

NOTES TO FINANCIAL STATEMENTS

Note 1 Corporate Information

NB Footwear Limited is a Public Limited company incorporated in India and has its registered office at Chennai, Tamilnadu. As per our report of even date attached, the company is engaged in the business as tanners, processors, manufacturers, importers, exporters, agents, representatives, dealers and consultants in wides, skins of all animal leather, leather goods and footwear of all kinds.

Note 1.2 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors J V Ramanujam & Co. As the year-end figures are taken from the source, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

Note 1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note 1.4 Critical Accounting Estimates

a. Non Current Assets

For the purposes of current/non-current classification of assets and liabilities the company has ascertained its normal operating cycle as twelve months. This is based on nature of service and the time between the acquiring of assets or inventories for processing and their realization in cash and cash equivalents.

b. Cash and Cash Equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments and deposits with the banks that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

c. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued on conversion of all dilutive potential equity shares are adjusted for the proceeds receivables had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Note 2 Disclosure regarding Share Capital

Note (i) Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act, 2013

Share Capital	As at 31st March 2018		As at 31st March 2017	
	Number	INR	Number	INR
Authorised				
1,90,00,000 No. of equity shares of Rs. 10/- each (Previous Year 19,00,000 equity shares of Rs.100/- each)	19,000,000	19,000,000	19,000,000	19,000,000
10,00,000 Redeemable Preference Shares of Rs.10/- each (Previous Year 1,00,000 Redeemable Preference shares of Rs.100/- each)	1,000,000	1,000,000	1,000,000	1,000,000
	20,000,000	20,000,000	20,000,000	20,000,000
Issued, Subscribed and paid -up 13500000 Equity shares of Rs.10/- each	13,500,000	13,500,000	13,500,000	13,500,000
100000 Cumulative Non Convertible Redeemable Preference Shares of Rs.10/- each	1,000,000	1,000,000	1,000,000	1,000,000
	14,500,000	14,500,000	14,500,000	14,500,000
Total	14,500,000	14,500,000	14,500,000	14,500,000

Note (ii) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013
(Figures in INR and Numbers)

	Equity Shares	
	Number	INR
Shares outstanding at the beginning of the year	14,500,000	145,000,000.00
Shares Issued during the year	-	
Shares bought back during the year	-	-
Shares outstanding at the end of the year	14,500,000	145,000,000.00

Note (iii) Disclosure to Note no.6(A)(e) of Part I of Schedule III to the Companies Act, 2013.

The Company has one class of equity shares having a face value of 10 each and One class of Cumulative Non Convertible Preference Shares having face value of Rs.10 each. Each holder of equity share is entitled to one vote per share held and carry a right to dividend.

In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution all preferential amounts, in proportion to their share holding.

Note (iv) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013

(Figures in INR and Numbers)

Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Par value of Equity Shares				
Chemeleon Commodities Private Limited	642,490	6,424,900	64,249	6,424,900
Aditya Investments and Communication Limited	226,090	2,260,900	22,609	2,260,900
	868,580	8,685,800	86,858	8,685,800
Par value of Preference Shares				
Chemeleon Commodities Private Limited	73,000	730,000	7,300	730,000
Aditya Investments and Communication Limited	17,000	170,000	1,700	170,000
Grandeur Corporation Private Limited	10,000	100,000	1,000	100,000
	100,000	1,000,000	10,000	1,000,000

Note 3 Disclosure regarding Other Equity

Note (i) Disclosure pursuant to Note no. 6(B) of Part I of Schedule III to the Companies Act, 2013

Other Equity	As at 31st March 2018	As at 31st March 2017
a. Capital Reserves		
Opening Balance	2,000,000	2,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	2,000,000	2,000,000
b. Securities Premium Reserve		
Opening Balance	30,000,000	30,000,000
(+) Securities premium credited on Share issue	-	-
(-) Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	30,000,000	30,000,000
c. Retained Earnings		
Opening Balance	(177,193,375)	(176,377,209)
(+) Net Profit/(Net Loss) For the current year	(829,299)	(816,165)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(178,022,674)	(177,193,375)
Total	(146,022,674)	(145,193,375)

Nature of Reserves

a. Capital Reserve

The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

b. Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. The reserve is utilised in accordance with the provision of the Companies Act, 2013

c. Retained Earnings

Retained earnings comprise of the undistributed earnings after taxes.

