has an ambitious plan to take India from a current $2.8 trillion economy to be a “$5 trillion economy” by 2024.

Business review

Your Company clocked Gross Turnover of ₹ 1,352.89 crore with growth of 11.28% for the year. The Premium &affordable fashion stores had significant share of 83.5% followed by Crocs stores10.2%, Value line stores 4.1%,Ecommerce1.5% and Raw materials 0.7%. Share of in-house brands improved to 73% as against 72% during the last year.

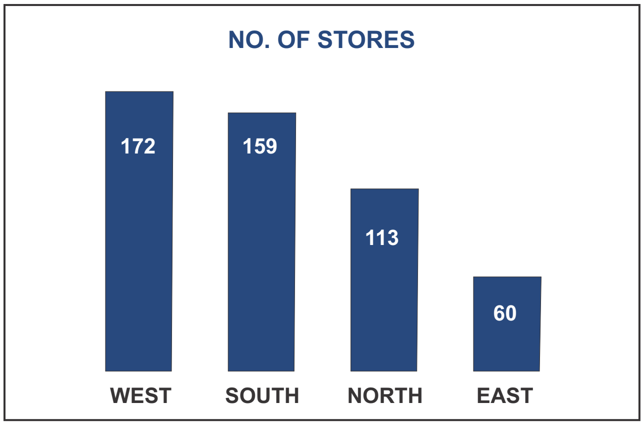
In volume terms, footwear comprised of Ladies 51%, Gents 42% and Kids' 7% whereas in value terms Gents constituted 57%, Ladies 38% and Kids' 5%. Bags and Accessories contributed at 31% in the total volume as in the last year whereas their value wise contribution was 9% compared to 10% for the last year.

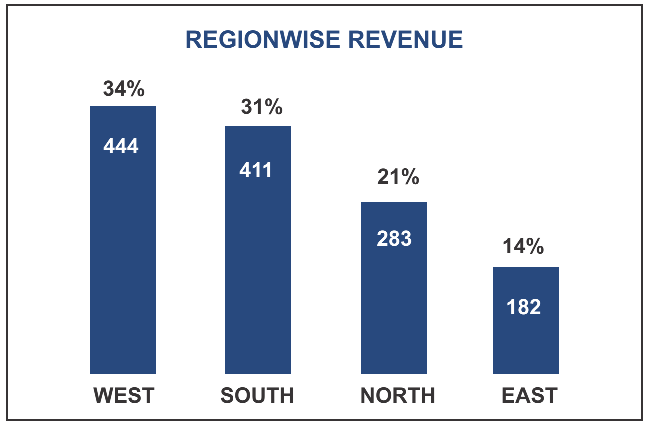




The Southern region contributed 30.8% in sales whereas share of Western region was at 30.7% followed by Northern region 23.4%, Eastern region 11.4% and Central Region 3.7%.

The Western region's contribution improved to 34% in the Turnover followed by Southern region 31%, Northern region 21% and Eastern region 14%.





Industry Structure and Developments

Overall market size of retailing industry in India is estimated at ₹58.5 trillion for FY19 of which organized retail constitutes around 9%. By FY22 the retail industry is expected to reach ₹86 trillion and the organized retail to ~11%. The footwear segment constitutes ~2% share of total retail industry as of FY 18, i.e. around ₹90,000 crores (US$12.9 Billion). With a CAGR of 11%, it is estimated to reach ₹1,37,000 crores (US$19.7 Billion) by FY22. From being a strictly need-based utilitarian product, Indian footwear has today transformed into a fashion accessory with varied choices to cater to customers across price and design segments. Around 75% of the Indian Footwear market is unorganized, however, the organized market is growing at afaster rate of 17-18%. Evolution of the Indian organised retailing industry has had a cascading effect on the Indian footwear industry as well. The Brick & Mortar format which occupied ~89.5% share as of fiscal 2014 witnessed a significant drop in its share by fiscal 2018 at ~73.7%. A key reason for the same was the advent of e-retailing in India which picked up pace and grew by a CAGR of 47% between fiscals 2014 and 2018.

According to the World footwear Yearbook, in 2017, India was the 2nd largest producer of footwear, with a 10.2% share in the World. Despite being such a strong producer, India is only the 9th largest exporter (share of 1.3%), given the fact that much production stays in the country and feeds the immense domestic market. In fact, in 2017 India overtook the US as the second largest consumer of footwear: a milestone in Asia's ascent to prominence in the world market, reflecting strong demographic and economic trends.

Opportunities and Strength

There has been an upsurge in the footwear industry in India in recent years. India has seen a rise in the number of upcoming indigenous brands in 2018. It's no surprise that many of such brands have understood the "perception" piece very well - and have been spending a lot on branding. Today, marketing and branding have become integral for the success of a lifestyle brand, specifically for brands catering in footwear.

The retail sector in India is dominated by the unorganized retail trade, where unorganized trade forms around 91% of the overall trade. This is in contrast with the developed countries where the organized retail industry accounts for almost an average of more than 80% of the total retail trade. This highlights a lot of scope for further penetration of organized retail in India. Transition from traditional retail to organized retail is taking place due to rise in middle and higher income group, changing consumer expectations, higher disposable income, preference for luxury goods and change in the demographic mix. This is further intensified with the convenience of shopping with online shopping, multiplicity of choice under one roof (Shop-in-Shop) and the increase of mall culture. These factors are expected to drive organized retail growth in India over the long run. The introduction of Goods and Services Tax (GST) and the demonetization move has supported the growth of organized retail industry.

There has been a great penetration of the big brands in small cities and people of India are able to enjoy the foreign brands that previously were not within their reach. This can be directly linked to the betterment of purchasing power of consumers. There are many foreign brands that have established themselves firmly in the Indian market..

A special package of ₹ 2,600 Crores approved last year by the Government of India for employment generation in leather and footwear sector in next 3-5 years period will be very much helpful for the development of infrastructure, better environment, facilitate additional investments, employment generation and increase in production in the sector.

The domestic leather sector expects exports to increase sharply in the coming years as a result of business shifting from China and other Asian countries to alternative locations to avoid rising labor costs. According to CLE, Labor costs in countries such as Bangladesh and Vietnam too are much higher compared to India and there is a chance to capitalize on the same in the coming months. Nearly 25-30% of total leather exports from China to move away from that country soon and will go to other exporting markets. India, given its natural strength in terms of skill, availability of raw material, technology innovation as well as huge cost advantage, is naturally positioned to cash in, which will in turn help industry to export in a big way. According to the CLE, the Indian leather and footwear industry has the potential to achieve 9% to 10% growth levels in the coming years, both in the domestic market and on the export front due to combination of factors such as a vast raw material base, strong products and availability of workers for the industry.

Your Company is recognized as a leading Specialty Branded Footwear Retailer with strong nationwide presence across all footwear segments and categories,having a brand appeal among aspirational consumer segments in the fast-growing footwear retail industry. Your Company has presence across multiple formats and offers a wide range of brands and products catering to all occasions across age groups and market segments resulting in strong customer loyalty. Your Company is a platform of choice for third party brands looking to expand in India. Your Company will expand store network in existing and new cities and leverage multi-channel platform to pursue new business opportunities.

Threats and Concerns

Footwear priced upto ₹ 1,000 attract 5% GST where as footwear priced above ₹ 1,000 attract higher rate of 18% GST. High tax rate is major concern in promoting growth of the industry and therefore the Industry is advocating for a uniform rate of 5% GST on all footwear.

Lack of potential retail space at reasonable prices, quality, economic backdrop, regulatory issues are some of the other factors acting as an impediment to the spread of organized retail in India. Since it is capital-intensive industry, access to capital also plays an important part for expansion.

With India being an attractive retail market, there is a high level of competition characterized by many factors, including assortment, products, price, quality, service, location, reputation, credit, convenience offered, etc. Aggressive e-commerce and digital retailing coupled with new entrants such as business houses and international players are intensifying the competition at a rapid pace.

Outlook

One of the major areas supporting the retail growth in India is the E-commerce industry. As per India Brand Equity Foundation, India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. E-commerce sales in India are expected to reach US$ 120 billion by 2020 from US$ 30 billion in FY16.

There is also an upward trend seen in modern retailing; driven by urbanization, it has become a part of day to day lifestyle. There are more than 500 operational shopping malls in India having thousands of brands across food, fashion and lifestyle which are offering best of national & international brands.

Omni-channel offers a seamless experience to the customers across various channels, whether brick & mortar, online stores, etc. The strategic objective here is to merge various channels (departmental stores, online stores) and link them to a multichannel retailer. This strategy makes a brand always available to the customer and gives an impetus to sales by increasing visibility, consumer base across various geographies. It also optimizes inventory holding costs, operating costs and real estate cost. With modern retail gaining ground in India, there remains a lot of scope for omni-channel to expand.

In 2019, the Retail market will be defined by emerging technologies that change the way consumers interact with their favourite brands, a shift in preferences, and the emergence of new battle lines for e-commerce. Be it employing new technologies or exploring new store formats, revamping business strategies or creating personal experiences; retailers are indeed getting ready for the future by looking beyond conventional retail and evolving along with their modern consumers.

Customization, brand experience, customer retention, social media strategies and display are the retail trends to look forward to in 2019.We can see increase in branding spends, more emphasis on product comfort, designand customer service in 2019.

Your Company will continue to maintain focus on freshness in its products by introducing different and innovative designs, delightful customer service, availability of best quality products in the stores, development of brands, store designs of international standards, inventory management and best use of the technology for business. The Company is confident of withstanding the competition as in the past and to emerge as a stronger player in the Industry.

Awards & Recognitions

In August 2018, the Brand Trust Report – India Study 2018 has ranked the Company as India's 'Most Trusted Footwear Brand' in a study covering 9000 brands across 16 cities.

In January 2019, The Economic Times honored the Company with Family business of the year (Emerging Companies) Award 2019.

In March 2019, Council for Leather Exports sponsored by Ministry of Commerce and Industry, Govt. of India, facilitated and honored the Company for relentless pursuits of excellence in Indian Footwear Retail Chain Business.

Cautionary Statement

The statements in this report describing the Company's plans, projections, estimates and expectations may constitute into “Forward Looking Statements” within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

Annexure 2 to the Directors' Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies/Joint Ventures for the year ended 31st March, 2019.

Part "A": Subsidiaries **(₹ in Lacs)**

1.	Name of the Subsidiary	:	Metmill Footwear Private Limited
2.	The date since when subsidiary was acquired	:	16/09/2009
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	NA
5.	Share capital	:	25.00
6.	Other Equity	:	4,226.51
7.	Total assets	:	8,860.57
8.	Total Liabilities	:	4,607.68
9.	Investments	:	NIL
10.	Turnover	:	16,976.28
11.	Profit before taxation	:	1,481.65
12.	Provision for taxation	:	460.15
13.	Profit after taxation	:	1,017.54
14.	Proposed Dividend	:	NIL
15.	Percentage of shareholding	:	51%

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures: **(₹ in Lacs)**

Name of Associates or Joint Ventures		M.V. Shoe Care Private Limited
1.	Latest audited Balance Sheet Date	31st March, 2019
2.	Date on which the Associate or Joint Venture was associated or acquired	24th August, 2016
3.	Shares of Associate or Joint Ventures held by the Company on the year end	
	No.	68,60,000
	Amount of Investment in Associates or Joint Venture	488
	Extent of Holding (in percentage)	49%
4.	Description of how there is significant influence	Control of at least twenty per cent of total share capital
5.	Reason why the associate/joint venture is not consolidated	NA
6.	Networth attributable to shareholding as per latest audited Balance Sheet	807.61
7.	Profit or Loss for the year	
	i. Considered in Consolidation	149.95
	ii. Not Considered in Consolidation	193.44

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

Sd/-
Rafique A. Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director &
Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J. Desai
Company Secretary and Chief Finance Officer

Place: Mumbai
Date: 8th July, 2019

Annexure 3 to the Directors' Report

Annual Report on CSR Activities for the year ended 31st March, 2019

Sr. No.	Particulars	Remarks
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and are ference to the web-link to the CSR policy and projector programs.	Through CSR, your company intends to serve the interests of the society by taking responsibility for the impact of all its activities on customers, employees, shareholders, communities and the environment in all aspects of our operations. For your company, corporate social responsibility is not about just giving back randomly but about bringing benefits to all our stakeholders, including customers, employees, environment and community atlarge. To achieve this, in the current year we have strengthened our internal CSR team and have prepared a roadmap for engaging in CSR activities pertainingto environment conservation, skilling and upliftment of footwear Karigar community at large. The objective of the CSR policy is to provide an appropriate roadmap and formulate the procedure and criteria for the Company to participate in organized and transparent manner in the CSR activities within the country while recognizing the interest of all its stakeholders and thereby support in building / strengthening the nation for the coming future. Stakeholders may find the CSR Policy at: http://www.metroshoes.net/about-us
2	The Composition of the CSR Committee.	1) Mr. Rafique Malik (Chairman), 2) Ms. Farah Malik Bhanji, 3) Mr. Arvind Kumar Singhal
3	Average net profit of the Company for last three financial years.	₹ 15,381.73 Lacs
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	₹ 307.63 Lacs
5	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed further	 ₹ 307.63 Lacs ₹ 193.09 Lacs

(₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projector programs wise	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency (through Implementing Agency)
1 (i) (ii)	Medical treatment of economically weaker patients suffering from Bone Marrow Cancer for critical and life threatening ailments	Promoting health care including preventive health care	Mumbai, Maharashtra	₹ 164.05	₹ 42.09	₹ 102.41	Prince Aly Khan Hospital (PAKH), Mumbai
2	Contribution for setting-up Mumbai's first Head & Neck cancer hospital providing the cancer treatment at subsidized rates	Promoting health care including preventive health care	Mumbai, Maharashtra	₹ 25.00	₹ 25.00	₹ 25.00	The Cancare Trust, Mumbai
3	Contribution to Girls Educational Institute for educational activities	Promoting education, especially among children	Mumbai, Maharashtra	₹ 21.00	₹ 21.00	₹ 21.00	The Fidai Girls Educational Institute, Mumbai
4	Contribution to Kerala Chief Minister's Flood Relief Fund	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for relief	Kerala	₹ 25.00	₹ 25.00	₹ 25.00	Kerala Chief Ministers' Flood Relief Fund
5	Fund for distribution of Hearing Aids & Wheel Chairs for needy disabled & Senior Citizens	Setting up old age homes, day care centers and such other facilities for senior citizens	Mumbai, Maharashtra	₹ 1.45	₹ 1.45	₹ 1.45	Adv. Dayanand Mohite Foundation
	Total			**236.50**	**114.54**	**174.86**	

6. Reasons for not spending the 2% of average net profit of last three financial years:

   During the year under review, the Company continued with its ongoing project for providing free medical treatment to economically weaker patients suffering from Bone Marrow Cancer (BMT) with support from Prince Aly Khan Hospital, Mumbai. However, the Company was not able to spend what was budgeted because it is a need-based process. The medical treatment for Bone Marrow Cancer is slow and runs into number of months. The treatment is also based on the patient's condition and response to the treatment. The patient may be required to be admitted to the hospital number of times and may need extensive medication such as chemotherapy and other prescribed treatment in a phased manner. Lack of complete awareness about this disease, high cost of medication and relatively less numbers of diagnosed patients are major concerns. Only few patients seek treatment of which economically weaker patients are further less. Therefore, the Company could not spend the required amount.

   In order to accelerate the pace of said project, the Company opened the same also for the medical treatment of economically weaker patients from all over India suffering from other critical and life-threatening ailments such as other cancer treatments and surgeries, Neuro treatments and surgeries, Coronary Artery Bypass Grafting, Angioplasty etc.

7. Responsibility statement of the CSR Committee:

   The implementation and monitoring of the Company's CSR Policy is in line with the CSR objectives and Policy of the Company.

Sd/-
Ms. Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN: 00530676

Sd/-
Mr. Rafique A. Malik
Chairman – CSR Committee
DIN: 00521563

Place : Mumbai
Date : 8th July, 2019

Annexure 4 to the Directors' Report

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. For the year ended 31st March, 2019

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	NIL
b	Nature of contracts/arrangements/transaction	
c	Duration of the contracts/arrangements/transaction	
d	Salient terms of the contracts or arrangements or transaction including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions'	
f	Date of approval by the Board	
g	Amount paid as advances, if any	
h	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at arm's length basis.

(I) Leave and License Agreement with Allium Property LLP:

(terminated with effect from 28thSeptember, 2018 on purchase of the premises by your Company)

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Allium Property LLP (Allium) Mr. Rafique A. Malik and Ms. Aziza R. Malik are the Designated Partner in Allium, Ms. Farah Malik Bhanji as their Daughter
b	Nature of contracts/arrangements/transaction	Leave and License agreement
c	Duration of the contracts/arrangements/transaction	5 years and extendable for another 5 years
d	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Location: Unit 411 to 413 at Kanakia Zillion, 4th Floor, LBS Marg & CST Road Junction Kurla (West), Mumbai 400 070 2. Area: 5,118 sq. ft. carpet area (8,444 sq. ft. chargeable area) 3. Effective Date: 1st June, 2018 4. Lock – in period: 1 year 5. Termination by Licensee: 3 months' notice after lock in period 6. Consideration: License Fee on the chargeable area: ₹ 125/- per sq. ft. per month. 7. Escalation in License Fee: 15% every 3 years 8. Maintenance charges: To be paid by the Licensee at actual 9. Property Tax: To be borne by the Licensor 10. Deposit: 6 months
e	Date of approval by the Board	7th June, 2018
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(II) Sale Deed with Allium Property LLP:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	Allium Property LLP (Allium) Mr. Rafique A. Malik and Ms. Aziza R. Malik are the Designated Partners in Allium, Ms. Farah Malik Bhanji as their Daughter
b	Nature of contracts/arrangements/transaction	Sale Deed
c	Duration of the contracts/arrangements/transaction	One time
d	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Location: Units 410 to 414 Zillion, 4th Floor, LBS Marg, Kurla (W), Mumbai – 400 070 2. Area: 8,796 sq.ft. carpet area (14,513 sq.ft. chargeable area) 3. Consideration: ₹ 21,04,38,500/- (excluding stamp duty and registration charges, including parking)
e	Date of approval by the Board	23rd August, 2018
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(III) To revise remuneration payable to Ms. Mumtaz Amir Ali Jaffer:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	Ms. Mumtaz Amir Ali Jaffer Ms. Mumtaz Amir Ali Jaffer is the sister of Mr. Rafique A. Mailk, Chairman.
b	Nature of contracts/arrangements/transaction	Revision in remuneration
c	Duration of the contracts/arrangements/transaction	from 1st June, 2018 to 15th March, 2021
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Revision in remuneration of Ms. Mumtaz Amir Ali Jaffer as a Retainer of the Company to ₹3,00,000/- per month, plus GST and out of pocket expenses (and annual increment as may be decided by the Board of Director / Nomination, Remuneration and compensation Committee).
e	Date of approval by the Board	4th July, 2018 (by circulation).
f	Date of approval by members	3rd August, 2018
g	Amount paid as advances, if any	NIL

(IV) Master Service Agreement with Design Matrix Interiors LLP:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	Design Matrix Interiors LLP (Design Matrix) Mr. Suleiman Bhanji (Director of Design Matrix) is the Husband of Ms. Farah Malik Bhanji, Managing Director of the Company, Mr. Rafique Malik as father and Ms. Aziza Malik as mother of Ms. Farah Malik Bhanji.
b	Nature of contracts/arrangements/transaction	Master Service Agreement
c	Duration of the contracts/arrangements/transaction	19th December, 2018 to 31st March 2022
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Services obtained for providing Interior Design Services and Fitout related work.
e	Date of approval by the Board	6th December, 2018
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(V) Leave and License Agreement with M/s. Metro Shoes, Sole Proprietary Concern:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	M/s. Metro Shoes, Sole proprietary concern Mr. Rafique A. Malik, Chairman is the proprietor of M/s. Metro Shoes Ms. Aziza R. Malik, Whole-time Director, as wife and Ms. Farah Malik Bhanji, Managing Director and CEO, as Daughter of Mr. Rafique A. Malik
b	Nature of contracts/arrangements/transaction	Leave and License Agreement
c	Duration of the contracts/arrangements/transaction	5 Years i.e. from 1stFebruary, 2019 to 31st January, 2024
d	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Location: Unit No. 402, Zillion, 4th Floor, LBS Marg Kurla (West), Mumbai 400 070 2. Area: 200 sq. fts. carpet area (330 sq. fts. chargeable area) 3. Consideration: License Fee on chargeable area: Rs. 100 per sq.ft. per month on chargeable area with escalation of 15% after expiry of the first three years 4. Property Tax and Maintenance charges: To be borne by the Licensor
e	Date of approval by the Board	30th January, 2019
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(VI) Renewal of Omnibus approval for Related Party Transactions – Metmill Footwear Private Limited - Subsidiary Company:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	Metmill Footwear Private Limited (Metmill) - Subsidiary Company
b	Nature of contracts/arrangements/transaction	Renewal of Omnibus approval for Related Party Transactions
c	Duration of the contracts/arrangements/transaction	1 year (Apr19 – Mar20)
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Renewal of Omnibus approval for Related Party Transactions on Annual Basis 1. Nature of the transaction: Sale / Purchase of goods 2. Maximum amount per transaction: ₹ 5 Crores, plus taxes per transaction 3. Maximum Value of transactions, in aggregate: ₹ 110 Crores, plus taxes
e	Date of approval by the Board	12th March, 2019
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(VII) Renewal of Omnibus approval for Related Party Transactions – Design Matrix Interiors LLP:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	Design Matrix Interiors LLP Mr. Suleiman Bhanji is the Husband of Ms. Farah Malik Bhanji, Managing Director of the Company.
b	Nature of contracts/arrangements/transaction	Renewal of Omnibus approval for Related Party Transactions
c	Duration of the contracts/arrangements/transaction	1 year (Apr19 – Mar20)
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Renewal of Omnibus approval for Related Party Transactions on Annual Basis 1. Nature of the transaction: Consultancy services with respect to the fitout work for Showrooms 2. Maximum amount per transaction: ₹ 10 Lacs, plus taxes per Showroom 3. Maximum Value of transactions, in aggregate: ₹ 4 Crores, plus taxes
e	Date of approval by the Board	12th March, 2019
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(VIII) Renewal of Omnibus approval for Related Party Transactions – M.V. Shoe Care Private Limited (MVSC) - Associate Company:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	M.V. Shoe Care Private Limited (MVSC) - Associate Company
b	Nature of contracts/arrangements/transaction	Renewal of Omnibus approval for Related Party Transactions
c	Duration of the contracts/arrangements/transaction	1 year (Apr19 – Mar20)
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Renewal of Omnibus approval for Related Party Transactions on Annual Basis 1. Nature of the transaction: Purchase of goods 2. Maximum amount per transaction: ₹ 15 Lacs, plus taxes per transaction 3. Maximum Value of transactions, in aggregate: ₹ 25 Crores, plus taxes.
e	Date of approval by the Board	12th March, 2019
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

(IX) Confirmation of a trade advance to M.V. Shoe Care Private Limited (MVSC) - Associate Company:

SL. No	Particulars	Details
a	Name (s) of the related party & nature of relationship	M.V. Shoe Care Private Limited (MVSC) - Associate Company
b	Nature of contracts / arrangements / transaction	Confirmation of a trade advance
c	Duration of the contracts / arrangements / transaction	One time
d	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Purpose: Confirmation of a trade advance 2. Interest: @ 15% p.a. 3. Date: 6th September, 2018 4. Basis: Temporary 5. Type: Ordinary course of business of the Company
e	Date of approval by the Board	12th March, 2019
f	Date of approval by members	NA
g	Amount paid as advances, if any	NIL

Repaid on 1st March, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A. Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director &
Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J. Desai
Company Secretary and Chief Finance Officer

PLACE: Mumbai
DATE : 8th July, 2019

Annexure 5 to the Directors' Report

Particulars of loans and guarantees given or security provided and Investments made in other body corporate under Section 186 of the Companies Act, 2013 during the year under review

Details of loans given by the Company
[Pursuant to section186(9) & rule 12(1)]
for the year ended 31st March, 2019

(₹ in Lacs)

Date of giving loan	Name and address of the person or body corporate to whom it is given (Listed / Unlisted entities)	Amount of loan given	Time period for which it is given	Purpose of loan given	Date of passing Board resolution	Date of passing special resolution, if required	Rate of interest (p.a.)	Date of maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
NIL								

Details of Guarantee given by the Company
[Pursuant to section186(9) & rule 12(1)]
for the year ended 31st March, 2019

(₹ in Lacs)

Sr. No.	Date of giving Guarantee	Name and address of the person or body corporate to whom it is given (Listed / Unlisted entities)	Amount of guarantee given	Purpose of guarantee given	Date of passing Board resolution	Date of passing special resolution, if required
	(1)	(2)	(3)	(4)	(5)	(6)
1	12/10/2018	Metmill Footwear Private Limited (Unlisted)	2,500	For meeting the working capital requirement of the borrower	08/06/2017	NA

Details of Investment made by the Company in other body corporate
[Pursuant to section186(9) & rule 12(1)]
for the year ended 31st March, 2019

(₹ in Lacs)

Number and kind of securities	Nominal value and paid up value	Cost of acquisition (in case of securities how the purchase price was arrived at)	Date of selling of investment	Selling price (how the price was arrived at)
(1)	(2)	(3)	(4)	(5)
NIL				

For and on behalf of the Board of Directors

Sd/-
Rafique A. Malik
CHAIRMAN

PLACE: Mumbai
DATED: 8th July, 2019

Annexure 6 to the Directors' Report

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U19200MH1977PLC019449
2.	Registration Date	19/01/1977
3.	Name of the Company	Metro Brands Limited (Formerly Metro Shoes Ltd.)
4.	Category/Sub-category of the Company	Company Limited By Shares, Indian Non-Government Company
5.	Address of the Registered office & contact details	401, Zillion, 4th Floor, LBS Marg & CST Road Junction, Kurla (West), Mumbai – 400 070 Maharashtra Tel: 26547700 Email: info@metrobrands.com
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Sharex Dynamic (India) Pvt. Ltd.** Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 Tel: 2851 5606/ 5644/ 6338.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY-

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Footwear	47713	91%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

SN	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Metmill Footwear Private Limited	U19201MH2009PTC195829	Subsidiary	51%	2(87)(ii)
2	M.V. Shoe Care Private Limited	U74900DL2008PTC182999	Associate	49%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)-

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
Sub-Total-(A) (1)(a)									
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-

Contd.

Contd.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)									
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals – Indian Resident									
RAFIQUE A MALIK	149,940	60	150,000	1.02	1,350,000	-	1,350,000	1.02	0.00
FARAH MALIK BHANJI	441,000	-	441,000	2.99	3,969,000	-	3,969,000	2.99	0.00
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other - Trusts									
FARAH MALIK BHANJI [1]	43,90,440	-	4,390,440	29.81	39,513,960	-	39,513,960	29.76	-0.05
FARAH MALIK BHANJI [2]	44,54,700	-	4,454,700	30.25	40,092,300	-	40,092,300	30.20	-0.05
SUB TOTAL (A) (2)	**94,36,080**	**60**	**9,436,140**	**64.07**	**84,925,260**	**0**	**84,925,260**	**63.97**	**-0.10**
Total Shareholding of Promoter									
(A)= (A)(1)+(A)(2)									
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks/FI	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt.	-	-	-	-	-	-	-	-	
e) Venture Capital Fund	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIS	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
SUB TOTAL (B)(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	147,690	13,500	161,190	1.09	197,250	500	197,750	0.15	-0.94
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakh									
RUKSHANA JAVERI	13,500	-	13,500	0.09	121,500	-	121,500	0.09	0.00
ZIA MALIK LALJI	441,000	-	441,000	2.99	3,969,000	-	3,969,000	2.99	0.00
SABINA MALIK HADI	441,000	-	441,000	2.99	3,969,000	-	3,969,000	2.99	0.00
ZARAH RAFIQUE MALIK	441,000	-	441,000	2.99	3,969,000	-	3,969,000	2.99	0.00
ALISHA RAFIQUE MALIK	661,500	-	661,500	4.49	5,953,500	-	5,953,500	4.48	-0.01
AZIZA RAFIQUE MALIK	75,000	-	75,000	0.51	675,000	-	675,000	0.51	0.00
Others	-	-	-	0	1,472,335	-	1,472,335	1.11	1.11

Contd.

Contd.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)-Trusts									
RAKESH JHUNJHUNWALA*	2,175,200	-	2,175,200	14.77	19,576,800	-	19,576,800	14.75	-0.02
RAFIQUE ABDUL MALIK[3]	220,500	-	220,500	1.50	1,984,500	-	1,984,500	1.49	-0.01
RAFIQUE ABDUL MALIK[4]	220,500	-	220,500	1.50	1,984,500	-	1,984,500	1.49	-0.01
RAFIQUE ABDUL MALIK[5]	220,500	-	220,500	1.50	1,984,500	-	1,984,500	1.49	-0.01
RAFIQUE ABDUL MALIK[6]	220,500	-	220,500	1.50	1,984,500	-	1,984,500	1.49	-0.01
SUB TOTAL (B)(2):									
Total Public Shareholding (B)= (B)(1)+(B)(2)	**5,277,890**	**13,500**	**5,291,390**	**35.93**	**47,841,385**	**500**	**47,841,885**	**36.03**	**0.10**
C. Shares held by Custodian for	-	-	-	-	-	-	-	-	
GDRs & ADRs									
Grand Total (A+B+C)	**1,47,13,970**	**13,560**	**14,727,530**	**100**	**132,766,645**	**500**	**132,767,145**	**100**	**0.00**

1. Ms. Farah Malik Bhanji is holding these Shares as a Trustee, for the benefit of Rafique Malik Family Trust.
2. Ms. Farah Malik Bhanji is holding these Shares as a Trustee, for the benefit of Aziza Malik Family Trust.
3. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Zarah Malik Family Trust.
4. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Farah Malik Family Trust.
5. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Zia Malik Family Trust.
6. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Sabina Malik Family Trust.

*Mr. Rakesh Jhunjhunwala is holding these Shares as a Trustee, for the benefit of Aryaman Jhunjhunwala Discretionary Trust, Aryavir Jhunjhunwala Discretionary Trust and Nishtha Jhunjhunwala Discretionary Trust.

(ii) Shareholding of Promoter / Promoter Group-

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 1-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
	PROMOTERS							
1	Mr. Rafique Abdul Malik	1,50,000	1.02	0.00	1,350,000	1.02	0.00	0.00
2	Ms. Farah Malik Bhanji	441,000	2.99	0.00	3,969,000	2.99	0.00	0.00
3	Ms. Farah Malik Bhanji[1]	4,390,440	29.81	0.00	39,513,960	29.76	0.00	-0.05
4	Ms. Farah Malik Bhanji[2]	4,454,700	30.25	0.00	40,092,300	30.20	0.00	-0.05
	PROMOTER GROUP							
5	Mr. Rafique Abdul Malik[3]	220,500	1.50	0.00	1,984,500	1.49	0.00	0.00
6	Mr. Rafique Abdul Malik[4]	220,500	1.50	0.00	1,984,500	1.49	0.00	0.00
7	Mr. Rafique Abdul Malik[5]	220,500	1.50	0.00	1,984,500	1.49	0.00	0.00
8	Mr. Rafique Abdul Malik[6]	220,500	1.50	0.00	1,984,500	1.49	0.00	0.00
9	Ms. Aziza Rafique Malik	75,000	0.51	0.00	675,000	0.51	0.00	0.00
10	Ms. Zia Malik Lalji	441,000	2.99	0.00	3,969,000	2.99	0.00	0.00
11	Ms. Zarah Rafique Malik	441,000	2.99	0.00	3,969,000	2.99	0.00	0.00
12	Ms. Sabina Malik Hadi	441,000	2.99	0.00	3,969,000	2.99	0.00	0.00
13	Ms. Alisha Rafique Malik	661,500	4.49	0.00	5,953,500	4.48	0.00	-0.01
14	Ms. RukshanaJaveri	13,500	0.09	0.00	121,500	0.09	0.00	0.00
15	Ms. Mumtaz Jaffer	1,350	0.01	0.00	12,150	0.01	0.00	0.00
16	Mr. Suleiman Sadruddin Bhanji	1,350	0.01	0.00	12,150	0.01	0.00	0.00
	Total	**1,23,93,840**	**84.15**	**0.00**	**111,544,560**	**84.02**	**0.00**	**-0.11**

1. Ms. Farah Malik Bhanji is holding these Shares as a Trustee, for the benefit of Rafique Malik Family Trust
2. Ms. Farah Malik Bhanji is holding these Shares as a Trustee, for the benefit of Aziza Malik Family Trust
3. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Zarah Malik Family Trust
4. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Farah Malik Family Trust
5. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Zia Malik Family Trust
6. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Sabina Malik Family Trust

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

SN	Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No. of Shares	% of total Shares of the company
1	Mr. Rafique Abdul Malik	150,000	1.02	Date: 12/12/2018 No. of Shares: 1,200,000 Increase – Bonus Issue	1,350,000	1.02
2	Ms. Farah Malik Bhanji	441,000	2.99	Date: 12/12/2018 No. of Shares: 3,528,000 Increase – Bonus Issue	3,969,000	2.99
3	Ms. Farah Malik Bhanji[1]	4,390,440	29.81	Date: 12/12/2018 No. of Shares: 35,123,520 Increase – Bonus Issue	39,513,960	29.76
4	Ms. Farah Malik Bhanji[2]	4,454,700	30.25	Date: 12/12/2018 No. of Shares: 35,637,600 Increase – Bonus Issue	40,092,300	30.20

1. Ms. Farah Malik Bhanji is holding these Shares as a Trustee, for the benefit of Rafique Malik Family Trust
2. Ms. Farah Malik Bhanji is holding these Shares as a Trustee, for the benefit of Aziza Malik Family Trust

(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No. of Shares	% of total Shares of the company
1	Mr. Rakesh Jhunjhunwala[1]	725,067	4.92	Date: 12/12/2018 No. of Shares: 5,800,536 Increase – Bonus Issue	6,525,603	4.92
2	Mr. Rakesh Jhunjhunwala[2]	725,067	4.92	Date: 12/12/2018 No. of Shares: 5,800,536 Increase – Bonus Issue	6,525,603	4.92
3	Mr. Rakesh Jhunjhunwala[3]	725,066	4.92	Date: 12/12/2018 No. of Shares: 5,800,528 Increase – Bonus Issue	6,525,594	4.92
4	Ms. Alisha Rafique Malik	661,500	4.49	Date: 12/12/2018 No. of Shares: 5,292,000 Increase – Bonus Issue	5,953,500	4.48
5	Zarah Rafique Malik	441,000	2.99	Date: 12/12/2018 No. of Shares: 3,528,000 Increase – Bonus Issue	3,969,000	2.99
6	Zia Malik Lalji	441,000	2.99	Date: 12/12/2018 No. of Shares: 3,528,000 Increase – Bonus Issue	3,969,000	2.99
7	Sabina Malik Hadi	441,000	2.99	Date: 12/12/2018 No. of Shares: 3,528,000 Increase – Bonus Issue	3,969,000	2.99

SN	Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No. of Shares	% of total Shares of the company
8	Rafique Abdul Malik[4]	220,500	1.49	Date: 12/12/2018 No. of Shares: 1,764,000 Increase – Bonus Issue	1,984,500	1.49
9	Rafique Abdul Malik[5]	220,500	1.49	Date: 12/12/2018 No. of Shares: 1,764,000 Increase – Bonus Issue	1,984,500	1.49
110	Rafique Abdul Malik[6]	220,500	1.49	Date: 12/12/2018 No. of Shares: 1,764,000 Increase – Bonus Issue	1,984,500	1.49
11	Rafique Abdul Malik[7]	220,500	1.49	Date: 12/12/2018 No. of Shares: 1,764,000 Increase – Bonus Issue	1,984,500	1.49

1. Mr. Rakesh Jhunjhunwala is holding these Shares as a Trustee, for the benefit of Aryaman Jhunjhunwala Discretionary Trust
2. Mr. Rakesh Jhunjhunwala is holding these Shares as a Trustee, for the benefit of AryavirJhunjhunwala Discretionary Trust
3. Mr. Rakesh Jhunjhunwala is holding these Shares as a Trustee, for the benefit of NishthaJhunjhunwala Discretionary Trust
4. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Zarah Malik Family Trust
5. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Farah Malik Family Trust
6. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Zia Malik Family Trust
7. Mr. Rafique Abdul Malik is holding these Shares as a Trustee, for the benefit of Sabina Malik Family Trust

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No. of Shares	% of total Shares of the company
1	Mr. Rafique A. Malik	150,000	1.02	Date: 12/12/2018 No. of Shares: 1,200,000 Increase – Bonus Issue	1,350,000	1.02
2	Ms. Aziza Rafique Malik	75,000	0.51	Date: 12/12/2018 No. of Shares: 600,000 Increase – Bonus Issue	675,000	0.51
3	Ms. Farah Malik Bhanji	441,000	2.99	Date: 12/12/2018 No. of Shares: 3,528,000 Increase – Bonus Issue	3,969,000	2.99
4	Mr. Subhash Malik	1,450	0.01	Date: 06/08/2018 No. of Shares: 1,150 Increase – ESOP Shares		
				Date: 01/10/2018 No. of Shares: 1,000 Increase – ESOP Shares		
				Date: 12/12/2018 No. of Shares: 28,800 Increase – Bonus Issue	32,400	0.02
5	Mr. Rakesh Jhunjhunwala	NIL				
6	Mr. Utpal Sheth					
7	Mr. Manoj Kumar Maheshwari					
8	Ms. Aruna Advani					
9	Mr. Arvind Kumar Singhal					
10	Mr. Karan Singh					
11	Mr. Vikas Khemani					

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No. of Shares	% of total Shares of the company
Key Managerial Personnel (KMP)						
12	Mr. Desai Jaiprakash Janardan	12,600	0.09	Date: 12/12/2018 No. of Shares: 100,800 Increase – Bonus Issue	113,400	0.09
13	Ms. Alisha Rafique Malik	661,500	4.49	Date: 12/12/2018 No. of Shares: 5,292,000 Increase – Bonus Issue	5,953,500	4.48
14	Mr. Sohel Kamdar	12,600	0.09	Date: 12/12/2018 No. of Shares: 100,800 Increase – Bonus Issue	113,400	0.09
15	Mr. Kaushal Parekh	-	-	Date: 05/09/2018 No. of Shares: 3,600 Increase – ESOP Shares		
				Date: 12/12/2018 No. of Shares: 28,800 Increase – Bonus Issue		
				Date: 06/03/2019 No. of Shares: 8,100 Increase – ESOP Shares	40,500	0.03

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	NIL			
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Rafique A. Malik	Ms. Aziza Rafique Malik	Ms. Farah Malik Bhanji	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	481.11	145.45	202.50	829.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-
5	Others, please specify (Performance Bonus)	61.96	18.86	26.22	107.04
	Total (A)	543.07	164.31	228.72	936.10
	Ceiling as per the Act	1,069.74	1,069.74	1,069.74	1,069.74

B. Remuneration to other directors

(₹ in Lacs)

SN.	Particulars of Remuneration						
		Mr. Manoj Kumar Maheshwari	Ms. Aruna Advani	Mr. Arvind Kumar Singhal	Mr. Karan Singh	Mr. Vikas Khemani	Total Amount
1	Independent Directors						
	Fee for attending board / committee meetings	3.10	3.60	2.40	1.20	-	10.30
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	**3.10**	**3.60**	**2.40**	**1.20**	**-**	**10.30**
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**3.10**	**3.60**	**2.40**	**1.20**	**-**	**10.30**
	Total Managerial Remuneration						**946.40**
	Overall Ceiling as per the Act						**1,069.74**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

SN	Particulars of Remuneration	Key Managerial Personnel				
	Name	Ms. Alisha Malik	Mr. Sohel Kamdar	Mr. J. J. Desai	Mr. Kaushal Parekh	Total
	Designation	Vice President – E-Commerce	Chief Operating Officer	Company Secretary & CFO	Vice President – Finance & Business Process	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	34.45	196.95	123.73	68.35	423.49
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-

(₹ in Lacs)

SN	Particulars of Remuneration	Key Managerial Personnel				
	Name	Ms. Alisha Malik	Mr. Sohel Kamdar	Mr. J. J. Desai	Mr. Kaushal Parekh	Total
	Designation	Vice President – E-Commerce	Chief Operating Officer	Company Secretary & CFO	Vice President – Finance & Business Process	
4	Commission - as % of profit others, specify	-	-	-	-	*
5	Others, please specify (Performance Bonus)	4.92	29.32	14.45	5.12	53.81
	Total	**39.38**	**226.27**	**138.18**	**73.47**	**477.30**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure 7 to the Directors' Report

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2019

To
The Members
Metro Brands Limited
401, Kanakia, Zillion, 4th Floor,
Kurla West
Mumbai – 400 070

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by Metro Brands Limited (formerly Metro Shoes Ltd.), (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has during the year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year under review, according to the provision of :

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) to the extent they are applicable to the company

  (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;

(iv) Legal Metrology (Packaged Commodity) Act, 2009

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are capture and recorded as part of the minutes.

The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Prima facie these systems and processes in the company are adequate and are commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has undertaken the following actions having a major bearing on the company's affairs in pursuance of the above referred laws:-

a) The name of the company has been changed from Metro Shoes Limited to Metro Brands Limited in compliance with the applicable provisions of the Companies Act, 2013

b) The Company increased its Authorised Share Capital from ₹ 15 Crores to ₹ 150 Crores and carried out necessary amendments to its Memorandum of Association.

c) The Company issued 118,001,920 Bonus Equity Shares in the ratio of Eight (8) equity shares for every one (1) equity share held by the members as on the record date of 11th December, 2018.

d) The Company has passed an enabling special resolution for making an Initial Public Offer.

e) The Company has filed an application for compounding of an offence under Section 67 of the Companies Act, 1956. The application is pending before the National Company Law Tribunal, Mumbai Bench

Sd/-
A. SEKAR
COMPANY SECRETARY
ACS 8649 CP 2450

PLACE : Mumbai
DATE : 8th July, 2019

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A'

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-
A. SEKAR
COMPANY SECRETARY
ACS 8649 CP 2450

PLACE : Mumbai
DATE : 8th July, 2019

Annexure 8 to the Directors' Report

Statement containing information under section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of this Directors Report

Employed throughout the financial year under review and were in receipt of remuneration aggregating not less than ₹ 102 Lacs p.a., or
Employed for a part of financial year and were in receipt of remuneration aggregating not less than ₹ 8.5 Lacs p.m.

Name of the Employee	Age (Years)	Designation	Educational Qualification	Date of Commencement of Employment	Experience	Remuneration (₹ in Lacs)	Particulars of Last Employment	Relation with other Directors
Mr. Rafique A. Malik	69	Chairman	B.Com., OPM Harvard, U.S.A.	19.07.1977	50	543.07	Business	Related with Ms. Farah Malik Bhanji as Father and Ms. Aziza Malik as Husband.
Ms. Farah Malik Bhanji	43	Managing Director & Chief Executive Officer	B.A., B.B.A. in Finance (USA), OPM Harvard, U.S.A. (Pursuing)	05.12.2000	21	228.72	Business	Related with Mr. Rafique A. Malik and Ms. Aziza Malik as Daughter.
Ms. Aziza Rafique Malik	69	Whole Time Director	B.Com.	02.01.1986	30	164.31	Business	Related with Mr. Rafique A. Malik as Wife and Ms. Farah Malik Bhanji as Mother.
Mr. Sohel J. Kamdar	42	Chief Operating Officer	B.Com., A.C.A.	16.02.2005	19	226.27	Tabisco Enterprises Ltd. (Tanzania)	-
Mr. Jaiprakash J.Desai	60	Company Secretary & Chief Finance Officer	B.Com. (Hons), L.L.B. (Gen), A.C.A, A.C.S.	01.07.2002	36	138.18	Dabhol Power Company	-

Note:

1. All appointments are contractual and terminable by notice on either side.
2. None of the employees referred above draws remuneration more than the remuneration drawn by the Managing Director or Whole-time Director or manager and holds, by themselves or along with their spouse and dependent children, two percent or more of the equity shares of the Company.
3. Experience includes number of years service both within the Company and elsewhere.

ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Rafique A. Malik
CHAIRMAN

PLACE : Mumbai
DATED : 8th July, 2019

Annexure 9 to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014)

A. Conservation of Energy:

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented. The Company has been using energy efficient LED lights in the showrooms which are very effective in power saving. The Company has also started installing energy efficient VRF Inverter based Air-conditioning systems in the Showrooms. These systems are comparatively costlyhowever provide substantial saving in terms of monthly energy costs. The efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

B. Technology Absorption:

(i) Efforts made for technology absorption & Benefits derived: The operations of the Company do not involve any technology absorption. The Company has not imported any technology during the previous years and has no technical collaboration with any party.

(ii) Details of technology imported during the last three years reckoned from the beginning of the financial year: NIL

(iii) Expenditure incurred on Research & Development: The Company does not have any specific present or future plan of action for research and development. However, it will continue its efforts to implement innovative ways for customer service and delighting the customers.

C. Foreign Exchange Earnings/ Outgo: **(₹ in Lacs)**

Particulars	2018-19	2017-18
Foreign Exchange Earnings		
Sale of Footwear and Accessories	1.15	NIL
Foreign Exchange Outgo		
a) Purchase of Footwear and Accessories	7,329.22	6,363.14
b) Travelling & Other Expenses	14.67	25.51
c) Professional & Consultancy Fees	96.79	36.92

AUDITOR'S REPORT

(STANDALONE)

INDEPENDENT AUDITOR'S REPORT

To The Members of Metro Brands Limited (formerly known as Metro Shoes Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Metro Brands Limited (formerly known as Metro Shoes Limited) ["the Company"], which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian 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 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Responsibility for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company

has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 standalone 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.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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.

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.

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.
    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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
    d) In our opinion, the a fore said standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
    e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
    h) 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 standalone financial statements – Refer Note 24(i)(a) to the standalone financial statements.
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
        iii. There has been no amounts which were 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 B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 19100459AAAABG8146

PLACE: Mumbai
DATE: July 8, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(f)under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Metro Brands Limited (formerly known as Metro Shoes Limited) on the standalone financial statements for the year ended 31st March, 2019]

Report on the Internal Financial Controls Over Financial Reporting 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 Metro Brands Limited(formerly known as Metro Shoes Limited) [“the Company”] as of 31st March, 2019 in conjunction with our audit of the standalone 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. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

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, to the best of our information and according to the explanations given to us, 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 31st March, 2019, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 19100459AAAABG8146

PLACE: Mumbai
DATE: 8th July, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Metro Brands Limited (formerly known as Metro Shoes Limited) on the standalone financial statements for the year ended 31st March, 2019)

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets (Property, Plant and Equipment).

(b) The Company has a program of verification of fixed assets (Property, Plant and Equipment) to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered Agreements for sale provided to us, we report that, the title deeds, comprising the immovable properties of units in a building which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to a company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The loans are repayable on demand. The receipt of interest has been as per stipulations.

c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st March, 2019 and accordingly, provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Excise Duty, Goods and Services tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Excise Duty, Goods and Service tax, Cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Customs Duty and Excise Duty which have not been deposited as on 31st March, 2019 on account of disputes are given below.

Name of Statute	Nature of Dues	Period to which the amount relates	Amount involved (Rs.in lacs)	Amount unpaid (Rs.in lacs)	Forum where Dispute is pending
Central Excise Act, 1944	Excise Duty	April 2005 to September 2005	31.02	31.02	CESTAT, Mumbai
		April 2006 to December 2007	99.62	79.62	
		January 2008 to March 2011	260.69	230.69	
		April 2006 to March 2014	8.87	8.87	
Finance Act, 1994 and Service Tax Laws	Service Tax	September 2008 to March 2011	10.59	10.59	Supreme Court of India
Central Sales and Sales Tax/ Value Added Tax Act of various states	Sales Tax	2013-2014	76.43	46.43	Joint Commissioner of Commercial Tax (Appeals)-Bihar
		2011-2012	1.61	1.61	Deputy Commissioner Appeal, Ernakulam
		2012-2013	20.05	20.05	
		2013-2014	645.84	633.64	Joint Commissioner -1 Appeal, Ahmedabad
The Income Tax Act, 1961	Income tax	A.Y. 2011-12	4.55	4.55	Commissioner of Income Tax, Appeal

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Companies (Auditor's Report) Order, 2016 (the "Order") is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standard.

(xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 19100459AAAABG8146

PLACE: Mumbai
DATE: July 8, 2019

FINANCIAL STATEMENTS
(STANDALONE)

Balance Sheet as at March 31, 2019

₹ in Lacs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2a	21,688.02	18,182.25
(b) Capital work-in-progress		303.49	312.67
(c) Other Intangible assets	2b	494.94	159.63
(d) Intangible assets under development		103.10	288.60
(e) Financial assets			
(i) Investments	3	504.26	504.26
(ii) Other financial assets	5	4,788.71	4,183.25
(f) Other non-current assets	6	105.32	114.33
Total non - current assets		**27,987.84**	**23,744.99**
2 Current assets			
(a) Inventories	7	33,073.53	25,981.86
(b) Financial assets			
(i) Investments	3	20,276.96	17,894.56
(ii) Trade receivables	8	1,021.13	634.88
(iii) Cash and cash equivalents	9a	1,114.25	1,493.73
(iv) Bank Balances other than (iii) above	9b	50.18	26.54
(v) Loans	4	280.81	258.93
(vi) Other financial assets	5	391.25	158.56
(c) Other current assets	6	3,815.63	2,369.37
Total current assets		**60,023.74**	**48,818.43**
Total assets (1+2)		**88,011.58**	**72,563.42**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	13,276.71	1,472.75
(b) Other equity	11	53,178.04	54,664.86
Total equity		**66,454.75**	**56,137.61**
LIABILITIES			
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	23	725.83	373.27
Total non - current liabilities		**725.83**	**373.27**
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Outstanding dues of Micro Enterprises and Small Enterprises	14	75.84	-
Outstanding dues to other than Micro Enterprises and Small Enterprises	14	17,804.28	13,099.89
(ii) Other financial liabilities	12	1,325.79	1,057.11
(b) Provisions	13	233.92	186.79
(c) Current tax liabilities (Net)		178.52	478.90
(d) Other Current liabilities	15	1,212.65	1,229.85
Total current liabilities		**20,831.00**	**16,052.54**
Total equity and liabilities (1+2+3)		**88,011.58**	**72,563.42**
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lacs

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	16	115,495.84	104,346.91
II	Other Income	17	1,748.91	912.23
III	**Total Income (I + II)**		**117,244.75**	**105,259.14**
IV	**Expenses**			
	(a) Purchases	18	58,764.04	48,925.00
	(b) Changes in inventories of stock in trade	19	(7,091.67)	(3,129.18)
	(c) Excise duty on sale of goods		-	986.99
	(d) Employee benefits expense	20	10,189.07	8,941.41
	(e) Depreciation and amortisation expense	2a & 2b	2,228.79	1,921.58
	(f) Other expenses	21	30,767.86	27,160.39
	Total Expenses (IV)		**94,858.09**	**84,806.19**
V	**Profit before tax (III-IV)**		**22,386.66**	**20,452.95**
VI	**Tax expense**			
	(1) Current tax	22	7,249.95	6,836.33
	(2) Deferred tax	23	352.56	100.04
	Total tax expense		**7,602.51**	**6,936.37**
VII	**Profit after tax for the year (V-VI)**		**14,784.15**	**13,516.58**
VIII	**Other comprehensive income**		**(77.90)**	**(53.66)**
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(56.19)	(92.24)
	- Income tax relating to items that will not be reclassified to profit or loss		19.63	31.93
	(ii) Items that will be reclassified to profit or loss			
	- (Loss) / Gain arising fair valuation of quoted investments in bonds		(41.34)	10.16
	- Income tax relating to items that may be reclassified to profit or loss		-	(3.51)
IX	**Total comprehensive income for the year (VII + VIII)**		**14,706.25**	**13,462.92**
	Earning per equity share (of Rs. 10 each):			
	Basic	**29**	**11.14**	**10.20**
	Diluted	**29**	**11.14**	**10.19**
	See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

Statement of cash flow for the year ended March 31,2019

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	**22,386.66**	**20,452.95**
Adjustments for:		
Depreciation and Amortisation expense	2,228.79	1,921.58
Net unrealised exchange (gain)	(58.29)	(0.54)
Loss on Sale / Discard of Property Plant & Equipment (net)	127.85	135.13
Irrecoverable advances written off	-	14.00
Dividend income from Current Investments in Mutual Funds	(423.04)	(347.14)
Net Gain arising on Investments designated as FVTPL	(1,022.09)	(298.66)
Interest Income	(134.96)	(136.95)
Allowance for doubtful Trade receivables, advances and deposits	6.52	11.09
Employee's Stock Options Expenses	0.32	-
Liabilities no longer required, written back	(38.17)	-
Operating profit before working capital changes	**23,073.59**	**21,751.46**
Movement in working capital:		
(Increase) in Trade Receivable	(392.77)	(174.21)
(Increase) in other financial assets	(837.45)	(871.15)
(Increase) in other current assets	(1,429.98)	(637.54)
(Increase) in Inventories	(7,091.67)	(998.17)
(Increase) / Decrease in other non-current assets	(11.17)	60.00
Increase in trade and other payables	4,838.49	3,240.95
(Decrease) in Other current liabilites	(17.20)	(362.04)
Increase in Other financial liabilites	61.65	70.84
Increase in Provisions	47.13	5.00
	(4,832.97)	**333.68**
Cash generated from operations	**18,240.62**	**22,085.14**
Less: income taxes paid	(7,530.70)	(6,430.72)
Net cash generated from operating activities	**10,709.91**	**15,654.42**
Capital Expenditure on Property, Plant & Equipment including Capital Advances	(5,870.16)	(3,279.10)
Proceeds from Sale / Discard of Property Plant & Equipment	38.16	7.61
Interest Received	133.54	136.31
Bank Balances (including Non Current) not considered as Cash and Cash equivalents	(22.92)	2,006.70
Purchase of Current Investments	(33,209.79)	(29,408.74)
Redemption of Current Investments	31,808.16	20,880.71
Loan given to Joint Venture	(100.00)	-
Loan repaid by Joint Venture	100.00	-
Dividend Income from Mutual Funds	423.04	347.14
Net cash used in investment activities	**(6,699.97)**	**(9,309.37)**
Cash flow from financing activities		
Proceeds from Issue of ESOP Shares (Including Securities Premium)	74.07	-
Final and Interim Dividends including Dividend Tax paid	(4,463.50)	(5,317.71)
Net cash used in Financing activities	**(4,389.43)**	**(5,317.71)**
Net increase/(decrease) in cash and cash equivalents	**(379.48)**	**1,027.34**
Cash and cash equivalents at the beginning of the year [Refer Note 9a]	1,493.73	466.39
Cash and cash equivalents at the end of the year [Refer Note 9a]	1,114.25	1,493.73

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance as at beginning of the year	1,472.75	1,472.75
Bonus Shares alloted during the year	11,800.19	-
Shares issued on exercise of employee stock options during the year	3.77	-
Balance as the end of the year	13,276.71	1,472.75

B. Other Equity

₹ in Lacs

	Reserves and Surplus					
Particulars	**Securities premium**	**General reserve**	**Employee stock options outstanding account**	**Retained earnings**	**Other comprehensive income (net of taxes)**	**Total**
Balance as at March 31, 2017	**574.66**	**8,670.10**	**16.87**	**34,804.89**	**60.16**	**44,126.68**
Profit for the year	-	-	-	13,516.58		13,516.58
Other comprehensive income (net of taxes)	-	-	-	-	(53.66)	(53.66)
Total comprehensive income for the year	**-**	**-**	**-**	**13,516.58**	**(53.66)**	**13,462.93**
Interim Dividend	-	-	-	(2,430.04)		(2,430.04)
Dividend distribution tax	-	-	-	(494.70)		(494.70)
Balance as at March 31, 2018	**574.66**	**8,670.10**	**16.87**	**45,396.73**	**6.50**	**54,664.86**
Profit for the year	-	-	-	14,784.15	-	14,784.15
Other comprehensive income (net of taxes)	-	-	-	-	(77.90)	(77.90)
Total comprehensive income for the year	**-**	**-**	**-**	**14,784.15**	**(77.90)**	**14,706.25**
Final Dividend				(516.04)	-	(516.04)
Dividend Distribution Tax on Final Dividend				(106.07)	-	(106.07)
Interim Dividend	-	-	-	(3,186.41)	-	(3,186.41)
Dividend distribution tax	-	-	-	(654.98)	-	(654.98)
Premium received on Issue of ESOP Shares	70.30	-	-	-	-	70.30
Employee's Stock Options Expenses			(6.79)	7.11	-	0.32
Transfer from ESOP outstanding account to share premium on exercise	7.23		(7.23)	-	-	-
Utilised in Issue of Bonus Shares	(574.66)	(8,670.10)	-	(2,555.43)	-	(11,800.19)
Balance as at March 31, 2019	**77.53**	**-**	**2.85**	**53,169.06**	**(71.40)**	**53,178.04**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENTS

(STANDALONE)

METRO BRANDS LIMITED (FORMERLY KNOWN AS METRO SHOES LIMITED)

Notes forming part of the standalone financial statements as at and for the year ended March31, 2019

Note 1 .a Corporate Information

Metro Brands Limited (Formerly known as Metro Shoes Limited) ['the Company'] is an unlisted Public Limited Company. The Company is a retailer in fashion footwear, bags and accessories operating in the premium and economy category. The Company commenced business in the year 1986 with few Showrooms, and currently has showrooms in the major cities of India.

The addresses of its registered office and principal place of business are given below .

401, Zillion, 4th Floor, LBS Marg & CST Road Junction, Kurla (West), Mumbai – 400 070.

Note 1.b Significant Accounting Policies

A) Statement of compliance :

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, considering other relevant provisions of the Act.

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

The standalone financial statements were approved by the Board of Directors and authorised for issue on July 08, 2019.

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) Revenue Recognition:

I) Sale of goods:

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers for an amount that reflects the consideration the Company expects to receive in exchange for those products.The control of goods is transferred to the customer depending upon agreed terms with customer or on delivery basis. Control is considered to be transferred to the customer when the customer has ability to direct the use of such products and obtain substantially all the benefits from it.

Sale of Gift voucheris considered as advance received from the customers till the time the vouchers are redeemed by the customer for purchase of products and products sold is qualified for revenue recognition.

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase products in the Company's retail stores. The points can be redeemed against consideration payable for subsequent purchases. Consideration received is allocated between the products sold and number of points expected to be redeemed. The consideration allocated to the loyalty points is measured by reference to their fair value. The Company recognises the consideration allocated to loyalty points, when the loyalty points are redeemed.

II) Interest and Dividend Income:

Dividend Income is accounted when right to receive the dividend is established.

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

C) Property, plant and equipment and intangible assets:

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, other incidental expenses 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.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation:

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. Improvements to building are depreciated over the estimated useful life of 10 years.

Intangible Assets:

Intangible Assets with finite useful lives 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 acquired separately are carried at cost less accumulated impairment loss.

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

- Trademark – 10 years
- Copy Rights – 10 years
- Computer Software – 5 years
- Commercial Rights - 10 years

Capital work in progress:

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible Assets under development:

Expenditure on intangible assets under development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

D) 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

E) Inventories:

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

With effect from July 1, 2018, the Company has changed the basis of measurement of cost from 'Retail Method' to 'moving weighted average cost method' as a more precise basis of measuring cost of inventory. Accordingly, as per the requirements of paragraph 22 of Ind AS 8 on “Accounting policies, Changes in Accounting Estimates and errors”, the Company needs to give retrospective effect and adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

The Company determined that it is impracticable to determine the effect of retrospective application to any periods prior to April 1, 2018, since the information required to measure cost of inventory on the basis of moving weighted average cost method was not maintained in the erstwhile accounting application software used in the prior periods and the required information cannot be accurately collected making every reasonable effort. Accordingly, The Company has applied the change in the accounting policy for the year ending March 31, 2019.

F) Taxes on Income:

Income Tax expense represents the sum of the current tax and deferred tax.

Current Tax

Currenttax is the tax payable on the 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, in accordance with The Income Tax Act, 1961.

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 is realised, 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.

G) Employee Benefits:

Short-term employee benefits:

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

In case of non-accumulating compensated absences, the cost of short-term compensated absences is accounted when the absences occur.

Long-term employee benefits:

I) Defined Contribution Plan:

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.

II) Defined Benefit Plan:

The Company has Defined Benefit Plan in the form of Gratuity.

Gratuity fund is recognised by the Income-tax authorities and administered through an Insurance fund. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate (interest rates of government bonds) that have terms to maturity approximating to the terms of the Gratuity.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in 'other comprehensive income (net of taxes)' in the statement of changes in equity and in the balance sheet.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

H) 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 remeasurement of 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.

I) Employees Stock Option Plan (ESOP) :

In respect of Employee Stock Options, the Company measures the compensation cost using the fair value on grant date. The compensation cost, if any, is amortised on a straight-line basis over the vesting period of the options, based on the Company's estimate of equity instruments that will eventually vest.

J) Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. 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.

Provision for warranty :

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is:–

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made.

K) Financial assets and Financial liabilities:

Financial Instruments:

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 and Loss.

Financial assets:

(i) Classification:

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company classifies its financial assets in the following subsequent measurement categories:

Amortised Cost

Financial Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Other Comprehensive Income (FVOCI)

Financial Assets (including debt instruments) are subsequently measured at fair value through other comprehensive income when the asset is held within a business model with an objective that is achieved by collecting contractual cash flows and selling financial assets and the terms of the instrument give rise to cash flows that represent solely payments of principal and interest thereon. Movements in the carrying amount of such assets are taken through Other Comprehensive Income (OCI). When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

(ii) Impairment of Financial Assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instruments at FVOCI. For trade receivables, loans and advances given, the Company measure the loss allowance atan amount equal to lifetime expected credit losses. This expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward looking information. The computation also takes into consideration whether there has been a significant increase in credit risk.

(iii) Derecognition of Financial Assets:

A financial asset is derecognised only when:

- the Company has transferred the contractual rights to receive cash flows of the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities:

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises 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 derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

L) Leases :

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. The Company's rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases and accordingly such increases are recognised in the year in which such benefits accrue.

M) 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.

N) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

O) 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.

P) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions (Refer Note 28)

Note 1.c- Critical Accounting Estimates and Judgements

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to the estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following are the areas involving critical estimates and judgements as at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

- Estimation of Revenue arising from Loyalty points [Refer Note 1.b(B)(I)]
- Estimation of useful life of Property, Plant and Equipment [Refer Note 1.b(C)]
- Estimation of Defined Benefit Obligation [Refer Note 1.b(G)(II)]
- Fair value measurements and valuation process.1.b(K)(I)]
- Impairment of Financial Assets [Refer Note 1.b(K)(II)]

Note 1.d – Recent accounting pronouncements

Ind AS 116 – Leases

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, there by issuing new Ind AS 116, Leases, effective from April 1, 2019, superseding Ind AS 17, Leases which was applicable upto March 31, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Unlike Ind AS 17 which requires operating lease payments are charged to the statement of profit and loss, Ind AS 116 requires that lessees bring virtually all leases onto the balance sheet, applying a 'right-of-use asset' model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments. The standard provides certain recognition exemptions which allow companies to recognise lease payments as an expense. Entities may use retrospective approach, modified retrospective approach or a modified simplified approach to transition to Ind AS 116.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 on the financial statements. Based on the preliminary assessment by the Company, Ind AS 116 is likely to have material impact on the financial statement.

Amendment to Ind AS 12 Income Taxes:

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The amendment is effective for annual periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on the financial statements.

Amendment to Ind AS 19 'Employee Benefits':

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on the financial statements.

Notes forming part of the standalone financial statements for the year ended March 31, 2019

2a. Property, Plant and Equipment:

₹ in Lacs

Description of Assets	Buildings	Leasehold Improvements (Showrooms and Office) (Refer Foot Note)	Furniture and Fittings	Machinery and Equipment	Motor Vehicles	Computers	Total
I. Cost							
Balance as at 1 April, 2017	**8,912.38**	**8,964.10**	**1,996.63**	**1,847.78**	**266.08**	**562.29**	**22,549.26**
Additions	-	1,888.78	527.22	375.66	252.01	271.76	3,315.43
Disposals	-	(413.78)	(37.22)	(62.70)	-	(27.88)	(541.58)
Balance as at March 31, 2018	**8,912.38**	**10,439.10**	**2,486.63**	**2,160.74**	**518.09**	**806.17**	**25,323.11**
Additions	2,209.91	2,294.58	632.64	487.06	-	150.49	5,774.68
Disposals	-	(534.81)	(52.60)	(90.95)	(113.36)	(21.65)	(813.37)
Balance as at March 31, 2019	**11,122.29**	**12,198.87**	**3,066.67**	**2,556.85**	**404.73**	**935.01**	**30,284.42**
II. Accumulated depreciation							
Balance as at April 1, 2017	310.08	3,655.67	651.00	610.70	77.42	376.83	5,681.70
Depreciation expense for the year	203.44	1,017.37	247.80	216.54	67.08	105.78	1,858.01
Eliminated on disposal of assets / write off	-	(305.89)	(20.55)	(46.08)	-	(26.32)	(398.84)
Balance as at March 31, 2018	**513.52**	**4,367.15**	**878.25**	**781.16**	**144.50**	**456.29**	**7,140.87**
Depreciation expense for the year	220.93	1,154.41	290.09	253.32	48.45	135.69	2,102.89
Eliminated on disposal of assets / write off	-	(432.90)	(42.18)	(64.15)	(87.92)	(20.21)	(647.36)
Balance as at March 31, 2019	**734.45**	**5,088.66**	**1,126.16**	**970.33**	**105.03**	**571.77**	**8,596.40**
Net carrying amount (I-II)							
Balance as at March 31, 2019	**10,387.84**	**7,110.21**	**1,940.51**	**1,586.52**	**299.70**	**363.24**	**21,688.02**
Balance as at March 31, 2018	**8,398.86**	**6,071.95**	**1,608.38**	**1,379.58**	**373.59**	**349.88**	**18,182.25**

2b. Other Intangible Assets (Represents other than Internally generated intangible assets):

₹ in Lacs

Description of Assets	Copyrights	Trademarks	Computer Software	Total
I. Cost				
Balance as at 1 April, 2017	**26.00**	**130.67**	**318.73**	**475.40**
Additions	-	-	66.91	66.91
Balance as at March 31, 2018	**26.00**	**130.67**	**385.64**	**542.31**
Additions	-	100.00	361.21	461.21
Balance as at March 31, 2019	**26.00**	**230.67**	**746.85**	**1,003.52**
II. Accumulated amortisation				
Balance as at April 1, 2017	**25.99**	**128.59**	**164.53**	**319.11**
Amortization expense for the year	0.01	0.29	63.27	63.57
Balance as at March 31, 2018	**26.00**	**128.88**	**227.80**	**382.68**
Amortization expense for the year	-	9.29	116.61	125.90
Balance as at March 31, 2019	**26.00**	**138.17**	**344.41**	**508.58**
Net carrying amount (I-II)				
Balance as at March 31, 2019	**-**	**92.50**	**402.44**	**494.94**
Balance as at March 31, 2018	**-**	**1.79**	**157.84**	**159.63**

Note:

Includes furniture, fixtures and other items capitalised prior to year 2009, which are part of the initial capital outlay and cannot be separately identified.

Notes forming part of the standalone financial statements for the year ended March 31, 2019

3. Investments for the year ended March 31, 2019

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Quantity	Amounts		Quantity	Amounts	
		Current	Non-Current		Current	Non-Current
A. Investments carried at cost						
Unquoted Investments (at cost) - fully paid up						
In equity instrument of Subsidiary						
Equity shares of ₹ 10/- each in Metmill Footwear Private Limited.	127,500.00	-	12.75	127,500.00	-	12.75
In Equity instrument of Joint Venture						
Equity shares of ₹ 10/- each in M.V.Shoe Care Private Limited	6,860,000.00	-	491.51	6,860,000.00	-	491.51
B. Investments carried at FVOCI						
Quoted Investments						
Investments in Bonds						
7.38% PFC Tax Free Bonds 22/11/2027 of ₹ 10,00,000 each	50.00	528.00	-	50.00	543.40	-
7.35% NHAI Tax Free Bonds 2015 Series IIA of ₹ 1,000 each	14,285.00	153.21	-	14,285.00	157.69	-
8.46% IIFCL Tax Free Bonds (SERIES VIB) 30/08/2028 of ₹ 10,00,000 each	50.00	565.00	-	50.00	586.45	-
C. Investments carried at FVTPL						
Unquoted Investments						
Investments in Mutual Funds						
Face Value of ₹ 10.00 each						
Aditya Birla Sunlife Income Plus - Growth - Direct Plan	1,590,562.15	1,350.44	-	1,590,562.15	1,254.54	-
Reliance Income Fund - Direct Plan Growth Plan - Growth Option	2,169,246.36	1,355.60	-	2,169,246.36	1,245.43	-
HDFC Gilt Fund - Direct Plan - Growth Option	3,078,537.21	1,173.70	-	4,193,435.88	1,499.97	-
JM High Liquidity Fund (Direct) - Growth Option	-	-	-	2,606,822.35	1,240.13	-
EDELWEISS Arbitrage fund - Direct Plan-Dividend	23,564,173.40	2,511.92	-	23,564,173.40	2,498.39	-
ICICI Prudential Equity Arbitrage Fund - Direct plan - Dividend	17,797,540.50	2,579.11	-	16,413,735.17	2,370.77	-
Franklin India Ultra Short Bond Fund Super Institutional - Plan Direct - Growth	10,868,999.00	2,867.65	-	11,432,715.42	2,759.96	-
Indiabulls Liquid Fund - Direct Plan - Growth	-	-	-	43,068.18	731.40	-
BNP Paribas Enhanced Arbitrage Fund-Direct Monthly-Dividend	-	-	-	4,001,174.50	401.24	-
Birla Sunlife Enhanced Arbitrage Fund-Div-Direct Plan-Reinvest	-	-	-	21,714,228.48	2,397.49	-
Invesco India Liquid Fund - Direct Plan Growth	-	-	-	8,682.77	207.70	-
Kotak Equity Arbitrage Fund-Direct Plan - Fortnight Dividend	10,624,578.23	2,500.91	-	-	-	-
Reliance Arbitrage Fund- Direct Plan Dividend Plan	8,545,813.33	1,101.72	-	-	-	-
Face Value of ₹ 100.00 each						
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	47,039.31	141.32	-	-	-	-
Face Value of ₹ 1,000.00 each						
Franklin India Short Term Income Plan Retail - Direct Plan - Growth	50,615.67	2,123.68	-	-	-	-
Franklin India Liquid Fund-Super Institutional Plan - Direct	47,335.39	1,324.70	-	-	-	-
Total (Aggregate amount of unquoted investments)		**19,030.75**	**504.26**		**16,607.02**	**504.26**
Total (Aggregate amount of quoted investments)		**1,246.21**	**-**		**1,287.54**	**-**
Total		**20,276.96**	**504.26**		**17,894.56**	**504.26**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

4. Loans (Unsecured, considered good)

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Loans to a related party (Subsidiary)						
Metmill Footwear Private Limited (given for working capital)	148.34	-	148.34	148.33	-	148.33
Loans to employees	21.62	-	21.62	26.16	-	26.16
Loans to Selling agents, Retail agents, Supervisors and others	110.85	-	110.85	84.44	-	84.44
Total	**280.81**	**-**	**280.81**	**258.93**	**-**	**258.93**

5. Other financial assets

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Security Deposits						
(i) To Related parties - for office premises	-	-	-	-	45.52	45.52
(ii) For showroom and others	343.61	4,782.21	5,125.82	47.63	4,130.51	4,178.14
Less: Allowance for doubtful deposits	(11.20)	-	(11.20)	(11.20)	-	(11.20)
	332.41	4,782.21	5,114.62	36.43	4,176.03	4,212.46
Bank Deposit with more than 12 months maturity from the Balance Sheet date	-	6.50	6.50	-	7.22	7.22
Insurance Claim Receivable	7.64	-	7.64	66.20	-	66.20
Interest accrued on deposits with banks and investments	51.20	-	51.20	49.78	-	49.78
Others	-	-	-	6.15	-	6.15
Total	**391.25**	**4,788.71**	**5,179.96**	**158.56**	**4,183.25**	**4,341.81**

6. Other assets

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
(i) Advances to						
(i) Vendors	807.97	-	807.97	427.87	-	427.87
(ii) Related party-Metmill Footwear Private Limited, Subsidiary and a Private Limited Company in which a Director of the Company is a Director.	1,360.87	-	1,360.87	784.68	-	784.68
(ii) Capital advances	-	-	-	-	20.19	20.19
(iii) Balances with government authorities :						
(i) Goods and Services tax/Value Added tax credit	1,348.50	6.20	1,354.70	995.19	-	995.19
(ii) Excise duty credit	-	-	-	4.85	-	4.85
(iii) Custom Duty receivable	-	-	-	6.99	-	6.99
Less: Allowance for doubtful advances	-	-	-	(6.99)	-	(6.99)
	-	-	-	-	-	-
(iv) Prepayments	177.06	3.12	180.18	153.86	-	153.86
(v) Amounts paid under protest [Excise duty ₹ 50 lakhs and Sales tax ₹43.85 lakhs (March 31, 2018- Excise duty ₹ 50 lakhs and Sales tax ₹ 41.99 lakhs)]	-	93.85	93.85	-	91.99	91.99
(vi) Others						
(i) Other Advances	121.23	-	121.23	2.92	-	2.92
(ii) Income tax refund receivable	-	2.15	2.15	-	2.15	2.15
Total	**3,815.63**	**105.32**	**3,920.95**	**2,369.37**	**114.33**	**2,483.70**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

7. Inventories

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Stock in trade	33,073.53	25,981.86
Total	**33,073.53**	**25,981.86**
Included above, goods-in-transit:	582.84	157.98

Notes:

i) The cost of inventories recognised as an expense during the year was Rs. 51,672.37 lacs (March 31, 2018: Rs. 45,795.82 lacs)

ii) The cost of inventories recognised as an expense includes Rs. 20 lacs (March 31, 2018: Rs. 20.00 lacs) in respect of write-downs of inventory to net realisable value.

iii) The mode of valuation of inventories has been stated in Note 1b(E).

8 Trade receivables

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables *		
Considered good - unsecured	1,021.13	634.88
Significant increase in credit risk	18.07	11.55
	1,039.20	646.43
Less: Allowance for doubtful debts	(18.07)	(11.55)
Total	**1,021.13**	**634.88**

Trade receivables include debts due from:

Particulars	As at 31 March 2019	As at 31 March 2018
Private Limited Company in which a Director of the Company is a Director-		
Metmill Footwear Private Limited	-	1.71
Total	**-**	**1.71**

*** Refer Note 32.4**

9a. Cash and cash equivalents

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Unrestricted balances with Banks		
- In Current accounts	682.03	1,273.09
(b) Cash on hand	50.38	38.84
(c) Cash at showrooms	381.84	181.80
Total	**1,114.25**	**1,493.73**

9b. Other Bank Balances

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) In earmarked accounts		
Balance with Banks (fixed deposits) held as margin money or security against guarantees and other commitments (Refer Footnote)	50.18	26.54
Total	**50.18**	**26.54**

"Note : Balances with banks (fixed deposits) includes ₹ 29.22 lacs (March 31, 2018, ₹ 18.20 lacs) which have an original maturity of more than 12 month

Notes forming part of the standalone financial statements for the year ended March 31, 2019

10 Equity Share Capital

₹ in Lacs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Share Capital (₹ in lacs)	Number of Shares	Share Capital (₹ in lacs)
Authorised:				
Equity shares of ₹ 10/- each	150,000,000	15,000.00	15,000,000	1,500.00
Issued, Subscribed and Fully Paid-up:				
Equity shares of Rs of ₹ 10/- each	132,767,145	13,276.71	14,727,530	1,472.75
Total		**13,276.71**		**1,472.75**

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

Particulars	As at **31 March 2019**		As at 31 March 2018	
	Number of Shares	Share Capital (₹ in lacs)	Number of Shares	Share Capital (₹ in lacs)
Equity Share Capital				
Balance as at beginning of the year	**14,727,530**	**1,472.75**	**14,727,530**	**1,472.75**
Add: Issued during the year under ESOP scheme#	37,695	3.77	-	-
Add: Bonus Shares issued during the year	118,001,920	11,800.19	-	-
Balance as at the end of the year	**132,767,145**	**13,276.71**	**14,727,530**	**1,472.75**

22,710 shares were issued pre bonus and 14,985 shares were issued post bonus

10.2 Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholders	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**% holding**	**Number of Shares**	**% holding**
Farah Malik Bhanji*	83,575,260	62.95%	9,286,140	63.05%
Rakesh Jhunjhunwala**	19,576,800	14.76%	2,175,200	14.76%
Rafique A. Malik***	9,288,000	6.98%	1,032,000	7.02%
*Includes shares held by Farah Malik Bhanji	-			
(a) As Trustee for the benefit of Rafique Malik Family Trust	39,513,960		4,390,440	
(b) As Trustee for the benefit of Aziza Malik Family Trust	40,092,300		4,454,700	
**Includes shares held by Rakesh Jhunjhunwala	-		-	
(a) As Trustee for the benefit of Aryaman Jhunjhunwala Discretionary Trust	6,525,603		725,067	
(b) As Trustee for the benefit of Aryavir Jhunjhunwala Discretionary Trust	6,525,603		725,067	
(c) As Trustee for the benefit of Nishtha Jhunjhunwala Discretionary Trust	6,525,594		725,066	
***Includes shares held by Rafique A. Malik	-		-	
(a) As Trustee for the benefit of Zarah Malik Family Trust	1,984,500		220,500	
(b) As Trustee for the benefit of Farah Malik Family Trust	1,984,500		220,500	
(c) As Trustee for the benefit of Zia Malik Family Trust	1,984,500		220,500	
(d) As Trustee for the benefit of Sabina Malik Family Trust	1,984,500		220,500	

Notes forming part of the standalone financial statements for the year ended March 31, 2019

10.3 Shares allotted as fully paid up bonus shares

The Company has allotted 118,001,920 (March 31, 2018 - Nil) equity shares of ₹ 10/- each as fully paid up Bonus shares during the financial year 2018-19 in the ratio of eight shares for every one share held by utilisation of the Securities Premium Account, General Reserve Account and Retained earnings.