Note 4 Disclosures regarding Other Current Liabilities

Note (i) Disclosure pursuant to Note no. 6(G) of Part I of Schedule III to the Companies Act, 2013

Other Current Liabilities	As at 31st March 2018 ₹	As at 31st March 2017 ₹
Other Payables		
Other Payables	2,076,768.00	1,298,992.00
Total	2,076,768.00	1,298,992.00

Note 5 Disclosures regarding Short Term Provisions

Note (i) Disclosure pursuant to Note no. 6 (H) of Part I of Schedule III to the Companies Act, 2013

Short Term Provisions	As at 31st March 2018 ₹	As at 31st March 2017 ₹
Others		
Audit Fee payable	30,000.00	30,000.00
Total	30,000.00	30,000.00

Note 6 Disclosures regarding Other Financial Assets

Note (i) Disclosure pursuant to Note no. 6(L) (i),(ii) and (iii) of Part I of Schedule III to the Companies Act, 2013

Long Term Loans and Advances	As at 31st March 2018 ₹	As at 31st March 2017 ₹
Unsecured and considered good		
Other Loans and Advances	1,050,171.00	1,050,171.00
Total	1,050,171.00	1,050,171.00

Note (ii) Disclosure pursuant to Note no. L (iv) of Part I of Schedule III to the Companies Act, 2013

Long Term Loans & Advances to Related Parties	As at 31st March 2018 ₹	As at 31st March 2017 ₹
Directors *		
Other officers of the Company*	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-

*Either severally or jointly

Note 7 Disclosures regarding Cash balance, Bank balance, Cash equivalents & other Bank deposits

Note (i) Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule III to the Companies Act, 2013

Cash & Cash Equivalents	As at 31st March 2018 ₹	As at 31st March 2017 ₹
Cash & Cash Equivalents		
Balances with banks	33,547	75,882
Cash on hand	376	9,564
Total	33,927	85,446

Note 8 Disclosure regarding additional information required pursuant to Note no. 5 of Part II

Note (i) Disclosure pursuant to Note no. 5(i)(a) of Part II of Schedule III to the Companies Act, 2013

Cash & Cash Equivalents	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
(i) Salaries and Wages	105,892	107,578
(ii) Contribution to Provident & Other Fund	22,920	17,635
(iv) Staff Welfare Expenses	4,928	8,709
Total	1,33,740	1,33,922

Note 9 Disclosures regarding Other expenses, not covered under any other disclosures

Note (i) Disclosure pursuant to Part II of Schedule III to the Companies Act, 2013

Other Expenses	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Advertisement	53,280	41,344
Audit Fee	30,000	30,000
Postage, Telephone and Telex	55,319	86,954
Professional and Consultancy charges	493,431	451,397
Rent, Rates and Taxes	50,820	51,870
Office General Expenses	9,858	10,819
Travelling and Conveyance	2,851	9,859
Total	695,559	682,243

ADDITIONAL DISCLOSURES TO FINANCIAL STATEMENTS

1. Disclosure pursuant to Note no. 5(i)(c) of Part II of Schedule III to the Companies Act, 2013

Item of Income and Expenditure which exceeds 1% of revenue from operations or Rs.1,00,000 whichever is higher	For the year ended 31 March 2018 ₹	For the year ended 31 March 2017 ₹
Professional and Consultancy charges	493,431	451,397
Salaries and Wages	105,892	107,578
Total	599,323	558,975

2 Key Management Personnel

(i) The list of related parties as identified by the Management are as under :

Enterprises owned by/over which Key Management Personnel (KMP) is able to exercise significant influence:-

- a. Chameleon Commodities Private Limited
- b. Grandeur Corporation Private Limited
- c. Aditya Investments and Communication Limited

(ii) There were no transactions with the related parties.

As per our report of even date attached

FOR J.V.RAMANUJAM & CO.

Chartered Accountants, FRN : 02947S

J. VEDANTHA RAMANUJAM

Partner , Membership No.22188

Place : Chennai

Date : 30.05.2018

For & on Behalf of the Board of Directors of
NB Footwear Limited

(KANNAN A YADAV)
Managing Director & CEO
DIN : 00249225

(RAJEN K. DESAI)
Director
DIN : 00382740

Place : Mumbai
Date : 30.05.2018