10.4 Employees Stock Option Scheme

54,900 Equity Shares (March 31, 2018 - 30,475 Equity Shares pre bonus) of the face value ₹ 10 each are reserved under Employee Stock Option Plan of the Company [Refer Note 30].

10.5 Rights, preference and restriction attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend on equity shares

During the year ended March 31, 2019, the Company had paid final dividend of ₹ 3.5 per equity share of ₹ 10 each for the financial year 2017-18 amounting to ₹ 622.11 Lacs including dividend distribution tax of ₹ 106.07 Lacs. The Board of Directors at their meeting held on March 12, 2019 has recommended an interim dividend of ₹ 2.4 per equity share for the year ended March 31, 2019 amounting to ₹ 3,841.39 Lacs including Dividend Distribution tax of ₹ 654.98 Lacs. During the previous year 2017-18, the Board of Directors at their meeting held on February 28, 2018 had declared an interim dividend of ₹ 16.5 per share for the year ended March 31, 2018 amounting to ₹ 2,924.74 Lacs including Dividend Distribution tax of ₹ 494.70 Lacs.

11 Other equity

₹ in Lacs

	Reserves and Surplus					
Particulars	**Securities premium**	**General reserve**	**Employee stock options**	**Retained earnings outstanding account**	**Other comprehensive income (net of taxes)**	**Total**
Balance as at March 31, 2017	**574.66**	**8,670.10**	**16.87**	**34,804.89**	**60.16**	**44,126.68**
Profit for the year	-	-	-	13,516.58	-	13,516.58
Other comprehensive income (net of taxes)	-	-	-	-	(53.66)	(53.66)
Total comprehensive income for the year	**-**	**-**	**-**	**13,516.58**	**(53.66)**	**13,462.92**
Interim Dividend	-	-	-	(2,430.04)	-	(2,430.04)
Dividend Distribution Tax	-	-	-	(494.70)	-	(494.70)
Balance as at March 31, 2018	**574.66**	**8,670.10**	**16.87**	**45,396.73**	**6.50**	**54,664.86**
Profit for the year	-	-	-	14,784.15	-	14,784.15
Other comprehensive income (net of taxes)	-	-	-	-	(77.90)	(77.90)
Total comprehensive income for the year	**-**	**-**	**-**	**14,784.15**	**(77.90)**	**14,706.25**
Final Dividend	-	-	-	(516.04)	-	(516.04)
Dividend Distribution Tax on Final Dividend	-	-	-	(106.07)	-	(106.07)
Interim Dividend	-	-	-	(3,186.41)	-	(3,186.41)
Dividend Distribution Tax on Interim Dividend	-	-	-	(654.98)	-	(654.98)
Premium received on Issue of ESOP Shares	70.30	-	-	-	-	70.30
Employee's Stock Options Expenses	-	-	(6.79)	7.11	-	0.32
Transfer from ESOP outstanding account to share premium on exercise	7.23	-	(7.23)	-	-	-
Utilised in Issue of Bonus Shares	(574.66)	(8,670.10)	-	(2,555.43)	-	(11,800.19)
Balance as at March 31, 2019	**77.53**	**-**	**2.85**	**53,169.06**	**(71.40)**	**53,178.04**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

Description of Nature and Purpose of Reserves-

Securities Premium-

Securites Premium is created when shares are issued at premium . The Company can use this reserve in accordance with the provisions of the Act.

General Reserve-

General Reserve is created out of profits of the Company. The reserve is created in accordance with the provisions of the Act.

Employees Stock Options Outstanding Account-

The above reserve relates to stock options granted by the Company to its employees under its employee stock option plan.

Other Comprehensive Income:

Other comprehensive income represent change in the value of investments accounted through FVOCI.

12. Other financial liabilities

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Security Deposits- Selling Agents	584.75	-	584.75	505.13	-	505.13
Security Deposits- Supervisors, Regional and City Manager	102.24	-	102.24	84.02	-	84.02
Security Deposit - Franchisee	20.00	-	20.00	-	-	-
Payable on acquisition of Property, Plant & Equipment	618.80	-	618.80	467.96	-	467.96
Total	**1,325.79**	**-**	**1,325.79**	**1,057.11**	**-**	**1,057.11**

13. Provisions

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Provision for Warranty	40.31	-	40.31	35.31	-	35.31
Provision for employee benefits- Gratuity (Refer Note 25)	193.61	-	193.61	151.48	-	151.48
Total	**233.92**	**-**	**233.92**	**186.79**	**-**	**186.79**

Note-
Provision for warranty represents the undiscounted value of the management's best estimate of the future outflow of economic benefits that will be required for settlement of claim in respect of products sold by the Company. The estimate has been made on the basis of trends anticipated by the management and may vary as a result of variation in the market conditions. It is expected that cost will be incurred over the warranty period as per the warranty terms.

14. Trade payables

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
i) Total Outstanding dues of Micro Enterprises and Small Enterprises ; (Refer to MSME Note 33) and	75.84	-	75.84	-	-	-
ii) Total Outstanding dues of Creditors other than of Micro Enterprises and Small Enterprises	17,804.28	-	17,804.28	13,099.89	-	13,099.89
Total	**17,880.12**	**-**	**17,880.12**	**13,099.89**	**-**	**13,099.89**

15. Other current liabilities

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
a. Advances received from customers	114.88	114.90
b. Deferred Revenue arising from Customer Loyalty program	560.68	493.00
c. Statutory Dues (withholding taxes, goods and services tax, service tax, vat etc.)	537.09	621.95
Total	**1,212.65**	**1,229.85**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

16. Revenue from operations

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of products -(Traded Goods) - Footwear, Bags and Accessories (Refer Note below)	115,445.84	104,300.81
(b) Other operating revenue		
- Shoe Repair Income	50.00	46.10
Total	**115,495.84**	**104,346.91**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Sale of Products (Traded goods)		
Footwear, Bags & Accessories	135,288.94	121,577.66
Less : GST / Value Added Tax	19,843.10	17,276.85
Sale of Traded Goods (Net of Value Added Tax)	**115,445.84**	**104,300.81**

Note :

During the previous year, excise duty on sale of product amounted to ₹ 986.99 Lacs was included under Revenue from operations and disclosed seperately under expenses upto June 30, 2017. Post implementation of Goods and Services Tax (GST) w.e.f. July 01, 2017, Revenue from operations is reported net of GST as, unlike Excise duty, GST is not part of Revenue.

17. Other Income

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income:		
Income earned on financial assets carried at amortised cost:		
Interest on bank deposits	3.64	3.65
Interest on loan given to Subsidiary	22.25	22.25
Interest on loan given to Joint Venture	5.37	-
Interest on other Loans and advances	14.00	21.20
Income earned on financial assets carried at FVOCI		
Interest Income from Tax Free Bonds	89.70	89.85
	134.96	**136.95**
Dividend Income:		
Dividend income from Current Investments in Mutual Funds (carried at FVTPL)	423.04	347.14
Net Gain arising on Investments designated as FVTPL	1,022.09	298.66
Net Gain on foreign currency transactions and translation	58.29	88.71
Other Income		
Cash Discounts	7.91	9.60
Miscellaneous Income	64.45	31.17
Liabilities no longer required, written back	38.17	-
Total	**1,748.91**	**912.23**

18. Purchases

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock-in-Trade (Footwear, Bags & Accessories)	57,203.08	46,951.19
Packing Materials	1,560.96	1,973.81
Total	**58,764.04**	**48,925.00**

19. Changes in Inventories of Stock-In-Trade

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Stock-in-trade	(33,073.53)	(25,981.86)
Inventories at the beginning of the year:		
Stock-in-trade	25,981.86	24,983.69
Less : Excise Duty in Inventories	-	(2,131.01)
Net (increase) / decrease in Stock-in-trade	**(7,091.67)**	**(3,129.18)**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

20. Employee benefits expense

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages	9,110.82	7,799.48
(b) Contribution to provident and other funds (refer note 26)	1,021.05	896.89
(c) Staff welfare expenses	57.20	245.04
Total	**10,189.07**	**8,941.41**

21. Other expenses

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	1,846.36	1,685.92
Rent (Refer note 28)	10,311.98	8,797.44
Rates and taxes	329.70	103.78
Insurance	93.63	77.99
Repairs and maintenance - Machinery and Equipment	76.58	58.17
Repairs and maintenance - Others	786.64	650.11
Advertisement & Sales promotion	4,295.24	3,580.88
Commission on sales (Refer Note 28)	7,165.62	6,599.96
Commission on Credit Card Sales	745.08	718.59
Freight Charges	836.61	686.06
Maintenance & Other Charges - Showrooms (Refer Note 28)	1,682.28	1,458.20
Communication	208.45	205.70
Travelling and conveyance	604.07	526.05
Donations	-	255.28
Legal and professional fees	398.38	555.29
Payments to auditors (Refer Note 21.1)	21.03	20.50
Loss on Sale/ discard of Property, plant and equipment (net)	127.85	135.13
Corporate Social Responsibility (Refer Note 31)	114.54	36.57
Allowance for doubtful trade receivables, advances and deposits	6.52	11.09
Irrecoverable advances written off	-	14.00
Miscellaneous Expenses	1,117.30	983.68
	30,767.86	**27,160.39**

21.1 Payment to auditors (excluding GST/Service tax):

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
To statutory auditor		
(i) For Audit	17.00	14.50
(ii) For Taxation Matters	2.50	2.50
(iii) For Consolidation	0.50	0.50
(iv) For Other Services	1.03	3.00
Total	**21.03**	**20.50**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

22. Current Tax and deferred tax

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

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax:		
In respect of current year	7,226.57	6,823.00
In respect of prior year	23.38	13.33
	7,249.95	**6,836.33**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	352.56	100.04
Total	**7,602.51**	**6,936.37**

(b) Income tax recognised in other comprehensive income

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax :		
Remeasurement of defined benefit obligations	19.63	31.93
Deferred tax :		
Gain/Loss arising fair valuation of quoted investments in bonds	-	(3.51)
Total	**19.63**	**28.42**
Bifurcation of income tax recognised in other comprehensive income into:		
-Items that will not be reclassified to profit and loss	19.63	31.93
-Items that will be reclassified to profit and loss	-	(3.**51)**
Total	**19.63**	**28.42**

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

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**22,386.66**	**20,452.95**
Income tax expense calculated at Effective tax rate [34.944% (2018: 34.608%)]	7,822.79	7,078.36
Effect of income that is exempt from taxation	(193.62)	(151.23)
Effect of expenses that are non-deductible in determining taxable profit	27.76	64.24
Effect of deduction	(77.80)	(77.56)
Others	-	9.23
Tax of prior years	23.38	13.33
Income tax expense recognised in Statement of Profit and Loss	**7,602.51**	**6,936.37**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

23 Deferred tax

₹ in Lacs

Particulars	For the year ended March 31, 2019			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax asset/(liabilities)				
Property, plant and equipment	(70.52)	(163.32)	-	(233.84)
Provision for doubtful trade receivables, advances and deposits	10.29	-	-	10.29
Fair valuation of investments	(313.04)	(210.31)	-	(523.35)
Others		21.07	-	21.07
Net deferred tax asset/(liabilities)	**(373.27)**	**(352.56)**	**-**	**(725.83)**

₹ in Lacs

Particulars	For the year ended March 31, 2018			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax asset/(liabilities)				
Property, plant and equipment	(29.00)	(41.52)	-	(70.52)
Provision for doubtful trade receivables, advances and deposits	14.48	(4.19)	-	10.29
Fair valuation of investments	(255.20)	(54.33)	(3.51)	(313.04)
Net deferred tax asset/(liabilities)	**(269.72)**	**(100.04)**	**(3.51)**	**(373.27)**

24 Contingent Liabilities and commitments (to the extent not provided for)

₹ in Lacs

Nature of Dues	As at March 31, 2019	As at March 31, 2018	Period	Forum where dispute is pending
(i) Contingent Liabilities				
a) Claims not acknowledged as debts				
Central Excise	31.02	31.02	Apr'2005 - Sept'2005	CESTAT, Mumbai
	99.62	99.62	Apr'2006 - Dec'2007	CESTAT, Mumbai
	260.69	260.69	Jan'2008 - Mar'2011	CESTAT, Mumbai
	-	1,148.55	Aug'2005 - Mar'2013	Commissioner of Central Excise.
	8.87	8.87	Apr'2006 - Mar'2014	CESTAT, Mumbai
Service Tax	10.59	10.59	Sept'2008 - Mar'2011	The Supreme Court of India
Sales Tax	20.05	-	F.Y. 2012-2013	Deputy Commissioner Appeal, Ernakulam
	1.61	-	F.Y. 2011-2012	Deputy Commissioner Appeal, Ernakulam
	645.84	645.84	F.Y. 2013-2014	Joint Commissioner -1 Appeal , Ahmedabad
	76.43	76.43	F.Y. 2013-2014	Joint Commissioner of Commercial Tax(Appeals) - Bihar
Income Tax	43.74	43.74	A.Y. 2009-10	The Bombay High Court
	36.83	36.83	A.Y. 2010-11	The Bombay High Court
	48.55	48.55	A.Y. 2011-12	The Bombay High Court
	68.50	68.50	A.Y. 2012-13	The Bombay High Court
	3.01	-	A.Y. 2011-12	Commissioner of Income Tax, Appeal
	1.54	-	A.Y. 2011-12	Commissioner of Income Tax, Appeal

Notes forming part of the standalone financial statements for the year ended March 31, 2019

24 Contingent Liabilities and commitments (to the extent not provided for)

₹ in Lacs

Nature of Dues	As at March 31, 2019	As at March 31, 2018	Period	Forum where dispute is pending
(b)Guarantee given to bank on behalf of Metmill Footwear Pvt. Ltd. (Subsidiary company)	2,500.00	2,500.00		
Loan utilized against above Guarantee given	845.01	454.77		
(c) Other money for which the company is contingently liable	20.50	20.50		
ii) Commitments				
a) Estimated amount of contracts remaining to be executed on capital account (net of advances paid) and not provided	274.77	415.58		
b)Other Commitments-Amount of future minimum lease payments under non-cancellable operating leases.(Also refer Note 28)	3,805.73	3,785.95		

Future ultimate outflow of resources embodying economic benefits in respect of matters stated under Note 24(i)(a) and (c) depends on the final outcome of judgements / decisions on the matters involved.

25 Employee Benefits:

Defined - Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund. Both the employees and the Company pay pre determined contributions into the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised Provident Fund ₹ 570.75 Lacs (Previous year ₹ 510.97 Lacs) in the Statement of Profit and Loss.

Defined Benefit Plans- Gratuity

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, payable for each completed year of service or part thereof in excess of six months in terms of gratuity scheme of the Company or as per the Payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

a) The principal actuarial risks to which the Company is exposed are investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Longevity risk	The Company has used certain mortality and attrition assumptions in the valuation of the liability. An increase in the life expectancy / longevity of plan participants will increase the plan's liability and vice versa.
Salary Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Notes forming part of the standalone financial statements for the year ended March 31, 2019

b) Details of Defined Benefit Plan of the Company (As per Actuarial Valuation)

₹ in Lacs

Gratuity	Year ended March 31, 2019	Year ended March 31, 2018
I. Expense recognized in the Statement of Profit and Loss for the year ended March 31		
1. Current Service Cost	174.47	147.89
2. Interest Cost on the net defined benefit liability /(asset) (net)	11.47	6.89
Total	**185.94**	**154.78**
II. Included in other comprehensive income		
1. Return on plan assets, excluding amount recognised in net interest expense	2.84	(5.29)
2. Actuarial losses on account of :		
- change in demographic assumptions	(24.46)	44.19
- change in financial assumptions	22.44	10.25
- experience variance	55.38	43.09
	56.20	**92.24**
III. Net Asset/ (Liability) recognized in the Balance Sheet		
1. Present Value of Defined Benefit Obligation	1,534.83	1,320.64
2. Fair value of plan assets	1,341.22	1,169.16
3. Net (liability) as at end of the year	**(193.61)**	**(151.48)**
IV. Change in the obligation during the year		
1. Present Value of Defined Benefit Obligation at the beginning of the year	1,320.64	1,027.32
2. Expenses recognised in profit and loss Account		
- Current Service Cost	174.47	147.89
- Interest Cost	100.01	67.76
3. Remeasurement gains/(losses)		
- change in demographic assumptions	(24.46)	44.19
- change in financial assumptions	22.44	10.26
- experience variance (i.e. Actual experience vs assumptions)	55.37	43.09
4. Benefit Payments	(113.66)	(19.85)
5. Present Value of Defined Benefit Obligation at the end of the year	**1,534.83**	**1,320.66**
V. Change in Fair Value of Assets during the year		
1. Plan assets at the beginning of the year	1,169.16	922.86
2. Investment Income	88.56	60.87
3 Recognised in other comprehensive income		
Remeasurement gains /(losses)		
- Actual return on plan assets in excess of the expected Return	(2.84)	5.28
4. Contribution by employer	200.00	200.00
5. Benefits paid	(113.65)	(19.85)
6. Fair value of Plan assets at the end of the year	**1,341.22**	**1,169.16**
VI. The major categories of plan assets		
- List the major plan assets by category here		
- Insurer Managed Funds	**1,341.22**	**1,169.16**
VII. Actuarial assumptions		
1. Discount Rate [HO]	7.50%	7.65%
Discount Rate [Sales Staff]	6.60%	7.25%
2. Expected rate of return on plan assets	8.00%	8.00%
3. Salary Escalation Rate [HO]	9.50%	9.50%
Salary Escalation Rate [Sales Staff]	9.50%	9.50%
4. Attrition Rate [HO]	8.50%	7.16%
Attrition Rate [Sales Staff]	36.97%	34.75%
5. In-service Mortality	IALM2006-08	IALM2006-08

Notes forming part of the standalone financial statements for the year ended March 31, 2019

c) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate , expected salary increase, attrition and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. the results of sensitivity analysis is as follows

₹ in Lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate (-/ + 1%)		
- Decrease by 1%	117.04	108.38
- Increase by 1%	(102.63)	(94.18)
Salary growth Rate (-/ + 1%)		
- Decrease by 1%	(101.68)	(93.46)
- Increase by 1%	113.58	105.35
Attrition Rate (-/ + 50% of the attrition rate)		
- Decrease by 50%	134.64	105.55
- Increase by 50%	(78.35)	(64.91)
Mortality Rate (-/ + 10% of mortality rate)		
- Decrease by 10%	0.44	0.39
- Increase by 10%	(0.44)	(0.39)

The sensitivity analysis presented above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

d) **Expected contribution for the next year:** The Company expects to contribute ₹ 357.95 Lacs in respect of the gratuity plans during the next financial year ending March 31, 2020.

e) Expected future benefits payable:

Maturity Profile of Defined Benefit Obligation	As at 31st March 2019	As at 31st March 2018
1 year	282.05	189.54
2 to 5 years	617.73	578.17
6 to 10 years	565.12	451.80
More than 10 years	1,548.82	1,592.78

26 Related party disclosures as required by IND AS-24 "Related Party disclosures" are given below:

List of Related Parties :

I. Names of Related Party and description of relationship:

a. Party where control exists- Subsidiary Company : M/s. Metmill Footwear Private Limited

b. Joint Venture : M/s. M.V. Shoe Care Private Limited

c. Other Related Parties with whom transactions have taken place during the year :

i. Key Management Personnel (KMP) :

Mr. Rafique Malik – Chairman (having significant influence)

Mrs. Farah Malik Bhanji – Managing Director and Chief Executive Officer

Mrs. Aziza Malik –Whole Time Director (having significant influence)

Mr. J.J. Desai - Company Secretary & Chief Financial Officer

Mr. Subhash Malik

Mr. Rakesh Jhunjhunwala

Mr. Utpal Sheth

Ms. Aruna Advani

Mr. Manoj Kumar Maheshwari

Mr. Arvind Kumar Singhal

Mr. Karan Singh

Mr. Vikas Khemani

Notes forming part of the standalone financial statements for the year ended March 31, 2019

ii. Relatives of Key Management Personnel : Mrs. Sabina Malik Hadi
Ms. Zarah Rafique Malik
Mrs. Zia Malik Lalji
Ms. Alisha R. Malik
Mrs. Rukshana Kurbanali Javeri
Mrs. Mumtaz Jaffer
Mr. Suleiman Sadruddin Bhanji

iii. Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence : Design Matrix Interiors LLP
Design Matrix Associated Private Limited
Allium Property LLP
Metro Shoes
Aziza Malik Family Trust
Rafique Malik Family Trust
Zia Malik Family Trust
Zarah Malik Family Trust
Sabina Malik Family Trust
Farah Malik Family Trust

II. Related Party Transactions during the year:

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Compensation in respect of concession agreements for showrooms - Rent						
Rafique Malik	2018-19				96.60	
	2017-18				95.00	
Aziza Malik	2018-19				247.09	
	2017-18				243.82	
Commission in respect of retail agency agreements for showroom						
Metro Shoes	2018-19		239.54			
	2017-18		233.10			
Remuneration #						
Rafique Malik	2018-19				543.07	
	2017-18				527.85	
Farah Malik Bhanji	2018-19				228.72	
	2017-18				223.51	
Aziza Malik	2018-19				164.31	
	2017-18				160.64	
J.J. Desai	2018-19				138.18	
	2017-18				135.01	
Subhash Malik	2018-19				25.36	
	2017-18				23.11	
Alisha R. Malik	2018-19					39.38
	2017-18					37.88
ESOP Exercised						
Subhash Malik	2018-19				2.33	
	2017-18				-	
Directors' Sitting Fees						
Ms. Aruna Advani	2018-19				3.60	
	2017-18				2.60	

Notes forming part of the standalone financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Mr. Manoj Kumar Maheshwari	2018-19				3.10	
	2017-18				2.60	
Mr. Arvind Kumar Singhal	2018-19				2.40	
	2017-18				1.60	
Mr. Karan Singh	2018-19				1.20	
	2017-18				0.90	
Retainership Fees						
Mumtaz Jaffer	2018-19					41.30
	2017-18					1.61
Interim Dividend						
Rafique Malik	2018-19				32.40	
	2017-18				24.75	
Farah Malik Bhanji	2018-19				95.26	
	2017-18				72.77	
Aziza Malik	2018-19				16.20	
	2017-18				12.38	
J.J. Desai	2018-19				2.72	
	2017-18				2.07	
Subhash Malik	2018-19				0.78	
	2017-18				0.44	
Alisha R. Malik	2018-19					142.88
	2017-18					109.15
Sabina Malik Hadi	2018-19					95.26
	2017-18					72.77
Zarah Rafique Malik	2018-19					95.26
	2017-18					72.77
Zia Malik Lalji	2018-19					95.26
	2017-18					72.77
Rukshana Kurbanali Javeri	2018-19					2.92
	2017-18					2.23
Mumtaz Jaffer	2018-19					0.29
	2017-18					0.22
Aziza Malik Family Trust	2018-19		962.20			
	2017-18		735.03			
Rafique Malik Family Trust	2018-19		948.34			
	2017-18		724.42			
Zia Malik Family Trust	2018-19		47.63			
	2017-18		36.38			
Zarah Malik Family Trust	2018-19		47.63			
	2017-18		36.38			
Sabina Malik Family Trust	2018-19		47.63			
	2017-18		36.38			
Farah Malik Family Trust	2018-19		47.63			
	2017-18		36.38			
Suleiman Sadruddin Bhanji	2018-19					0.29
	2017-18					0.22

Notes forming part of the standalone financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Final Dividend						
Rafique Malik	2018-19				5.25	
	2017-18				-	
Farah Malik Bhanji	2018-19				15.44	
	2017-18				-	
Aziza Malik	2018-19				2.63	
	2017-18				-	
J.J. Desai	2018-19				0.44	
	2017-18				-	
Subhash Malik	2018-19				0.09	
	2017-18				-	
Alisha R. Malik	2018-19					23.15
	2017-18					-
Sabina Malik Hadi	2018-19					15.44
	2017-18					-
Zarah Rafique Malik	2018-19					15.44
	2017-18					-
Zia Malik Lalji	2018-19					15.44
	2017-18					-
Rukshana Kurbanali Javeri	2018-19					0.47
	2017-18					-
Mumtaz Jaffer	2018-19					0.05
	2017-18					-
Aziza Malik Family Trust	2018-19		155.91			
	2017-18		-			
Rafique Malik Family Trust	2018-19		153.67			
	2017-18		-			
Zia Malik Family Trust	2018-19		7.72			
	2017-18		-			
Zarah Malik Family Trust	2018-19		7.72			
	2017-18		-			
Sabina Malik Family Trust	2018-19		7.72			
	2017-18		-			
Farah Malik Family Trust	2018-19		7.72			
	2017-18		-			
Suleiman Sadruddin Bhanji	2018-19					0.05
	2017-18					-
Rent						
Allium Property LLP	2018-19		102.10			
	2017-18		94.27			
Purchase of property						
Allium Property LLP	2018-19		2,104.39			
	2017-18		-			

Notes forming part of the standalone financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Professional Fees (capital cost)						
Design Matrix Interiors LLP	2018-19		331.55			
	2017-18		243.95			
Loan Given						
M.V. Shoe Care Private Limited	2018-19			100.00		
	2017-18			-		
Loan Repaid						
M.V. Shoe Care Private Limited	2018-19			100.00		
	2017-18			-		
Interest On Loan Given						
Metmill Footwear Private Limited	2018-19	22.25				
	2017-18	22.25				
M.V. Shoe Care Private Limited	2018-19			5.33		
	2017-18			-		
Purchases of Stock-in-Trade						
M.V. Shoe Care Private Limited	2018-19			1,154.31		
	2017-18			943.97		
Metmill Footwear Private Limited	2018-19	8,146.17				
	2017-18	6,744.18				
Expenses Incurred on behalf of the related party						
Metmill Footwear Private Limited	2018-19	6.02				
	2017-18	20.79				
Sale/(Return) of Traded Goods						
Metmill Footwear Private Limited	2018-19	-				
	2017-18	(29.01)				

III. Outstanding receivables

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Subsidiary Company (Metmill Footwear Private Limited)		
Sale of Traded Goods	-	1.71
Advance to vendor	1,360.87	784.68
Loan Given	148.34	148.33
Enterprises in which KMP / Relatives of KMP are able to exercise significant influence (Allium Property LLP)		
Security deposit	-	45.52

IV. Guarantee Given

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Subsidiary Company (Metmill Footwear Private Limited)		
Guarantee Given	2,500.00	2,500.00

Notes forming part of the standalone financial statements for the year ended March 31, 2019

V. Outstanding receivables

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Key Management Personnel		
Compensation in respect of concession agreements for showrooms		
Rafique Malik	(7.59)	(6.73)
Aziza Malik	(17.15)	(14.68)
Remuneration #		
Rafique Malik	(203.33)	(159.09)
Farah Malik Bhanji	(85.78)	(67.06)
Aziza Malik	(61.64)	(48.17)
J. J Desai	(53.86)	(37.90)
Subhash Malik	(5.51)	(5.01)
ESOP outstanding		
Subhash Malik	1.46	3.79
Relatives of Key Management Personnel		
Remuneration #		
Alisha Malik	(14.58)	(11.28)
Retainership Fees		
Mumtaz Jaffer	(3.54)	-
Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence		
Commission in respect of retail agency agreements for showroom		
Metro Shoes	(21.62)	(18.84)
Rent		
Allium Property LLP	-	(8.19)
Professional Fees (capital cost)		
Design Matrix Interiors LLP	(25.73)	(19.58)
Design Matrix Associated Private Limited	(0.35)	(0.35)
Joint Venture		
Purchases of Stock-in-trade	(524.45)	(316.95)
Subsidiary		
Purchases of Stock-in-trade	(554.42)	(468.25)

excludes provision for gratuity which is determined on the basis of actuarial valuation done on overall basis for the Company

1) No amount has been written off/ provided for or written back in respect of amounts receivable from or payable to the related parties.
2) The company has provided loan to its subsidiary for working capital purposes . This loan is unsecured.

27 The Company's only business being trading of fashion footwear, bags and accessories operating in the premium and economy category and manufacturing of shoe care and foot care products, the disclosure of segment - wise information is not applicable under Ind AS 108- 'Operating Segments'. Further, there is no geographical segment to be reported since all the operations are undertaken in India.

28 Lease Rentals :

a) Fixed Lease Rental : The Company has not taken any assets on finance lease. The Company has entered into operating lease arrangements for certain facilities and office premises. The lease agreements generally provide for increase in rent. Under these agreements interest free refundable deposits have been given.

The lease payments recognized in the Statement of Profit and Loss for the year, in “Other Expenses” (Note 21), as “Rent” ₹ 10,311.98 Lacs (Previous Year ₹ 8,797.44 Lacs) and under “ Maintenance & Other Charges – Showrooms” ₹ 1,682.28 Lacs (Previous Year ₹ 1,458.20 Lacs)

The future minimum rental payments in respect of non-cancellable leases for certain facilities and office premises are as follows:

Particulars	2018-19	2017-18
not later than one year	2,448.51	2,086.38
later than one year and not later than five years	1,258.86	1,699.57
later than five years	98.36	-

b) Rent based on sales : In case of certain arrangements, the consideration payable is dependent upon the sales which are recognised as part of commission payable to Retail Agents under other expenses in Note 21. The total amount charged for year included under commission is ₹ 2,731.52 Lacs (Previous year ₹ 2,677.79 Lacs)

Notes forming part of the standalone financial statements for the year ended March 31, 2019

29 Basic and Diluted Earnings per Share is calculated as under:

Particulars	2018-19	2017-18
Profit after tax as per Statement of Proft and Loss attributable to equity share holders (₹ in lacs)	14,784.15	13,516.58
Weighted average number of Equity Shares:		
- Basic	132,669,305	132,547,770
Add: Effect of Potential Equity Shares on employees stock options outstanding	48,283	124,299
- Diluted	132,717,588	132,672,069
Earnings per Share (in ₹)		
- Basic	11.14	10.20
- Diluted	11.14	10.19

Note :

In view of Bonus shares issued by the Company during the year, earnings per share for the corresponding previous year have been restated in accordance with Ind AS 33 "Earnings Per Share" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.

30 Employee Stock Option Plan 2008 (ESOP – 2008):

The Company had granted stock options (options) to its eligible employees in terms of Employees Stock Option plan 2008 (ESOP 2008) of the company as approved by the shareholders in the 31st Annual General Meeting held on 11th September, 2008.

a) The particulars of the Options distributed under ESOP 2008 are as follows:

Particulars	ESOP
Eligibility	A permanent employee or a director of the Company (including of subsidiaries in India or out of India or of a holding company of the company) but excluding (a) an employee who is a promoter or belongs to the promoter group; (b) a director who either by himself or through his relatives or through any body corporate, directly holds more than 10% of the outstanding equity shares of the Company.
Plan Tenure	Tenure of the plan is 11 years, i.e. September 15, 2009 to September 14, 2020 or as determined by the Board / Compensation Committee from time to time. Any stock option which remains ungranted after closing date would automatically be lapsed.
Vesting period for options granted	The Company originally authorized 15,000 options for issue to eligible employees. In December, 2008, the same were increased to 45,000 options consequent to issue of bonus shares in the ratio 2:1
	On 24th August, 2009, the Company granted 25,875 options to fourteen eligible employees. The vesting schedule for the options granted was 40% on September 15, 2009, 20% on September 15, 2010, 20% on September 15, 2011, and 20% on September 15, 2012.
	Further, on September 15, 2011 the Company granted 4,500 options to four eligible employees. The vesting schedule for the options granted in 2011 was 40% on September 15, 2012, 20% on September 15, 2013, 20% on September 15, 2014 and 20% on September 15, 2015. In November, 2012, outstanding options increased by 26,270 options consequent to issue of bonus shares in the ratio 2:1
	Further, on February 1, 2014 the Company granted 11,250 options to three eligible employees. The vesting schedule for the options granted in 2014 was 40% on February 1, 2016, 20% on February 1, 2017, 20% on February 1, 2018 and 20% on February 1, 2019.
	Further, on April 1, 2014 the Company granted 3,375 options to one eligible employee. The vesting schedule for the options granted in 2014 was 40% on April 1, 2015, 20% on April 1, 2016, 20% on April 1, 2017 and 20% on April 1, 2018.
	During the financial year 2018-19, some of the option holders exercised their options on various dates and in total were alloted 37,695 shares. Further, during the financial year 2018-19, in total 62,120 bonus options were issued in the ratio of 8:1.
Exercise Period	The vested options must be exercised immediately after the earliest of the occurrence of the following (a) Expiry of three years from the vesting date or two years of the listing of the shares on a recognized stock exchange, whichever is later (b) Thirty days following the date of grantee's voluntary resignation (c) 3 months following the date of grantee's termination of employment due to grantee's retirement, disability or death (d) 6 months following the occurrence of change of control.
Method of Settlement	Equity Shares of face value ₹ 10/- each
Exercise Price	Weighted average exercise price for 54,900 (previous year 30,475) stock options outstanding as at 31st March,2019 is ₹ 157.17 (previous year ₹ 274.50)

Notes forming part of the standalone financial statements for the year ended March 31, 2019

b) The particulars of number of options granted and lapsed and the Price of Stock Options for ESOP 2008 are as follows:

Particulars	2018-19	2017-18
Options outstanding at the beginning	30,475	30,475
On issue of bonus shares	62,120	-
Exercised during the year#	(37,695)	-
Options outstanding at the end	**54,900**	**30,475**

22,710 shares were issued pre bonus and 14,985 shares were issued post bonus

c) The following options were outstanding as at March 31, 2019

Options series	Number	Grant date	Expiry date	Exercise price	Fair value of option at grant date
Grant 1	42,525	24-Aug-09	2 years from the date of listing of Company's share in any recognised stock Exchange	12.04	8.94
Grant 2	12,375	15-Sep-11	2 years from the date of listing of Company's share in any recognised stock Exchange	36.11	19.39

d) The following options were outstanding as at March 31, 2018

Options series	Number	Grant date	Expiry date	Exercise price	Fair value of option at grant date
Grant 1	13,910	24-Aug-09	2 years from the date of listing of Company's share in any recognised stock Exchange	12.04	8.94
Grant 2	9,190	15-Sep-11	2 years from the date of listing of Company's share in any recognised stock Exchange	36.11	19.39
Grant 3	4,500	01-Feb-14	2 years from the date of listing of Company's share in any recognised stock Exchange	58.33	70.55
Grant 4	2,875	01-Apr-14	2 years from the date of listing of Company's share in any recognised stock Exchange	58.33	71.93

e) No stock options granted during the year ended March 31, 2019.

31 Expenditure on Corporate Social Responsibility

a) Gross Amount required to be spent by the company during the year ended March 31, 2019 (as certified by the Company) : ₹ 307.63 lacs (Previous Year ₹ 249.34 lacs).

b) Amount spent during the year ended March 31, 2019 :₹ 114.54 lacs (Previous Year : ₹ 36.57 lacs), other than for construction / acquisition of any assets.

32 Financial Instruments

32.1 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.

Particulars	March 31, 2019	March 31, 2018
Equity		
Equity Share Capital	13,276.71	1,472.75
Other Equity	53,178.04	54,664.86
Total Equity	**66,454.75**	**56,137.61**
Total Debt	**-**	**-**
Debt Equity Ratio	**NA**	**NA**

Notes forming part of the standalone financial statements for the year ended March 31, 2019

32.1 Capital Management

Financial Assets and Financial Liabilities classified under Level 1 & Level 2 hierarchy

₹ in Lacs

Particulars	Hierarchy level	March 31, 2019	March 31, 2018
Financial Assets			
Measured at fair value through profit or loss			
- Investments in mutual funds	Level 2	19,030.75	16,607.02
Measured at amortised cost			
- Trade receivables #	Level 2	1,021.13	634.88
- Cash and cash equivalents #	Level 2	1,114.25	1,493.73
- Other Bank balances #	Level 2	50.18	26.54
- Loans #	Level 2	280.81	258.93
- Other financial assets #	Level 2	5,179.96	4,341.81
Measured at fair value through Other Comprehensive Income			
- Investments in Bonds	Level 1	1,246.21	1,287.54
Financial Liabilities			
Measured at amortised cost			
- Trade payables #	Level 2	17,880.12	13,099.89
- Other financial liabilities #	Level 2	1,325.79	1,057.11

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

32.3 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 (unadjusted) 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.

Notes forming part of the standalone financial statements for the year ended March 31, 2019

Financial assets measured at fair value

Financial assets	Fair value as at (₹ in lacs)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	March 31, 2019	March 31, 2018				
Investments in Mutual funds	19,030.75	16,607.02	Level 2	Net assets value (NAV) declared by the respective asset management companies	NA	NA
Investments in bonds	1,246.21	1,287.54	Level 1	Active market determined	NA	NA

33.4 Financial Risk Management

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

A] CREDIT RISK

i) Credit Risk Management:

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

ii) Trade and other receivables:

The Company's retail business is predominantly on cash and carry basis. The Company sells goods on credit basis to institutional parties. The credit risk on such collections is minimal considering that such sales are only 1% of the total sales. The average credit period for institutional parties is 30 days. No interest is charged on trade receivables on payment received even after the credit period. The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. As at 31st March,2019, the company had 5 customers (as at 31st March, 2018 : 2 customers) that accounted for approximately 34% (as at 31st March, 2018 : 59%) of the trade receivables. The Company also carries credit risk on lease deposits with landlords for store properties taken on lease, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

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

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.

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 into 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.

Notes forming part of the standalone financial statements for the year ended March 31, 2019

₹ in Lacs

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Carrying amounts
As at 31st March, 2018				
Non- derivative financial liabilities				
Non interest bearing:				
Trade Payables	13,099.89	-	-	13,099.89
Others	1,057.11	-	-	1,057.11
As at 31st March, 2019				
Non- derivative financial liabilities				
Non interest bearing:				
Trade Payables	17,880.12	-	-	17,880.12
Others	1,325.79	-	-	1,325.79

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

Undrawn financing facilities	March 31, 2019	March 31, 2018
Secured working capital facilities		
Amount Used	-	-
Amount Unused	2,000.00	-
Total	**2,000.00**	**-**

The above facility has been secured by a charge on Company's book debts, inventory, receivables, cash flows, and all current assets including cash-in-hand.

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. 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 retail customers. This helps company protect itself from significant product margin losses.

2) Interest risk

The Company is not exposed to interest rate risk through the borrowing activities. The Company does not enter into financial instrument transactions for trading or speculative purposes or to manage interest rate exposure.

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

₹ in Lacs

Particulars	March 31, 2019		March 31, 2018	
	₹ in Lacs	USD($) in Lacs	₹ in Lacs	USD($) in Lacs
Trade Payables	17.19	0.24	17.27	0.26

Sensitivity:

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

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
USD sensitivity		
₹/USD -Increase by 1% #	(0.17)	(0.17)
₹/USD -Decrease by 1% #	0.17	0.17

Holding all other variables constant

Notes forming part of the standalone financial statements for the year ended March 31, 2019

33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
The principal amount remaining unpaid to any supplier at the end of the year	74.31	-
Interest due remaining unpaid to any supplier at the end of the year	1.53	-
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	76.37	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	1.53	-
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		

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Rafique A.Malik	**Farah Malik Bhanji**
Chairman	Managing Director & Chief Executive Officer
DIN:00521563	DIN:00530676

Sd/-
Jaipraksh J.Desai
Company Secretary and Chief Finance Officer

Place: Mumbai
Date : July 8, 2019

AUDITOR'S REPORT
(CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT

To The Members of Metro Brands Limited (Formerly known as Metro Shoes Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Metro Brands Limited (Formerly known as Metro Shoes Limited) (hereinafter referred to as "the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which includes the Group's share of profit in its joint venture, which comprises the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and other auditors on separate financial statements of the subsidiary and joint venture referred to in the Other Matters section below, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary and joint venture,is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India.The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its joint venture) are responsible for assessing the ability of the Group (and of its joint venture) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 ability of the Group and its joint venture 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 consolidated 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 Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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.

Other Matters

(a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 8,860.75 Lacs as at 31st March, 2019, total revenues of Rs. 14,356.88 Lacs and net cash inflows amounting to Rs.13.86 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs.149.95 Lacs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary and joint venture referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company, and joint venture company incorporated in India, none of the directors of the Group companies, its joint venture company incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary company and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.

      ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, it's subsidiary company and joint venture company incorporated in India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 19100459AAAABH9972

PLACE: Mumbai
DATE: July 8, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f)under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Metro Brands Limited(formerly known as Metro Shoes Limited)(hereinafter referred to as "Parent") and it's subsidiary company, and it's joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 it's business, including adherence to the respective company's policies, the safeguarding of it's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, it's subsidiary company, and it's joint venture, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 and the audit evidence obtained by other auditors of the subsidiary company and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, it's subsidiary company and its joint venture, which are companies incorporated in India.

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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, it's subsidiary company and joint venture, which are companies incorporated in India, have, 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 March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company and the joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

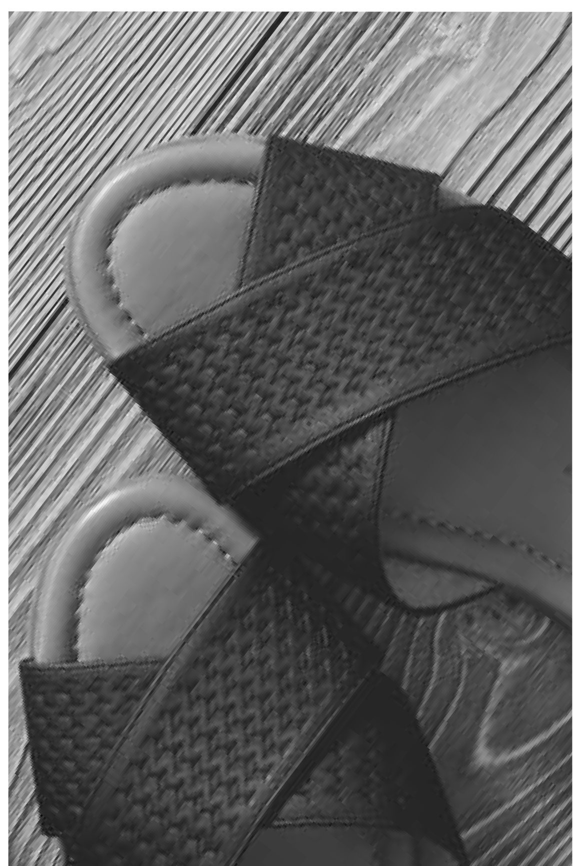
Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Ketan Vora
Partner
(Membership No. 100459)
UDIN: 19100459AAAABH9972

PLACE: Mumbai
DATE: July 8, 2019

FINANCIAL STATEMENTS
(CONSOLIDATED)



Consolidated Balance Sheet as at March 31, 2019

₹ in Lacs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2a	21,781.43	18,295.32
(b) Capital work-in-progress		303.49	312.63
(c) Other Intangible assets	2b	496.01	165.32
(d) Intangible assets under development		103.10	288.60
(e) Investment in Joint Venture	3	705.50	555.96
(f) Financial assets			
(i) Other financial assets	5	4,795.04	4,189.58
(g) Deferred tax assets (net)	25	5.51	16.36
(h) Other non-current assets	6	114.54	114.33
Total non - current assets		**28,304.62**	**23,938.10**
2 Current assets			
(a) Inventories	7	36,461.50	27,940.92
(b) Financial assets			
(i) Investments	3	20,276.96	17,894.56
(ii) Trade receivables	8	5,192.70	3,936.01
(iii) Cash and cash equivalents	9a	1,152.62	1,518.23
(iv) Bank Balances other than (iii) above	9b	56.45	26.54
(v) Loans	4	137.37	113.60
(vi) Other financial assets	5	391.25	158.56
(c) Other current assets	6	2,633.57	1,686.09
Total current assets		**66,302.42**	**53,274.51**
Total assets (1+2)		**94,607.04**	**77,212.61**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	13,276.71	1,472.75
(b) Other equity	11	55,413.72	56,240.98
Equity attributable to the owners of the Company		**68,690.43**	**57,713.73**
Non-Controlling Interests		1,954.93	1,464.58
Total equity		**70,645.36**	**59,178.31**
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	0.84	4.02
(b) Provisions	14	58.37	36.54
(c) Deferred tax liabilities (Net)	25	585.04	243.63
Total non - current liabilities		**644.25**	**284.19**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	985.57	595.33
(ii) Trade payables			
Outstanding dues of Micro Enterprises and Small Enterprises	15	157.31	-
Outstanding dues of other than Micro Enterprises and Small Enterprises	15	19,125.04	14,111.65
(iii) Other financial liabilities	13	1,328.97	1,060.01
(b) Provisions	14	246.90	200.70
(c) Current tax liabilities (Net)		178.52	535.43
(d) Other Current liabilities	16	1,295.12	1,246.99
Total current liabilities		**23,317.43**	**17,750.11**
Total equity and liabilities (1+2+3)		**94,607.04**	**77,212.61**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lacs

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	17	121,706.54	108,529.87
II	Other Income	18	1,735.38	890.89
III	**Total Income (I + II)**		**123,441.92**	**109,420.76**
IV	**Expenses**			
	(a) Purchases	19	63,393.92	51,203.46
	(b) Changes in inventories of stock in trade	20	(8,520.58)	(3,615.40)
	(c) Excise duty on sale of goods		-	1,043.87
	(d) Employee benefits expense	21	11,213.51	9,747.09
	(e) Finance Costs	22	61.41	40.95
	(f) Depreciation and Amortisation expense	2a & 2b	2,259.98	1,951.82
	(g) Other expenses	23	31,193.71	27,559.12
	Total Expenses (IV)		**99,601.95**	**87,930.91**
V	**Profit before tax and before share of profit of a Joint Venture (III-IV)**		**23,839.97**	**21,489.85**
VI	**Tax expense**			
	(a) Current tax	24	7,699.25	7,246.33
	(b) Deferred tax	25	352.26	58.65
	Total tax expense		**8,051.51**	**7,304.98**
VII	**Profit after tax for the year and before share of profit of a Joint Venture (V-VI)**		**15,788.46**	**14,184.87**
VIII	**Share of profit of a Joint Venture**		149.95	43.46
IX	**Profit after tax for the year (VII+VIII)**		**15,938.41**	**14,228.33**
X	**Other comprehensive income**		**(82.25)**	**(49.95)**
	(a) (I) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans			
	(I) Group		(61.77)	(87.56)
	(ii) Share in Joint Venture		(0.56)	0.91
	(a) (ii) Income tax relating to items that will not be reclassified to profit or loss		21.42	30.05
	(b) (I) Items that will be reclassified to profit or loss -(Loss)/ Gain arising on fair valuation of quoted investments in bonds		(41.34)	10.16
	(b) (ii) Income tax relating to items that will be reclassified to profit or loss		-	(3.51)
XI	**Total comprehensive income for the year (IX+X)**		**15,856.16**	**14,178.38**
	Profit for the year attributable to:			
	- Owners of the Company		15,446.27	13,900.90
	- Non-controlling interests		492.14	327.43
			15,938.41	14,228.33
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		(80.46)	(51.45)
	- Non-controlling interests		(1.79)	1.50
			(82.25)	(49.95)
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		15,365.81	13,849.45
	- Non-controlling interests		490.35	328.93
			15,856.16	14,178.38
	Earning per equity share (of ₹ 10 each):			
	Basic	**31**	**12.01**	**10.73**
	Diluted	**31**	**12.01**	**10.72**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

Consolidated Statement of cash flow for the year ended March 31, 2019

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	23,839.97	21,489.85
Adjustments for:		
Finance Cost	61.41	40.95
Depreciation and Amortisation expense	2,259.98	1,951.82
Net unrealised exchange loss/(gain)	(66.30)	(0.54)
Loss on Sale / Discard of Property Plant & Equipment (net)	127.85	135.13
Irrecoverable advances written off	-	14.00
Dividend income from current investments in Mutual Funds	(423.04)	(347.14)
Net Gain arising on Investments designated as FVTPL	(1,022.09)	(298.66)
Interest Income	(113.42)	(115.61)
Allowance for doubtful Trade receivables, advances and deposits	6.52	11.09
Employee's Stock Options Expenses	0.32	-
Liabilities no longer required, written back	(38.17)	-
Operating Profit before working capital changes	**24,633.03**	**22,880.89**
Movement in working capital:		
(Increase) in Trade Receivable	(1,263.22)	(907.95)
(Increase) in other financial assets	(861.28)	(870.95)
(Increase) in other current assets	(909.32)	(277.68)
(Increase) in Inventories	(8,520.57)	(1,484.39)
(Increase)/Decrease in other non-current assets	(20.40)	60.00
Increase in trade and other payables	5,237.03	3,339.17
Increase/(Decrease) in Other current liabilites	48.13	(553.08)
Increase in Other financial liabilites	118.12	26.73
Increase in Provisions	6.25	65.94
	(6,165.25)	(602.21)
Cash generated from Operations	**18,467.78**	**22,278.68**
Less: income taxes paid	(8,034.90)	(6,820.77)
Net cash generated from Operating Activities	**10,432.88**	**15,457.91**
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Property Plant & Equipment including Capital Advances	(5,877.11)	(3,321.15)
Proceeds from Sale / Discard of Property Plant & Equipment	38.16	7.61
Interest Received	112.01	114.97
Bank Balances (including Non Current) not considered as Cash and Cash equivalents	(29.19)	2,006.70
Purchase of Current Investments	(33,209.79)	(29,408.74)
Redemption of Current Investments	31,808.17	20,880.71
Dividend Income from Mutual Funds	423.04	347.14
Net cash used in Investing Activities	**(6,734.71)**	**(9,372.76)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of ESOP Shares (including Securities Premium)	74.07	-
Proceeds from Borrowings	387.06	309.59
Finance Cost	(61.41)	(40.95)
Final and Interim Dividends including Dividend Distribution Tax paid	(4,463.50)	(5,317.71)
Net cash used in Financing activities	**(4,063.78)**	**(5,049.07)**
Net increase/(decrease) in cash and cash equivalents	**(365.61)**	**1,036.08**
Cash and cash equivalents at the beginning of the year [Refer Note 9a]	1,518.23	482.15
Cash and cash equivalents at the end of the year [Refer Note 9a]	1,152.62	1,518.23

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

Place: Mumbai
Date : July 8, 2019

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

₹ in Lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance as at beginning of the year	1,472.75	1,472.75
Bonus Shares alloted during the year	11,800.19	-
Shares issued on exercise of employee stock options during the year	3.77	-
Balance as the end of the year	13,276.71	1,472.75

B. Other Equity

₹ in Lacs

Particulars	Reserves and Surplus								
	Securities premium	Capital reserve	General reserve	Employee stock options outstanding account	Retained earnings	Other comprehensive income (Net of Taxes)	Attributable to the owners of the Company	Non Controlling Interest	Total
Balance as at March 31, 2017	**574.66**	**29.00**	**8,670.10**	**16.87**	**35,966.74**	**58.90**	**45,316.27**	**1,135.65**	**46,451.92**
Profit for the year	-	-	-	-	13,900.90	-	13,900.90	327.43	14,228.33
Other comprehensive income(net of taxes)	-	-	-	-	(1.50)	(49.95)	(51.45)	1.50	(49.95)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**13,899.40**	**(49.95)**	**13,849.45**	**328.93**	**14,178.38**
Interim Dividend	-	-	-	-	(2,430.04)	-	(2,430.04)	-	(2,430.04)
Dividend distribution tax	-	-	-	-	(494.70)	-	(494.70)	-	(494.70)
Balance as at March 31, 2018	**574.66**	**29.00**	**8,670.10**	**16.87**	**46,941.40**	**8.95**	**56,240.98**	**1,464.58**	**57,705.56**
Profit for the year	-	-	-	-	15,446.27	-	15,446.27	492.14	15,938.41
Other comprehensive income (net of taxes)	-	-	-	-	1.79	(82.25)	(80.46)	(1.79)	(82.25)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**15,448.06**	**(82.25)**	**15,365.81**	**490.35**	**15,856.16**
Final Dividend	-	-	-	-	(516.04)	-	(516.04)	-	(516.04)
Dividend Distribution Tax on Final Dividend	-	-	-	-	(106.07)	-	(106.07)	-	(106.07)
Interim Dividend	-	-	-	-	(3,186.41)	-	(3,186.41)	-	(3,186.41)
Dividend distribution tax on Interim Dividend	-	-	-	-	(654.98)	-	(654.98)	-	(654.98)
Premium received on Issue of ESOP Shares	70.30	-	-	-	-	-	70.30	-	70.30
Employee's Stock Options Expenses	-	-	-	(6.79)	7.11	-	0.32	-	0.32
Transfer from ESOP outstanding account to share premium on exercise	7.23	-	-	(7.23)	-	-	-	-	-
Utilised in Issue of Bonus Shares	(574.66)	-	(8,670.10)	-	(2,555.43)	-	(11,800.19)	-	(11,800.19)
Balance as at March 31, 2019	**77.53**	**29.00**	**-**	**2.85**	**55,377.64**	**(73.30)**	**55,413.72**	**1,954.93**	**57,368.65**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : July 8, 2019

For and on behalf of the Board of Directors

Sd/-
Rafique A.Malik
Chairman
DIN:00521563

Sd/-
Farah Malik Bhanji
Managing Director & Chief Executive Officer
DIN:00530676

Sd/-
Jaiprakash J.Desai
Company Secretary and Chief Finance Officer

NOTES TO THE FINANCIAL STATEMENTS

(CONSOLIDATED)

Notes forming part of the consolidated financial statements as at and for the year ended March 31,2019

1.a Corporate Information

Metro Brands Limited (Formerly known as Metro Shoes Limited) ['the Company'] and it's subsidiary company (together referred to as 'the Group') and the Joint Venture (JV) are engaged in trading of fashion footwear, bags and accessories operating in the premium and economy category and manufacturing of shoe care and foot care products.

The addresses of the Company's registered office and principal place of business are given below.

401, Zillion, 4th Floor, LBS Marg & CST Road Junction, Kurla (West), Mumbai – 400070.

1.b Significant Accounting Policies

A) Statement of compliance:

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (referred to as Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, considering other relevant provisions of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. All amounts are rounded to the nearest Lacs except when otherwise indicated.

The Financial Statements were approved by the Board of Directors on July 8, 2019.

Basis of preparation and presentation of financial statements

The financial statements of the Group 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 Group 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.

Basis of consolidation:

Subsidiary:

Subsidiary is an entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the underlying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control. Subsidiary is fully consolidated from the date on which control is transferred to the Group, and is de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

Joint Venture:

The Company's investment in a joint venture is accounted for by the Equity Method.On acquisition of the investment in Joint venture, the excess of the Company's share of the net fair values of the Joint venture's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as Capital Reserve. The carrying amount is increased or decreased to recognize the Company's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. Distributions received from the joint venture reduce the carrying amount of the investment. The carrying amount of the investment is tested for impairment at each reporting date.

Notes to the Consolidated financial statements as at and for the year ended 31st March, 2019

The unrealised gains/losses resulting from transactions with joint venture are eliminated against the investment to the extent of the Group's interest in the investee. However, unrealised losses are eliminated only to the extent that there is no evidence of impairment.

B) Principles of consolidation :

The Consolidated Financial Statements relate to the Group and its Joint Venture. The Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the subsidiary company and JV used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2019.

ii. The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses (net of deferred tax), unless cost cannot be recovered.

iii. The excess of cost to the Group of its investment in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made are made/acquired, is recognised in the financial statement as 'Goodwill' being an asset in the Consolidated Financial Statements. Similarly, where the share of equity in the subsidiary company as on the dates of investment/acquisition is in excess of cost of the investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the Consolidated Financial Statements.

C) Revenue Recognition:

I) Sale of goods:

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers for an amount that reflects the consideration the Group expects to receive in exchange for those products. The control of goods is transferred to the customer depending upon agreed terms with customer or on delivery basis. Control is considered to be transferred to the customer when the customer has ability to direct the use of such products and obtain substantially all the benefits from it.

Sale of Gift voucher is considered as advance received from the customers till the time the vouchers are redeemed by the customer for the purchase of products and products sold is qualified for revenue recognition.

The Group operates a loyalty points programme which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can be redeemed against consideration payable for subsequent purchases. Consideration received is allocated between the products sold and number of points expected to be redeemed. The consideration allocated to the loyalty points is measured by reference to their fair value. The Group recognises the consideration allocated to loyalty points, when the loyalty points are redeemed.

II) Interest and Dividend Income:

Dividend Income is accounted when right to receive the dividend is established.

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

D) Property, plant and equipment and intangible assets:

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, other incidental expenses 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.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation:

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. Improvements to building are depreciated over the estimated useful life of 10 years.

Intangible Assets:

Intangible Assets with finite useful lives 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

Notes to the Consolidated financial statements as at and for the year ended 31st March, 2019

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 acquired separately are carried at cost less accumulated impairment loss.

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

- Trademark – 10 years
- Copy Rights – 10 years
- Computer Software – 5 years
- Commercial Rights - 10 years

Capital work in progress:

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible Assets under development:

Expenditure on intangible assets under development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

E) Impairment of assets:

At the end of each reporting period, the Group 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 Group 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

F) Inventories:

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

With effect from July 1, 2018, the Company has changed the basis of measurement of cost from 'Retail Method' to 'moving weighted average cost method' as a more precise basis of measuring cost of inventory. Accordingly, as per the requirements of paragraph 22 of Ind AS 8 on “Accounting policies, Changes in Accounting Estimates and errors”, the Company needs to give retrospective effect and adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

The Company determined that it is impracticable to determine the effect of retrospective application to any periods prior to April 1, 2018, since the information required to measure cost of inventory on the basis of moving weighted average cost method was not maintained in the erstwhile accounting application software used in the prior periods and the required information cannot be accurately collected making every reasonable effort. Accordingly, The Company has applied the change in the accounting policy for the year ending March 31, 2019.

Subsidiary: By using the First In First Out (FIFO) method.

Joint Venture:

(a) Raw materials are valued at cost. Cost includes purchase price, freight inwards and other costs incurred in bringing the inventories to their present location and condition excluding taxes which are subsequently recoverable from the concerned revenue authorities such as Goods and Service Tax (GST). Costs of purchased inventory are determined after deducting rebates and discounts. Cost of raw material is determined on first in first out basis (FIFO).

(b) Traded goods are valued at lower of cost and net realisable value. Cost includes purchase price, freight inwards and other costs incurred in bringing the inventories to their present location and condition excluding taxes which are subsequently recoverable from the concerned revenue authorities such as Goods and Service Tax (GST). Costs of purchased inventory are determined after deducting rebates and discounts. Cost of stock-in trade is determined on first in first out basis (FIFO).

Notes to the Consolidated financial statements as at and for the year ended 31st March, 2019

(c) Manufactured finished goods are valued at lower of cost and net realisable value. Cost includes cost of raw material, cost of conversion such as overheads and other costs incurred in bringing such inventories to its present location and condition based on actual level of production. Costs of manufactured finished goods determined on first in first out basis (FIFO).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

Devaluation on inventories is considered on the basis of management's best estimate of demand and expected turnover of the inventories.

G) Taxes on Income:

Income Tax expense represents the sum of the current tax and deferred tax.

Current Tax

Current tax is the tax payable on the 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 Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in accordance with the Income Tax Act, 1961.

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 is realised, 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

H) Employee Benefits:

Short-term employee benefits:

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

In case of non-accumulating compensated absences, the cost of short-term compensated absences is accounted when the absences occur.

Long-term employee benefits:

I) Defined Contribution Plan:

The Provident Fund is a defined contribution scheme. The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident fund, in which both employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary. The Group'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.

II) Defined Benefit Plan:

The Group has Defined Benefit Plan in the form of Gratuity.

Gratuity fund is recognised by the Income-tax authorities and administered through an Insurance fund. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate (interest rates of government bonds) that have terms to maturity approximating to the terms of the Gratuity.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'Other Comprehensive Income' (net of taxes) in the statement of changes in equity and in the Balance Sheet.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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.

Notes to the Consolidated financial statements as at and for the year ended 31st March, 2019

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 remeasurement of 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) Employees Stock Option Plan (ESOP):

In respect of Employee Stock Options, the Group measures the compensation cost using the fair value on grant date. The compensation cost, if any, is amortised on a straight-line basis over the vesting period of the options, based on the Company's estimate of equity instruments that will eventually vest.

K) Provisions, Contingent Liabilities and Contingent Assets

(I) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. 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.

Provision for warranty:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is:

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made.

L) Financial assets and financial liabilities:

Financial Instruments:

Financial Assets and Financial Liabilities are recognised when a Group 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 and Loss.

Financial assets:

(I) Classification:

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group classifies it's financial assets in the following subsequent measurement categories:

Amortised Cost

Financial Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Other Comprehensive Income (FVOCI)

Financial Assets (including debt instruments) are subsequently measured at fair value through other comprehensive income when the asset is held within a business model with an objective that is achieved by collecting contractual cash flows and selling financial assets and the terms of the instrument give rise to cash flows that represent solely payments of principal and interest thereon. Movements in the carrying amount of such assets are taken through Other Comprehensive Income (OCI). When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is not

Notes to the Consolidated financial statements as at and for the year ended 31st March, 2019

reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

(ii) Impairment of Financial Assets:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instruments at FVOCI. For trade receivables, loans and advances given, the Group measure the loss allowance at an amount equal to lifetime expected credit losses. This expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward looking information. The computation also takes into consideration whether there has been a significant increase in credit risk.

(iii) Derecognition of Financial Assets:

A financial asset is derecognised only when:

- the Group has transferred the contractual rights to receive cash flows of the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities:

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when the Group'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 derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

M) Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases.The Group's rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases and accordingly such increases are recognised in the year in which such benefits accrue.

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 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 Group 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.

Q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-

Notes to the Consolidated financial statements as at and for the year ended 31st March, 2019

maker.The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions (Refer Note 29)

1.c Critical Accounting Estimates and Judgements

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the Balance Sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to the estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following are the areas involving critical estimates and judgements as at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

- Estimation of Revenue arising from Loyalty points [Refer Note 1.b(C)(I)]
- Estimation of useful life of Property, Plant and Equipment [Refer Note 1.b(D)]
- Estimation of Defined Benefit Obligation [Refer Note 1.b(H)(II)]
- Fair value measurements and valuation process. 1.b(K)(I)]
- Impairment of Financial Assets [Refer Note 1.b(K)(II)]

1.d Recent accounting pronouncements

Ind AS 116 – Leases

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, there by issuing new Ind AS 116, Leases, effective from April 1, 2019, superseding Ind AS 17, Leases which was applicable upto March 31, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Unlike Ind AS 17 which requires operating lease payments are charged to the Statement of Profit and Loss, Ind AS 116 requires that lessees bring virtually all leases onto the Balance Sheet, applying a 'right-of-use asset' model that would recognise an asset on the lessee's Balance Sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments. The standard provides certain recognition exemptions which allow companies to recognise lease payments as an expense. Entities may use retrospective approach, modified retrospective approach or a modified simplified approach to transition to Ind AS 116.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 on the financial statements. Based on the preliminary assessment by the Group, Ind AS 116 is likely to have material impact on the financial statement.

Amendment to Ind AS 12 Income Taxes:

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Group is evaluating the effect of the above on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The amendment is effective for annual periods beginning on or after April 1, 2019.

The Group is evaluating the effect of the above on the financial statements.

Amendment to Ind AS 19 'Employee Benefits':

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Group is evaluating the effect of the above on the financial statements.

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

2a. Property, Plant and Equipment:

₹ in Lacs

Description of Assets	Buildings	Leasehold Improvements (Showrooms and Office) (Refer Note 1)	Furniture and Fittings	Machinery and Equipment	Motor Vehicles	Computers	Total
I. Cost							
Balance as at April 1, 2017	**8,912.38**	**8,981.84**	**2,042.19**	**1,885.79**	**292.66**	**581.77**	**22,696.63**
Additions	-	1,888.78	546.17	381.42	263.31	277.29	3,356.97
Disposals	-	(413.78)	(37.22)	(62.70)	-	(27.88)	(541.58)
Balance as at March 31, 2018	**8,912.38**	**10,456.84**	**2,551.14**	**2,204.51**	**555.97**	**831.18**	**25,512.02**
Additions	2,209.91	2,294.58	633.59	488.62	-	154.88	5,781.58
Disposals	-	(534.81)	(52.60)	(90.95)	(113.36)	(21.65)	(813.37)
Balance as at March 31, 2019	**11,122.29**	**12,216.61**	**3,132.13**	**2,602.18**	**442.61**	**964.41**	**30,480.23**
II. Accumulated depreciation							
Balance as at April 1, 2017	**310.08**	**3,657.69**	**663.40**	**619.63**	**90.69**	**390.52**	**5,732.01**
Depreciation expense for the year	203.44	1,020.92	254.18	223.06	71.66	110.27	1,883.53
Eliminated on disposal of assets / write off	-	(305.89)	(20.55)	(46.08)	-	(26.32)	(398.84)
Balance as at March 31, 2018	**513.52**	**4,372.72**	**897.03**	**796.61**	**162.35**	**474.47**	**7,216.70**
Depreciation expense for the year	220.93	1,157.96	296.73	260.30	53.91	139.63	2,129.46
Eliminated on disposal of assets / write off	-	(432.90)	(42.18)	(64.15)	(87.92)	(20.21)	(647.36)
Balance as at March 31, 2019	**734.45**	**5,097.78**	**1,151.58**	**992.76**	**128.34**	**593.89**	**8,698.80**
Net carrying amount (I-II)							
Balance as at March 31, 2019	**10,387.84**	**7,118.83**	**1,980.55**	**1,609.42**	**314.27**	**370.52**	**21,781.43**
Balance as at March 31, 2018	**8,398.86**	**6,084.12**	**1,654.11**	**1,407.90**	**393.62**	**356.71**	**18,295.32**

2b. Other Intangible Assets (Represents other than Internally generated intangible assets):

₹ in Lacs

Description of Assets	Copyrights	Commercial Rights	Trademarks	Computer Software	Total
I. Cost					
Balance as at April 1, 2017	**26.00**	**41.00**	**131.88**	**322.64**	**521.52**
Additions	-	-	-	67.46	67.46
Balance as at March 31, 2018	**26.00**	**41.00**	**131.88**	**390.10**	**588.98**
Additions	-	-	100.00	361.21	461.21
Balance as at March 31, 2019	**26.00**	**41.00**	**231.88**	**751.31**	**1,050.19**
II. Accumulated amortisation					
Balance as at April 1, 2017	**25.99**	**32.80**	**128.92**	**167.66**	**355.37**
Amortization expense for the year	0.01	4.10	0.41	63.77	68.29
Balance as at March 31, 2018	**26.00**	**36.90**	**129.33**	**231.43**	**423.66**
Amortization expense for the year	-	4.10	9.41	117.01	130.52
Balance as at March 31, 2019	**26.00**	**41.00**	**138.74**	**348.44**	**554.18**
Net carrying amount (I-II)					
Balance as at March 31, 2019	**-**	**-**	**93.14**	**402.87**	**496.01**
Balance as at March 31, 2018	**-**	**4.10**	**2.55**	**158.67**	**165.32**

Note:

Includes furniture, fixtures and other items capitalised prior to year 2009, which are part of the initial capital outlay and cannot be separately identified.

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

3. Investments for the year ended March 31, 2019

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Quantity	Amounts		Quantity	Amounts	
		Current	Non-Current		Current	Non-Current
A. <u>Investments carried at cost</u>						
Unquoted Investments - at cost (Fully paid up)						
<u>Investment in Equity instrument of Joint Venture (carrying amount determined using the equity method of accounting)</u>						
Equity shares of ₹ 10/- each in M.V.Shoe Care Pvt. Ltd.	6,860,000.00	-	520.52	6,860,000.00	-	520.52
Add : Share in accumulated Profits/Reserves		-	184.98		-	35.44
	6,860,000.00	**-**	**705.50**	**6,860,000.00**	**-**	**555.96**
B. <u>Investments carried at FVOCI</u>						
Quoted Investments						
Investments in Bonds						
7.38% PFC Tax Free Bonds 22/11/2027 of ₹ 10,00,000 each	50.00	528.00	-	50.00	543.40	-
7.35% NHAI Tax Free Bonds 2015 Series IIA of ₹ 1,000 each	14,285.00	153.21	-	14,285.00	157.69	-
8.46% IIFCL Tax Free Bonds (SERIES VIB) 30/08/2028 of ₹ 10,00,000 each	50.00	565.00	-	50.00	586.45	-
C. <u>Investments carried at FVTPL</u>						
Unquoted Investments						
Investment in Mutual Funds						
Face Value of ₹ 10.00 each						
Aditya Birla Sunlife Income Plus - Growth - Direct Plan	1,590,562.15	1,350.44	-	1,590,562.15	1,254.54	-
Reliance Income Fund - Direct Plan Growth Plan - Growth Option	2,169,246.36	1,355.60	-	2,169,246.36	1,245.43	-
HDFC Gilt Fund - Direct Plan - Growth Option	3,078,537.21	1,173.70	-	4,193,435.88	1,499.97	-
JM High Liquidity Fund (Direct) - Growth Option	-	-	-	2,606,822.35	1,240.13	-
EDELWEISS Arbitrage fund - Direct Plan-Dividend	23,564,173.40	2,511.92	-	23,564,173.40	2,498.39	-
ICICI Prudential Equity Arbitrage Fund - Direct plan - Dividend	17,797,540.50	2,579.11	-	16,413,735.17	2,370.77	-
Franklin India Ultra Short Bond Fund Super Institutional - Plan - Growth	10,868,999.00	2,867.65	-	11,432,715.42	2,759.96	-
Indiabulls Liquid Fund - Direct Plan - Growth	-	-	-	43,068.18	731.40	-
BNP Paribas Enhanced Arbitrage Fund-Direct Monthly-Dividend	-	-	-	4,001,174.50	401.24	-
Birla Sunlife Enhanced Arbitrage Fund-Div-Direct Plan-Reinvest	-	-	-	21,714,228.48	2,397.49	-
Invesco India Liquid Fund - Direct Plan - Growth	-	-	-	8,682.77	207.70	-
Kotak Equity Arbitrage Fund-Direct Plan -Fortnight Dividend	10,624,578.23	2,500.91	-	-	-	-
Reliance Arbitrage Fund- Direct Plan Dividend Plan	8,545,813.33	1,101.72	-	-	-	-
Face Value of ₹ 100.00 each						
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	47,039.31	141.32	-	-	-	-
Face Value of ₹ 1,000.00 each						
Franklin India Short Term Income Plan Retail - Direct Plan - Growth	50,615.67	2,123.68	-	-	-	-
Franklin India Short Term Income Plan Retail - Direct Plan - Growth	47,335.39	1,324.70	-	-	-	-
Total (Aggregate amount of unquoted investments)		19,030.75	705.50		16,607.02	555.96
Total (Aggregate amount of quoted investments)		**1,246.21**	**-**		**1,287.54**	**-**
Total		**20,276.96**	**705.50**		**17,894.56**	**555.96**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

4. Loans (Unsecured, considered good)

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Loans to employees	26.52	-	26.52	29.16	-	29.16
Loans to Selling agents, Retail agents, Supervisors and others	110.85	-	110.85	84.44	-	84.44
Total	**137.37**	**-**	**137.37**	**113.60**	**-**	**113.60**

5. Other financial assets

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Security Deposits						
(i) To Related parties - for office premises	-	-	-	-	45.52	45.52
(ii) For showroom and others	343.61	4,788.54	5,132.15	47.63	4,136.84	4,184.47
Less: Allowance for doubtful deposits	(11.20)	-	(11.20)	(11.20)	-	(11.20)
	332.41	**4,788.54**	**5,120.95**	**36.43**	**4,136.84**	**4,173.27**
Bank Deposit with more than 12 months maturity from the Balance Sheet date	-	6.50	6.50	-	7.22	7.22
Insurance Claim Receivable	7.64	-	7.64	66.20	-	66.20
Interest accrued on deposits with banks and investments	51.20	-	51.20	49.78	-	49.78
Others	-	-	-	6.15	-	6.15
Total	**391.25**	**4,795.04**	**5,186.29**	**158.56**	**4,189.58**	**4,348.14**

6. Other assets

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
(i) Advances to Vendors	873.34	-	873.34	449.60	-	449.60
(ii) Capital advances	-	-	-	-	20.19	20.19
(iii) Balances with government authorities :						
(i) Goods and Services tax/Value Added tax credit	1,460.41	6.20	1,466.61	1,072.41	-	1,072.41
(ii) Excise duty credit	-	-	-	4.85	-	4.85
(iii) Custom Duty receivable	-	-	-	6.99	-	6.99
Less: Allowance for doubtful advances	-	-	-	(6.99)	-	(6.99)
				-		-
(iv) Prepayments	178.59	3.12	181.71	154.94	-	154.94
(v) Amounts paid under protest [Excise duty ₹ 50.00 lakhs and Sales tax ₹ 43.85 lakhs (March 31, 2018- Excise duty ₹ 51.37 lakhs and Sales tax ₹ 41.99 lakhs)]	-	93.85	93.85	1.37	91.99	93.36
(vi) Others						
(i) Other Advances	121.23	-	121.23	2.92	-	2.92
(ii) Income tax receivable (Net of provision for tax of ₹ 440.78 (March 31, 2018 - ₹ Nil))	-	11.37	11.37	-	2.15	2.15
Total	**2,633.57**	**114.54**	**2,748.11**	**1,686.09**	**114.33**	**1,800.42**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

7. Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Stock in trade	36,461.50	27,940.92
Total	**36,461.50**	**27,940.92**

Included above, goods-in-transit:	580.36	157.98

Notes:

i) The cost of inventories recognised as an expense during the year was ₹ 54,873.34 Lacs (March 31, 2018: ₹ 47,588.06 Lacs)

ii) The cost of inventories recognised as an expense includes ₹ 20 Lacs (March 31, 2018: ₹ 20 Lacs) in respect of write-downs of inventory to net realisable value.

iii) The mode of valuation of inventories has been stated in Note 1b(F).

8 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables*		
Considered good - unsecured	5,192.70	3,936.01
Significant increase in credit risk	18.07	11.55
	5,210.77	3,947.56
Less: Allowance for doubtful debts	(18.07)	(11.55)
Total	**5,192.70**	**3,936.01**

* Refer Note 36.4 (A) (ii)

9a. Cash and cash equivalents

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Unrestricted balances with Banks		
- In Current accounts	712.73	1,290.81
- In Fixed Deposit	5.15	-
(b) Cash on hand	52.90	45.62
(c) Cash at showrooms	381.84	181.80
Total	**1,152.62**	**1,518.23**

9b. Other Bank Balances

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) In earmarked accounts		
Balance with Banks (fixed deposits) held as margin money or security against guarantees and other commitments (Refer Footnote)	50.18	26.54
(b) Bank deposits with maturity within 12 months	6.27	-
Total	**56.45**	**26.54**

Note : Balances with banks (fixed deposits) includes ₹ 29.22 lacs (March 31, 2018, ₹ 18.20 lacs) which have an original maturity of more than 12 months.

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

10 Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Share Capital (₹ in lacs)	Number of Shares	Share Capital (₹ in lacs)
Authorised:				
Equity shares of ₹ 10/- each	150,000,000	15,000.00	15,000,000	1,500.00
Issued, Subscribed and Fully Paid-up:				
Equity shares of Rs of ₹ 10/- each	132,767,145	13,276.71	14,727,530	1,472.75
Total		**13,276.71**		**1,472.75**

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Share Capital (₹ in lacs)	Number of Shares	Share Capital (₹ in lacs)
Equity Share Capital				
Balance as at beginning of the year	14,727,530	1,472.75	14,727,530	1,472.75
Add: Issued during the year under ESOP scheme#	37,695	3.77	-	-
Add: Bonus Shares issued during the year	118,001,920	11,800.19	-	-
Balance as at the end of the year	**132,767,145**	**13,276.71**	**14,727,530**	**1,472.75**

22,710 shares were issued pre bonus and 14,895 shares were issued post bonus

10.2 Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	**% holding**	**Number of Shares**	**% holding**
Farah Malik Bhanji*	83,575,260	62.95%	9,286,140	63.05%
Rakesh Jhunjhunwala**	19,576,800	14.76%	2,175,200	14.76%
Rafique A. Malik***	9,288,000	6.98%	1,032,000	7.02%
*Includes shares held by Farah Malik Bhanji				
(a) As Trustee for the benefit of Rafique Malik Family Trust	39,513,960		4,390,440	
(b) As Trustee for the benefit of Aziza Malik Family Trust	40,092,300		4,454,700	
**Includes shares held by Rakesh Jhunjhunwala				
(a) As Trustee for the benefit of Aryaman Jhunjhunwala Discretionary Trust	6,525,603		725,067	
(b) As Trustee for the benefit of Aryavir Jhunjhunwala Discretionary Trust	6,525,603		725,067	
(c) As Trustee for the benefit of Nishtha Jhunjhunwala Discretionary Trust	6,525,594		725,066	
***Includes shares held by Rafique A. Malik				
(a) As Trustee for the benefit of Zarah Malik Family Trust	1,984,500		220,500	
(b) As Trustee for the benefit of Farah Malik Family Trust	1,984,500		220,500	
(c) As Trustee for the benefit of Zia Malik Family Trust	1,984,500		220,500	
(d) As Trustee for the benefit of Sabina Malik Family Trust	1,984,500		220,500	

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

10.3 Shares allotted as fully paid up bonus shares

The Company has allotted 118,001,920 (March 31, 2018 - Nil) equity shares of ₹ 10/- each as fully paid up Bonus shares during the financial year 2018-19 in the ratio of eight shares for every one share held by utilisation of the Securities Premium Account, General Reserve Account and Retained earnings.

10.4 Employees Stock Option Scheme

54,900 Equity Shares (March 31, 2018 - 30,475 Equity Shares pre bonus) of the face value ₹ 10 each are reserved under Employee Stock Option Plan of the Company. [Refer Note 32].

10.5 Rights, preference and restriction attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend on equity shares

During the year ended March 31, 2019, the Company had paid final dividend of ₹ 3.5 per equity share of ₹ 10 each for the financial year 2017-18 amounting to ₹ 622.11 Lacs including dividend distribution tax of ₹ 106.07 Lacs. The Board of Directors at their meeting held on March 12, 2019 has recommended an interim dividend of ₹ 2.4 per equity share for the year ended March 31, 2019 amounting to ₹ 3,841.39 Lacs including Dividend Distribution tax of ₹ 654.98 Lacs. During the previous year 2017-18, the Board of Directors at their meeting held on February 28, 2018 had declared an interim dividend of ₹ 16.5 per share for the year ended March 31, 2018 amounting to ₹ 2,924.74 Lacs including Dividend Distribution tax of ₹ 494.70 Lacs.

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

11. Other Equity

₹ in Lacs

Particulars	Reserves and Surplus								
	Securities premium	Capital reserve	General reserve	Employee stock options outstanding account	Retained earnings	Other Compreh-ensive Income (Net of Taxes)	Attributable to the owners of the Company	Non Controlling Interest	Total
Balance as at March 31, 2017	**574.66**	**29.00**	**8,670.10**	**16.87**	**35,966.74**	**58.90**	**45,316.27**	**1,135.65**	**46,451.92**
Profit for the year	-	-	-	-	13,900.90	-	13,900.90	327.43	14,228.33
Other comprehensive income (net of taxes)	-	-	-	-	(1.50)	(49.95)	(51.45)	1.50	(49.95)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**13,899.40**	**(49.95)**	**13,849.45**	**328.93**	**14,178.38**
Interim Dividend	-	-	-	-	(2,430.04)	-	(2,430.04)	-	(2,430.04)
Dividend Distribution Tax	-	-	-	-	(494.70)	-	(494.70)	-	(494.70)
Balance as at March 31, 2018	**574.66**	**29.00**	**8,670.10**	**16.87**	**46,941.40**	**8.95**	**56,240.98**	**1,464.58**	**57,705.56**
Profit for the year	-	-	-	-	15,446.27	-	15,446.27	492.14	15,938.41
Other comprehensive income (net of taxes)	-	-	-	-	1.79	(82.25)	(80.46)	(1.79)	(82.25)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**15,448.06**	**(82.25)**	**15,365.81**	**490.35**	**15,856.16**
Final Dividend	-	-	-	-	(516.04)	-	(516.04)	-	(516.04)
Dividend Distribution Tax on Final Dividend	-	-	-	-	(106.07)	-	(106.07)	-	(106.07)
Interim Dividend	-	-	-	-	(3,186.41)	-	(3,186.41)	-	(3,186.41)
Dividend distribution tax on Interim Dividend	-	-	-	-	(654.98)	-	(654.98)	-	(654.98)
Premium received on Issue of ESOP Shares	70.30	-	-	-	-	-	70.30	-	70.30
Employee's Stock Options Expenses	-	-	-	(6.79)	7.11	-	0.32	-	0.32
Transfer from ESOP outstanding account to share premium on exercise	7.23	-	-	(7.23)	-	-	-	-	-
Utilised in Issue of Bonus Shares	(574.66)	-	(8,670.10)	-	(2,555.43)	-	(11,800.19)	-	(11,800.19)
Balance as at March 31, 2019	**77.53**	**29.00**	**-**	**2.85**	**55,377.64**	**(73.30)**	**55,413.72**	**1,954.93**	**57,368.65**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

Description of Nature and Purpose of Reserves

Securities Premium:

Securites Premuium is created when shares are issued at premium . The Company can use this reserve in accordance with the provisions of the Act.

General Reserve:

General Reserves is created out of profits of the Company. The reserve is created in accordance with the provisions of the Act.

Employees Stock Options Outstanding Account:

The above reserve relates to stock options granted by the Company to its employees under its employee stock option plan.

Other Comprehensive Income:

Other Comprehensive Income represent change in the value of investments accounted through FVOCI.

12. Borrowings

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Secured- at amortised cost						
- Term Loan - Secured against Car	-	0.84	0.84	-	4.02	4.02
Cash Credit from bank - Secured	845.01	-	845.01	454.77	-	454.77
(Secured By Book Debts, Hypothecation of Inventories, and all other current assets both present and future of the subsidiary company. Further secured by the personal guarantee of Directors of the subsidiary company)						
Loans and advances from other parties	140.56	-	140.56	140.56	-	140.56
Total	**985.57**	**0.84**	**986.41**	**595.33**	**4.02**	**599.35**

13. Other financial liabilities

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Security Deposit- Selling Agents	584.75	-	584.75	505.13	-	505.13
Security Deposit- Supervisors, Regional and City Manager	102.24	-	102.24	84.02	-	84.02
Security Deposit - Franchisee	20.00	-	20.00			
Payable on acquisition of Property, Plant & Equipment	618.80	-	618.80	467.96	-	467.96
Current maturities of long-term debt	3.18		3.18	2.90		2.90
Total	**1,328.97**	**-**	**1,328.97**	**1,060.01**	**-**	**1,060.01**

14. Provisions

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
Provision for Warranty	40.31	-	40.31	35.31	-	35.31
Provision for employee benefits-						
Gratuity (Refer Note 27)	206.58	58.37	264.95	165.39	36.54	201.93
Total	**246.90**	**58.37**	**305.27**	**200.70**	**36.54**	**237.24**

Note -

Provision for warranty represent the undiscounted value of the management's best estimate of the future outflow of economic benefits that will be required for settlement of claim in respect of products sold by the Group. The estimate has been made on the basis of trends anticipated by the management and may vary as a result of variation in the market conditions. It is expected that cost will be incurred over the warranty period as per the warranty terms.

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

15. Trade payables

₹ in Lacs

Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- Current	Total	Current	Non-Current	Total
i) Total Outstanding dues of Micro Enterprises and Small Enterprises ; (Refer to MSME Note 37) and	157.31	-	157.31	-	-	-
ii) Total Outstanding dues of Creditors other than of Micro Enterprises and Small Enterprises	19,125.04	-	19,125.04	14,111.65	-	14,111.65
Total	**19,282.35**	**-**	**19,282.35**	**14,111.65**	**-**	**14,111.65**

16. Other current liabilities

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
a. Advances received from customers	114.88	114.47
b. Deferred Revenue arising from Customer Loyalty program	560.68	493.00
c. Statutory Dues (withholding taxes, goods and services tax, service tax, vat etc.)	555.08	639.52
d. Other payables	64.48	-
Total	**1,295.12**	**1,246.99**

17. Revenue from operations

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of products (Traded Goods) - Footwear, Bags and Accessories	121,656.54	108,483.77
(b) Other operating revenue		
- Shoe Repair Income	50.00	46.10
Total	**121,706.54**	**108,529.87**

During the previous year, excise duty on sale of product was included under Revenue from operations and disclosed separately under expenses upto June 30, 2017. Post implementation of Goods and Services Tax (GST) w.e.f. July 01, 2017, Revenue from operations is reported net of GST as, unlike Excise duty, GST is not part of Revenue.

18. Other Income

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income:		
Income earned on financial assets carried at amortised cost:		
Interest on bank deposits	4.35	4.40
Interest on loan given to Joint Venture	5.37	-
Interest on other Loans and advances	14.00	21.35
Income earned on financial assets carried at FVOCI		
Interest Income from Tax Free Bonds	89.70	89.86
	113.42	**115.61**
Dividend Income:		
Dividend income from Current Investments in Mutual Funds (carried at FVTPL)	423.04	347.14
Net Gain arising on Investments designated as FVTPL	1,022.09	298.66
Net Gain on foreign currency transactions and translation	66.30	88.71
Other Income		
Cash Discounts	7.91	9.60
Miscellaneous Income	64.45	31.17
Liabilities no longer required, written back	38.17	-
Total	**1,735.38**	**890.89**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

19. Purchases

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock-in-Trade (Footwear, Bags & Accessories)	61,723.88	49,148.11
Packing Materials	1,670.04	2,055.35
Total	**63,393.92**	**51,203.46**

20. Changes in Inventories of Stock-In-Trade

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Stock-in-trade	(36,461.50)	(27,940.92)
Inventories at the beginning of the year:		
Stock-in-trade	27,940.92	26,456.53
Less : Excise Duty in Inventories	-	(2,131.01)
Net (Increase) in Stock-in-trade	**(8,520.58)**	**(3,615.40)**

21. Employee benefits expense

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages	10,036.51	8,526.66
(b) Contribution to provident and other funds (Refer note 27)	1,095.10	956.01
(c) Staff welfare expenses	81.90	264.42
Total	**11,213.51**	**9,747.09**

22. Finance Cost

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses	61.41	40.95
Total	**61.41**	**40.95**

23. Other expenses

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	1,855.29	1,693.12
Rent (Refer note 30)	10,345.80	8,830.25
Rates and taxes	329.70	103.78
Insurance	96.43	80.69
Repairs and maintenance - Machinery and Equipment	76.58	58.17
Repairs and maintenance - Others	790.39	655.94
Advertisement & Sales promotion	4,371.19	3,657.04
Commission on sales (Refer Note 30)	7,168.46	6,602.25
Commission on Credit Card Sales	745.08	718.59
Freight Charges	997.74	827.76
Maintenance & Other Charges - Showrooms (Refer Note 30)	1,682.28	1,458.20
Communication	211.37	209.85
Travelling and conveyance	664.07	582.35
Donations	-	255.28
Legal and professional fees (Refer Note 23.2)	404.55	566.52
Payments to auditors (Refer Note 23.1)	29.03	20.50
Loss on Sale/ discard of Property, plant and equipment (net)	127.85	135.13
Corporate Social Responsibility (Refer Note 33)	135.54	57.57
Allowance for doubtful trade receivables, advances and deposits	6.52	11.09
Irrecoverable advances written off	-	14.00
Miscellaneous Expenses	1,155.84	1,021.04
Total	**31,193.71**	**27,559.12**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

23.1 Payment to auditors: (excluding GST/Service Tax)

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
To statutory auditor		
(i) For Audit	25.00	14.50
(ii) For Taxation Matters	2.50	2.50
(iii) For Consolidation	0.50	0.50
(iv) For Other Services	1.03	3.00
Total	**29.03**	**20.50**

23.2 Legal & Professional of current year includes ₹ 8 Lacs paid to the auditor of the subsidiary (previous Year ₹ 4 Lacs)

24. Current Tax and deferred tax

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

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax:		
In respect of current year	7,669.05	7,233.00
In respect of prior year	30.20	13.33
	7,699.25	**7,246.33**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	352.26	58.65
Total	**8,051.51**	**7,304.98**

(b) Income tax recognised in other comprehensive income

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax:		
Remeasurement of defined benefit obligations	21.42	30.05
Deferred tax :		
Gain arising on fair valuation of quoted investments in bonds	-	(3.51)
Total	**21.42**	**26.54**
Bifurcation of income tax recognised in other comprehensive income into:		
-Items that will not be reclassified to profit and loss	21.42	30.05
-Items that will be reclassified to profit and loss	-	(3.51)
Total	**21.42**	**26.54**

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

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**23,839.97**	**21,489.85**
Income tax expense at Effective Tax Rate [34.944% (2018 : 34.608%)]	8,330.64	7,437.20
Effect of income that is exempt from taxation	(193.62)	(151.23)
Effect of expenses that are non-deductible in determining taxable profit	38.79	69.07
Effect of deduction	(79.07)	(77.56)
Effect of Different Tax year in the Subsidiary	(86.27)	-
Others	10.84	14.17
Tax of prior years	30.20	13.33
Income tax expense recognised in Statement of Profit and Loss	**8,051.51**	**7,304.98**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

25. Deferred tax

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

₹ in Lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax assets	**5.51**	**16.36**
Deferred tax liabilities	**(585.04)**	**(243.63)**
	(579.53)	**(227.27)**

(a) Holding Company

₹ in Lacs

Particulars	For the year ended March 31, 2019			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Property, plant and equipment	(70.52)	(163.32)	-	(233.84)
Provision for doubtful trade receivables, advances and deposits	10.29	-	-	10.29
Fair valuation investments	(313.04)	(210.30)	-	(523.34)
Unrealised profits on unsold inventories	129.64	11.14		140.78
Others	-	21.07	-	21.07
Net deferred tax asset/(liabilities)	**(243.63)**	**(341.41)**	**-**	**(585.04)**

Particulars	For the year ended March 31, 2018			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax asset/(liabilities)				
Property, plant and equipment	(29.00)	(41.52)	-	(70.52)
Provision for doubtful trade receivables, advances and deposits	14.48	(4.19)	-	10.29
Fair valuation of Mutual Fund investments and Bonds	(255.20)	(54.33)	(3.51)	(313.04)
Unrealised profits on unsold inventories	91.80	37.84	-	129.64
Others	-	-	-	-
Net deferred tax asset/(liabilities)	**(177.92)**	**(62.20)**	**(3.51)**	**(243.63)**

(b) Subsidiary

₹ in Lacs

Particulars	For the year ended March 31, 2019			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Property, plant and equipment	16.36	(10.85)	-	5.51
Net deferred tax asset/(liabilities)	**16.36**	**(10.85)**	**-**	**5.51**

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

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

26. Contingent Liabilities and Commitments (to the extent not provided for)

Nature of Dues	As at March 31, 2019	As at March 31, 2018	Period	Forum where dispute is pending
(I) Contingent Liabilities				
a) Claims not acknowledged as debts				
Central Excise	31.02	31.02	Apr'2005 - Sept'2005	CESTAT, Mumbai
	99.62	99.62	Apr'2006 - Dec'2007	CESTAT, Mumbai
	260.69	260.69	Jan'2008 - Mar'2011	CESTAT, Mumbai
	-	1,148.55	Aug'2005 - Mar'2013	Commissioner of Central Excise.
	8.87	8.87	Apr'2006 - Mar'2014	CESTAT, Mumbai
Service Tax	10.59	10.59	Sept'2008 - Mar'2011	The Supreme Court of India
Sales Tax	20.05	-	F.Y. 2012-2013	Deputy Commissioner Appeal, Ernakulam
	1.61	-	F.Y. 2011-2012	Deputy Commissioner Appeal, Ernakulam
	645.84	645.84	F.Y. 2013-2014	Joint Commissioner -1 Appeal, Ahmedabad
	76.43	76.43	F.Y. 2013-2014	Joint Commissioner of Commercial Tax(Appeals), Bihar
	29.87	29.87	F.Y. 2013-2014	Joint Commissioner of Commercial Tax, Mumbai
Income Tax	43.74	43.74	A.Y. 2009-10	The Bombay High Court
	36.83	36.83	A.Y. 2010-11	The Bombay High Court
	48.55	48.55	A.Y. 2011-12	The Bombay High Court
	68.50	68.50	A.Y. 2012-13	The Bombay High Court
	3.01	-	A.Y. 2011-12	Commissioner of Income Tax, Appeal
	1.54	-	A.Y. 2011-12	Commissioner of Income Tax, Appeal
(b)Other money for which the Group is contingently liable	20.50	20.50		
ii) Commitments				
a) Estimated amount of contracts remaining to be executed on capital account (net of advances paid) and not provided	274.77	415.58		
b)Other Commitments- Amount of future minimum lease payments under non-cancellable operating leases.(Also refer Note 30)	3,805.73	3,785.95		

Future ultimate outflow of resources embodying economic benefits in respect of matters stated under Note 26(i)(a) and (b) depends on the final outcome of judgements / decisions on the matters involved.

27. Employee Benefits:

Defined - Contribution Plans

The Group offers its employees defined contribution plan in the form of provident fund. Both the employees and the Group pay pre determined contributions into the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Group recognised Provident Fund ₹ 626.90 Lacs (Previous year ₹ 556.18 Lacs) in the Statement of Profit and Loss.

Defined Benefit Plans- Gratuity

A For the Company

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, payable for each completed year of service or part thereof in excess of six months in terms of gratuity scheme of the Company or as per the Payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

a) The principal actuarial risks to which the Company is exposed are investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Longevity risk	The Company has used certain mortality and attrition assumptions in the valuation of the liability. An increase in the life expectancy / longevity of plan participants will increase the plan's liability and vice versa.
Salary Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

b) Details of Defined Benefit Plan of the Company (As per Actuarial Valuation)

₹ in Lacs

Gratuity	**Year ended March 31, 2019**	**Year ended March 31, 2018**
I. Expense recognized in the Statement of Profit and Loss		
1. Current Service Cost	174.47	147.89
2. Interest Cost on the net defined benefit liability /(asset) (net)	11.47	6.89
Total	**185.94**	**154.78**
II. Included in other comprehensive income		
1. Return on plan assets, excluding amount recognised in net interest expense	2.84	(5.29)
2. Actuarial losses on account of :		
-change in demographic assumptions	(24.46)	44.19
-change in financial assumptions	22.44	10.25
-experience variance	55.38	43.09
	56.20	**92.24**
III. Net Asset/ (Liability) recognized in the Balance Sheet		
1. Present Value of Defined Benefit Obligation	1,534.83	1,320.64
2. Fair value of plan assets	1,341.22	1,169.16
3. Net (liability) as at end of the year	(193.61)	(151.48)
IV. Change in the obligation during the year		
1. Present Value of Defined Benefit Obligation at the beginning of the year	1,320.66	1,027.32
2. Expenses recognised in profit and loss Account		
-Current Service Cost	174.47	147.89
-Interest Cost	100.01	67.76
3. Remeasurement gains/(losses)		
-change in demographic assumptions	(24.46)	44.19
- change in financial assumptions	22.44	10.26
-experience variance (i.e. Actual experience vs assumptions)	55.37	43.09
4. Benefit Payments	(113.66)	(19.85)
5. Present Value of Defined Benefit Obligation at the end of the year	1,534.83	1,320.66
V. Change in Fair Value of Assets during the year		
1. Plan assets at the beginning of the year	1,169.16	922.86
2. Investment Income	88.56	60.87
3 Recognised in other comprehensive income		
Remeasurement gains /(losses)		
- Actual return on plan assets in excess of the expected Return	(2.84)	5.29
4. Contribution by employer	200.00	200.00
5. Benefits paid	(113.66)	(19.85)
6. Fair value of Plan assets at the end of the year	1,341.22	1,169.16
VI. The major categories of plan assets		
- List the major plan assets by category here		
- Insurer Managed Funds	1,341.22	1,169.16

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

Gratuity	Year ended March 31, 2019	Year ended March 31, 2018
VII. Actuarial assumptions		
1. Discount Rate [HO]	7.50%	7.65%
Discount Rate [Sales Staff]	6.60%	7.25%
2. Expected rate of return on plan assets	8.00%	8.00%
3. Salary Escalation Rate [HO]	9.50%	9.50%
Salary Escalation Rate [Sales Staff]	9.50%	9.50%
4. Attrition Rate [HO]	8.50%	7.16%
Attrition Rate [Sales Staff]	36.97%	34.75%
5. In-service Mortality	IALM2006-08	IALM2006-08

c) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate , expected salary increase, attrition and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows;

₹ in Lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate (-/ + 1%)		
- Decrease by 1%	117.04	108.38
- Increase by 1%	(102.63)	(94.18)
Salary growth Rate (-/ + 1%)		
- Decrease by 1%	(101.68)	(93.46)
- Increase by 1%	113.58	105.35
Attrition Rate (-/ + 50% of the attrition rate)		
- Decrease by 50%	134.64	105.55
- Increase by 50%	(78.35)	(64.91)
Mortality Rate (-/ + 10% of mortality rate)		
- Decrease by 10%	0.44	0.39
- Increase by 10%	(0.44)	(0.39)

The sensitivity analysis presented above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

d) Expected contribution for the next year: The Company expects to contribute ₹ 357.95 Lacs in respect of the gratuity plans during the next financial year ending March 31, 2020.

e) Expected future benefits payable:

₹ in Lacs

Maturity Profile of Defined Benefit Obligation	As at 31st March 2019	As at 31st March 2018
1 year	282.05	189.54
2 to 5 years	617.73	578.17
6 to 10 years	565.12	451.80
More than 10 years	1,548.82	1,592.78

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

B For the Subsidiary-Unfunded

The Subsidiary provides for lump sum payment to vested employees at retirement or on termination of employment of an amount equivalent to 15 days of salary for each completed year of service or part thereof in excess of six months, vesting occurs upon completion of five years of service.

i Assets and Liabilities (Balance Sheet Position) -

₹ in Lacs

Particulars	Year ended March 2019	Year ended March 2018
Present Value of Obligation	71.34	50.46
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	(71.34)	(50.46)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	(71.34)	(50.46)

ii Expenses recognised during the year -

₹ in Lacs

Particulars	Year ended March 2019	Year ended March 2018
In Income Statement	17.90	13.91
In Other Comprehensive Income	5.58	(4.69)
Total Expenses Recognized during the period	23.48	9.22

iii Changes in the Present Value of Obligation

Particulars	Year ended March 2019	Year ended March 2018
Present Value of Obligation as at the beginning	50.46	41.23
Current Service Cost	14.45	10.40
Interest Expense or Cost	3.45	2.68
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
change in financial assumptions	0.38	(2.30)
variance (i.e. Actual experiences assumptions)	5.20	(2.38)
Benefits paid	(2.60)	-
Past Service Cost	-	0.83
Present Value of Obligation as at the end	**71.34**	**50.46**

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

₹ in Lacs

Particulars	Year ended March 2019	Year ended March 2018
Current Liability (Short term)	12.98	13.91
Non-Current Liability (Long term)	58.36	36.55
Present Value of Obligation	**71.34**	**50.46**

v Expenses Recognised in the Income Statement

₹ in Lacs

Particulars	Year ended March 2019	Year ended March 2018
Current Service Cost	14.45	10.40
Past Service Cost	-	0.83
Interest Expense or Cost	3.45	2.68
Present Value of Obligation as at the end	**17.90**	**13.91**

vi Other Comprehensive Income

₹ in Lacs

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

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

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

₹ in Lacs

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

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

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

₹ in Lacs

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

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

ix Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, 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:

₹ in Lacs

Particulars	Year ended March 2019	Year ended March 2018
Defined Benefit Obligation (Base)	71.34	50.46

₹ in Lacs

Particulars	Year ended March 2019	Year ended March 20178
Discount Rate (- / + 1%)		
-Decrease by 1 %	5.56	3.84
-Increase by 1 %	(4.83)	(3.32)
Salary Growth Rate (- / + 1%)		
-Decrease by 1 %	(4.46)	(3.21)
-Increase by 1 %	4.92	3.60
Attrition Rate (- / + 50% of attrition rates)		
-Decrease by 1 %	6.04	4.03
-Increase by 1 %	(4.06)	(2.60)
Mortality Rate (- / + 10% of mortality rates)		
-Decrease by 1 %	0.01	0.01
-Increase by 1 %	(0.01)	(0.01)

28 Related party disclosures as required by IND AS-24 "Related Party disclosures" are given below:

List of Related Parties :

I. Names of Related Party and description of relationship:

a. Joint Venture : M/s. M.V. Shoe Care Private Limited

b. Other Related Parties with whom transactions have taken place during the year:

I. Key Management Personnel (KMP) :
- Mr. Rafique Malik – Chairman (having significant influence)
- Mrs. Farah Malik Bhanji – Managing Director and Chief Executive Officer
- Mrs. Aziza Malik – Whole Time Director (having significant influence)

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

Mr. J.J. Desai - Company Secretary & Chief Financial Officer
Mr. Subhash Malik
Mr. Rakesh Jhunjhunwala
Mr. Utpal Sheth
Ms. Aruna Advani
Mr. Manoj Kumar Maheshwari
Mr. Arvind Kumar Singhal
Mr. Karan Singh
Mr. Vikas Khemani

ii. Relatives of Key Management Personnel : Mrs. Sabina Malik Hadi
Ms. Zarah Rafique Malik
Mrs. Zia Malik Lalji
Ms. Alisha R. Malik
Mrs. Rukshana Kurbanali Javeri
Mrs. Mumtaz Jaffer
Mr. Suleiman Sadruddin Bhanji

iii. Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence : Design Matrix Interiors LLP
Design Matrix Associated Private Limited
Allium Property LLP
Metro Shoes
Aziza Malik Family Trust
Rafique Malik Family Trust
Zia Malik Family Trust
Zarah Malik Family Trust
Sabina Malik Family Trust
Farah Malik Family Trust

II. Related Party Transactions during the year:

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Compensation in respect of concession agreements for showrooms - Rent						
Rafique Malik	2018-19				96.60	
	2017-18				95.00	
Aziza Malik	2018-19				247.09	
	2017-18				243.82	
Commission in respect of retail agency agreements for showroom						
Metro Shoes	2018-19		239.54			
	2017-18		233.10			
Remuneration #						
Rafique Malik	2018-19				543.07	
	2017-18				527.85	
Farah Malik Bhanji	2018-19				228.72	
	2017-18				223.51	
Aziza Malik	2018-19				164.31	
	2017-18				160.64	
J.J. Desai	2018-19				138.18	
	2017-18				135.01	

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Subhash Malik	2018-19				25.36	
	2017-18				23.11	
Alisha R. Malik	2018-19					39.38
	2017-18					37.88
ESOP Exercised						
Subhash Malik	2018-19				2.33	
	2017-18				-	
Directors' Sitting Fees						
Ms. Aruna Advani	2018-19				3.60	
	2017-18				2.60	
Mr. Manoj Kumar Maheshwari	2018-19				3.10	
	2017-18				2.60	
Mr. Arvind Kumar Singhal	2018-19				2.40	
	2017-18				1.60	
Mr. Karan Singh	2018-19				1.20	
	2017-18				0.90	
Retainership Fees						
Mumtaz Jaffer	2018-19					41.30
	2017-18					1.61
Interim Dividend						
Rafique Malik	2018-19				32.40	
	2017-18				24.75	
Farah Malik Bhanji	2018-19				95.26	
	2017-18				72.77	
Aziza Malik	2018-19				16.20	
	2017-18				12.38	
J.J. Desai	2018-19				2.72	
	2017-18				2.07	
Subhash Malik	2018-19				0.78	
	2017-18				0.44	
Alisha R. Malik	2018-19					142.88
	2017-18					109.15
Sabina Malik Hadi	2018-19					95.26
	2017-18					72.77
Zarah Rafique Malik	2018-19					95.26
	2017-18					72.77
Zia Malik Lalji	2018-19					95.26
	2017-18					72.77
Rukshana Kurbanali Javeri	2018-19					2.92
	2017-18					2.23
Mumtaz Jaffer	2018-19					0.29
	2017-18					0.22
Aziza Malik Family Trust	2018-19		962.20			
	2017-18		735.03			
Rafique Malik Family Trust	2018-19		948.34			
	2017-18		724.42			
Zia Malik Family Trust	2018-19		47.63			
	2017-18		36.38			

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Zarah Malik Family Trust	2018-19		47.63			
	2017-18		36.68			
Sabina Malik Family Trust	2018-19		47.63			
	2017-18	-	36.68			
Farah Malik Family Trust	2018-19		47.63			
	2017-18		36.68			
Suleiman Sadruddin Bhanji	2018-19					0.29
	2017-18					0.22
Final Dividend						
Rafique Malik	2018-19				5.25	
	2017-18				-	
Farah Malik Bhanji	2018-19				15.44	
	2017-18				-	
Aziza Malik	2018-19				2.63	
	2017-18				-	
J.J. Desai	2018-19				0.44	
	2017-18				-	
Subhash Malik	2018-19				0.09	
	2017-18				-	
Alisha R. Malik	2018-19					23.15
	2017-18					-
Sabina Malik Hadi	2018-19					15.44
	2017-18					-
Zarah Rafique Malik	2018-19					15.44
	2017-18					-
Zia Malik Lalji	2018-19					15.44
	2017-18					-
Rukshana Kurbanali Javeri	2018-19					0.47
	2017-18					-
Mumtaz Jaffer	2018-19					0.05
	2017-18					-
Aziza Malik Family Trust	2018-19		155.91			
	2017-18		-			
Rafique Malik Family Trust	2018-19		153.67			
	2017-18		-			
Zia Malik Family Trust	2018-19		7.72			
	2017-18		-			
Zarah Malik Family Trust	2018-19		7.72			
	2017-18		-			
Sabina Malik Family Trust	2018-19		7.72			
	2017-18		-			
Farah Malik Family Trust	2018-19		7.72			
	2017-18		-			
Suleiman Sadruddin Bhanji	2018-19					0.05
	2017-18					-
Rent						
Allium Property LLP	2018-19		102.10			
	2017-18		94.27			
Purchase of property						
Allium Property LLP	2018-19		2,104.39			
	2017-18		-			

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Year	Subsidiaries	Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel
Professional Fees (capital cost)						
Design Matrix Interiors LLP	2018-19		331.55			
	2017-18		243.95			
Loan Given						
M.V. Shoe Care Private Limited	2018-19			100.00		
	2017-18			-		
Loan Repaid						
M.V. Shoe Care Private Limited	2018-19			100.00		
	2017-18			-		
Interest On Loan Given						
M.V. Shoe Care Private Limited	2018-19			5.33		
	2017-18			-		
Purchases of Stock-in-Trade						
M.V. Shoe Care Private Limited	2018-19			1,154.31		
	2017-18			943.97		

III. Outstanding receivables

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
"Enterprises in which KMP / Relatives of KMP are able to exercise significant influence (Allium Property LLP)"		
Security deposit	-	45.52

IV. Outstanding payables

₹ in Lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Key Management Personnel		
Compensation in respect of concession agreements for showrooms		
Rafique Malik	(7.59)	(6.73)
Aziza Malik	(17.15)	(14.68)
Remuneration #		
Rafique Malik	(203.33)	(159.09)
Farah Malik Bhanji	(85.78)	(67.06)
Aziza Malik	(61.64)	(48.17)
J. J Desai	(53.86)	(37.90)
Subhash Malik	(5.51)	(5.01)
ESOP outstanding		
Subhash Malik	1.46	3.79
Relatives of Key Management Personnel		
Remuneration #		
Alisha Malik	(14.58)	(11.28)
Retainership Fees		
Mumtaz Jaffer	(3.54)	-

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Enterprise in which KMP/ Relatives of KMP are able to control / exercise significant influence		
Commission in respect of retail agency agreements for showroom		
Metro Shoes	(21.62)	(18.84)
Rent		
Allium Property LLP	-	(8.19)
Professional Fees (capital cost)		
Design Matrix Interiors LLP	(25.73)	(19.58)
Design Matrix Associated Private Limited	(0.35)	(0.35)
Joint Venture		
Purchases of Stock-in-trade	(524.45)	(316.95)

excludes provision for gratuity which is determined on the basis of actuarial valuation done on overall basis for the Company

Note :

No amount has been written off/ provided for or written back in respect of amounts receivable from or payable to the related parties.

29 The Group's only business being trading of fashion footwear, bags and accessories operating in the premium and economy category and manufacturing of shoe care and foot care products, the disclosure of segment - wise information is not applicable under Ind AS 108- 'Operating Segments'. Further, there is no geographical segment to be reported since all the operations are undertaken in India.

30 Lease Rentals :

a) Fixed Lease Rental : The Group has not taken any assets on finance lease. The Group has entered into operating lease arrangements for certain facilities and office premises. The lease agreements generally provide for increase in rent. Under these agreements interest free refundable deposits have been given.

The lease payments recognized in the Statement of Profit and Loss for the year, in “Other Expenses” (Note 23), as “Rent” ₹ 10,345.80 Lacs (Previous Year ₹ 8,830.25 Lacs) and under “ Maintenance & Other Charges – Showrooms” ₹ 1,682.28 Lacs (Previous Year ₹ 1,458.20 Lacs)

The future minimum rental payments in respect of non-cancellable leases for certain facilities and office premises are as follows:

₹ in Lacs

Particulars	2018-19	2017-18
not later than one year	2,448.51	2,086.38
later than one year and not later than five years	1,258.86	1,699.57
later than five years	98.36	-

b) **Rent based on sales :** In case of certain arrangements, the consideration payable is dependent upon the sales which are recognised as part of commission payable to Retail Agents under other expenses in Note 23. The total amount charged for year included under commission is ₹ 2,731.52 Lacs (Previous year ₹ 2,677.79 Lacs)

31 Basic and Diluted Earnings per Share is calculated as under:

Particulars	2018-19	2017-18
Profit after tax as per Statement of Proft and Loss attributable to equity share holders (₹ in lacs)	15,938.41	14,228.33
Weighted average number of Equity Shares:		
- Basic	132,669,305	132,547,770
Add: Effect of Potential Equity Shares on employees stock options outstanding	48,283	124,299
- Diluted	132,717,588	132,672,069
Earnings per Share (in ₹)		
- Basic	12.01	10.73
- Diluted	12.01	10.72

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

Note:

In view of Bonus shares issued by the Company during the year, earnings per share for the corresponding previous year have been restated in accordance with Ind AS 33 "Earnings Per Share" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.

32 Employee Stock Option Plan 2008 (ESOP – 2008):

The Group had granted stock options (options) to its eligible employees in terms of Employees Stock Option plan 2008 (ESOP 2008) of the Group as approved by the shareholders in the 31st Annual General Meeting held on 11th September, 2008.

a) The particulars of the Options distributed under ESOP 2008 are as follows:

Particulars	ESOP
Eligibility	A permanent employee or a director of the Group (including of subsidiaries in India or out of India or of a holding company of the company) but excluding (a) an employee who is a promoter or belongs to the promoter group; (b) a director who either by himself or through his relatives or through any body corporate, directly holds more than 10% of the outstanding equity shares of the Group.
Plan Tenure	Tenure of the plan is 11 years, i.e. September 15, 2009 to September 14, 2020 or as determined by the Board / Compensation Committee from time to time. Any stock option which remains ungranted after closing date would automatically be lapsed.
Vesting period for options granted	The Group originally authorized 15,000 options for issue to eligible employees. In December, 2008, the same were increased to 45,000 options consequent to issue of bonus shares in the ratio 2:1
	On 24th August, 2009, the Group granted 25,875 options to fourteen eligible employees. The vesting schedule for the options granted was 40% on September 15, 2009, 20% on September 15, 2010, 20% on September 15, 2011, and 20% on September 15, 2012.
	Further, on September 15, 2011 the Group granted 4,500 options to four eligible employees. The vesting schedule for the options granted in 2011 was 40% on September 15, 2012, 20% on September 15, 2013, 20% on September 15, 2014 and 20% on September 15, 2015. In November, 2012, outstanding options increased by 26,270 options consequent to issue of bonus shares in the ratio 2:1
	Further, on February 1, 2014 the Group granted 11,250 options to three eligible employees. The vesting schedule for the options granted in 2014 was 40% on February 1, 2016, 20% on February 1, 2017, 20% on February 1, 2018 and 20% on February 1, 2019.
	Further, on April 1, 2014 the Group granted 3,375 options to one eligible employee. The vesting schedule for the options granted in 2014 was 40% on April 1, 2015, 20% on April 1, 2016, 20% on April 1, 2017 and 20% on April 1, 2018.
	During the financial year 2018-19, some of the option holders exercised their options on various dates and in total were alloted 37,695 shares. Further, during the financial year 2018-19, in total 62,120 bonus options were issued in the ratio of 8:1.
Exercise Period	The vested options must be exercised immediately after the earliest of the occurrence of the following (a) Expiry of three years from the vesting date or two years of the listing of the shares on a recognized stock exchange, whichever is later (b) Thirty days following the date of grantee's voluntary resignation (c) 3 months following the date of grantee's termination of employment due to grantee's retirement, disability or death (d) 6 months following the occurrence of change of control.
Method of Settlement	Equity Shares of face value ₹ 10/- each
Exercise Price	Weighted average exercise price for 54,900 stock options outstanding as at 31st March,2019 is ₹ 157.17 (previous year ₹ 274.50)

b) The particulars of number of options granted and lapsed and the Price of Stock Options for ESOP 2008 are as follows:

Particulars	2018-19	2017-18
Options outstanding at the beginning	30,475	30,475
On issue of bonus shares	62,120	-
Exercised during the year #	(37,695)	-
Options outstanding at the end	**54,900**	**30,475**

22,710 shares were issued pre bonus and 14,895 shares were issued post bonus

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

₹ in Lacs

c) The following options were outstanding as at March 31, 2019

Options series	Number	Grant date	Expiry date	Exercise price	Fair value of option at grant date
Grant 1	42,525	24-Aug-09	2 years from the date of listing of Company's share in any recognised stock Exchange	12.04	8.94
Grant 2	12,375	15-Sep-11	2 years from the date of listing of Company's share in any recognised stock Exchange	36.11	19.39

d) The following options were outstanding as at March 31, 2018

Options series	Number	Grant date	Expiry date	Exercise price	Fair value of option at grant date
Grant 1	13,910	24-Aug-09	2 years from the date of listing of Company's share in any recognised stock Exchange	12.04	8.94
Grant 2	9,190	15-Sep-11	2 years from the date of listing of Company's share in any recognised stock Exchange	36.11	19.39
Grant 3	4,500	01-Feb-14	2 years from the date of listing of Company's share in any recognised stock Exchange	58.33	70.55
Grant 4	2,875	01-Apr-14	2 years from the date of listing of Company's share in any recognised stock Exchange	58.33	71.93

e) No stock options granted during the year ended March 31, 2019.

33 Expenditure on Corporate Social Responsibility

a) Gross Amount required to be spent by the Group during the year ended March 31, 2019 (as certified by the Company) : ₹ 327.76 lacs (Previous Year ₹ 284.46 lacs).

b) Amount spent during the year ended March 31, 2019 :₹ 135.54 lacs (Previous Year : ₹ 57.57 lacs), other than for consutruction/ acquisition of any asset.

34 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

₹ in Lacs

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	(In ₹)	As % of Consolidated profit or loss	(In ₹)	As % of Consolidated other comprehensive income	(In ₹)	As % of total comprehensive income	(In ₹)
1	2	3	4	5	4	5	4	
Parent								
METRO BRANDS LIMITED (formerly known as "Metro Shoes Limited")	94.07%	66,454.75	95.71%	14,784.15	96.81%	(77.90)	95.71%	14,706.25
Subsidiary - Indian								
Metmill Footwear Private Limited	6.02%	4,251.51	6.61%	1,021.51	4.92%	(3.96)	6.62%	1,017.55
Non controlling Interests in the subsidiary	2.77%	1,954.93	(3.19%)	(492.14)	(2.22%)	1.79	(3.19%)	(490.35)
Joint Venture (investment as per the equity method)								
M.V.Shoe Care Private Limited	0.00%	-	0.97%	149.95	0.48%	(0.39)	0.97%	149.56
CFS Adjustments and eliminations	(2.85%)	(2,015.83)	(0.11%)	(17.20)	0.00%	-	(0.11%)	(17.20)
Total	**100.00%**	**70,645.36**	**100.00%**	**15,446.27**	**100.00%**	**(80.46)**	**100.00%**	**15,365.81**

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

35 Subsidiary and Joint Venture

(a) The subsidiary considered in the preparation of these consolidated financial statements are:

Particulars	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at March 31, 2019	As at March 31, 2018
Metmill Footwear Private Limited	Wholesale of Footwear	India	51%	51%

(b) Disclosure of Non-Controlling Interests

₹ in Lacs

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	1,464.58	1,135.65
Share in Total Comprehensive Income	490.35	328.93
Balance at the end of the year	1,954.93	1,464.58

(c) Investment in Joint Venture

(i) Details and financial information of the Joint venture

Details of the Group's joint venture at the end of the reporting period is as follows:

₹ in Lacs

Particulars	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at March 31, 2019	As at March 31, 2018
M.V. Shoe Care Private Limited	Manufacturing of shoe care and foot care products	India	49%	49%

36 Financial Instruments

36.1 Capital Management

Risk Management

The Group's objectives when managing capital are to safeguard the Group'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 Lacs

Particulars	March 31, 2019	March 31, 2018
Equity		
Equity Share Capital	13,276.71	1,472.75
Other Equity	55,413.72	56,240.98
Non Controlling Interests	1,954.93	1,464.58
Total Equity	**70,645.35**	**59,178.31**
Total Debt	**989.59**	**602.25**
Debt Equity Ratio	**1.4%**	**1.0%**

36.2 Categories of financial instruments

Financial Assets and Financial Liabilities classified under Level 2 hierarchy

₹ in Lacs

Particulars	Hierarchy Level	March 31, 2019	March 31, 2018
Financial Assets			
Measured at fair value through profit or loss			
- Investments in mutual funds	Level 2	19,030.75	16,607.02
Measured at amortised cost			
- Trade receivables #	Level 2	5,192.70	3,936.01
- Cash and cash equivalents #	Level 2	1,152.62	1,518.23
- Other Bank balances #	Level 2	56.45	26.54
- Loans #	Level 2	137.37	113.60
- Other financial assets #	Level 2	5,186.29	4,348.14

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

₹ in Lacs

Particulars	Hierarchy Level	March 31, 2019	March 31, 2018
Measured at fair value through Other Comprehensive Income			
- Investments in Bonds	Level 1	1,246.21	1,287.54
Financial Liabilities			
Measured at amortised cost			
- Trade payables #	Level 2	19,282.35	14,111.65
- Borrowings #	Level 2	986.41	599.35
- Other financial liabilities #	Level 2	1,328.97	1,060.01

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

36.3 Fair Value measurements

Fair valuation techniques and inputs used

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 Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 inputs are quoted prices (unadjusted) 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 as at (₹ in lacs)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	March 31, 2019	March 31, 2018				
Investments in Mutual funds	19,030.75	16,607.02	Level 2	Net assets value (NAV) declared by the respective asset management companies	NA	NA
Investments in bonds	1,246.21	1,287.54	Level 1	Active market determined	NA	NA

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

36.4 Financial Risk Management

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

A] CREDIT RISK

i) Credit Risk Management:

Credit risk is the risk of the financial loss that the counterparty will default on its contractual obligation. The credit risk for the Group 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 Group's retail business is predominantly on cash and carry basis. The Group sells goods on credit basis to institutional parties. The credit risk on such collections is minimal considering that such sales are only 1% of the total sales. The average credit period for institutional parties is 30 days. No interest is charged on trade receivables on payment received even after the credit period. The Group 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 Group by credit worthiness checks. As at 31st March,2019, the Group had 6 customers (as at 31st March, 2018 : 4 customers) that accounted for approximately 58% (as at 31st March, 2018 : 74%) of the trade receivables. The Group also carries credit risk on lease deposits with landlords for store properties taken on lease, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

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

iii) Cash and cash equivalents and deposits with banks:

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

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 Group's short, medium and long-term funding and liquidity management requirements. The Group 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 Group'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 Lacs

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Carrying amounts
As at 31st March, 2018				
Non- derivative financial liabilities				
Non interest bearing:				
Trade Payables	14,111.65	-	-	14,111.65
Borrowings	595.33	4.02		599.35
Others	1,060.01	-	-	1,060.01
As at 31st March, 2019				
Non- derivative financial liabilities				
Non interest bearing:				
Trade Payables	19,282.35	-	-	19,282.35
Borrowings	985.57	0.84		986.41
Others	1,328.97	-	-	1,328.97

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

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

Undrawn financing facilities	March 31, 2019	March 31, 2018
Secured working capital facilities		
Amount Used	845.01	454.77
Amount Unused*	2654.99	245.23
Total	**3,500.00**	**700.00**
Letter of Credit (Unfunded)		
Amount used	47.20	-
Amount unused	952.80	1,800.00
Total	**1,000.00**	**1,800.00**

*Of the above ₹ 2000 Lacs has been secured by a charge on Company's book debts, inventory, receivables, cash flows, and all current assets including cash-in-hand.

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. In such a scenario, the risk is managed by offering judicious discounts to customers to sustain volumes. Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps Group protect itself from significant product margin losses.

2) Interest risk

The Group is exposed to interest rate risk primarily due to borrowings havings floating interest rates. The Group uses available working capital limits for availing short term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. The Group 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 Group's profit before tax by approximately Rs. 2.19 Lacs (2018: Rs. 1.13 Lacs).

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

3) Currency risk

The Group's significant transactions are in Indian rupees and therefore there is minimal foreign currency risk.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs in lacs, is as follows

₹ in Lacs

Particulars	March 31, 2019		March 31, 2018	
	₹ in Lacs	USD($) in Lacs	₹ in Lacs	USD($) in Lacs
Trade Payables	93.94	1.36	175.26	2.53

Sensitivity:

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

₹ in Lacs

Particulars	March 31, 2019	March 31, 2018
USD sensitivity		
₹/USD -Increase by 1% #	(0.94)	(1.75)
₹/USD -Decrease by 1% #	0.94	1.75

Holding all other variables constant

Notes forming part of the Consolidated financial statements for the year ended March 31, 2019

37 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

₹ in Lacs

Particulars	March 31 2019	March 31, 2018
The principal amount remaining unpaid to any supplier at the end of the year	154.21	-
Interest due remaining unpaid to any supplier at the end of the year	3.10	-
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	137.81	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	3.10	-
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	-	-

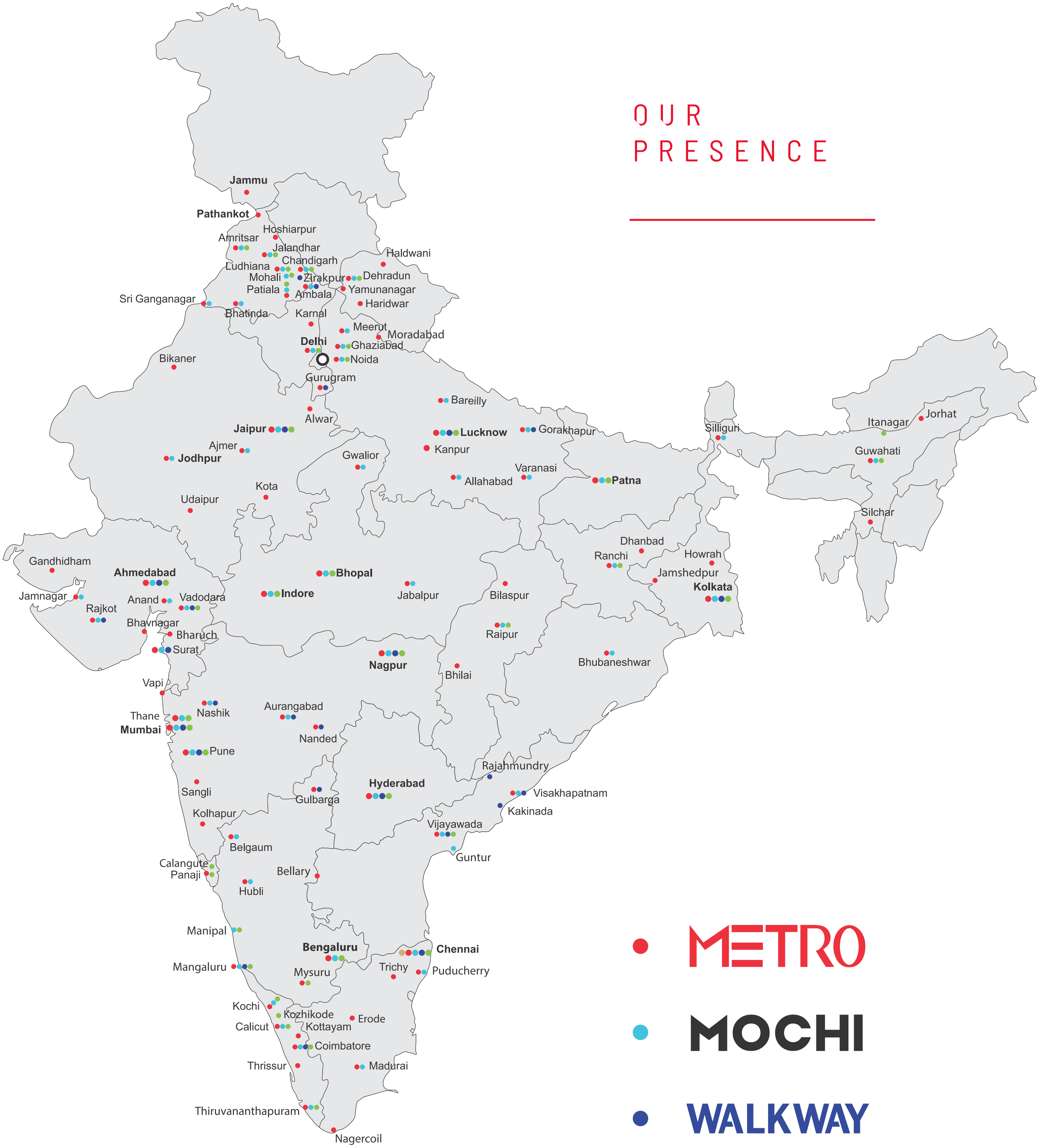
For and on behalf of the Board of Directors

Sd/-	Sd/-
Rafique A.Malik	**Farah Malik Bhanji**
Chairman	Managing Director & Chief Executive Officer
DIN:00521563	DIN:00530676

Sd/-
Jaipraksh J.Desai
Company Secretary and Chief Finance Officer
Date : July, 8 2019

Notes

OUR PRESENCE



- METRO
- MOCHI
- WALKWAY
- crocs™
- da Vinchi

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