

Independent Auditors' Report

To,
The Members of
Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Metro Athleisure Limited ("the Company"), which comprise the Balance sheet as at 31st March 2024, the Statement of Profit and Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (herein referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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.



Independent Auditors' Report (continued)

Management's responsibility for the financial statements

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

In preparing the financial statements, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 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 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 Company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



Independent Auditors' Report (continued)

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other matters

The figures for the year ended 31st March 2023 are based on the financial statements that were audited by the erstwhile auditors whose report expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2021;
 - (e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to this financial statements and the operating effectiveness of such controls, refer to our separate report in



Independent Auditors' Report (continued)

"Annexure 2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (g) The Company has not paid any managerial remuneration during the year ended 31st March 2024 accordingly provisions of section 197 of the Act read with schedule V to the Act in respect of managerial remuneration are not applicable. Therefore, reporting as required by Section 197(16) of the Act is not applicable to the Company;
- (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 financial statements – Refer note 26 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement. Also refer Note 48 of the financial statements.
 - v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023.

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditors' Report (continued)

recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

- vi. No dividend has been declared or paid during the year by the Company.

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm Registration No.: 116560W/W100149

B. Kapadia

Bhavin Kapadia
Partner
Membership No.: 118991
UDIN: 24118991BKFQUY3805



Place: Mumbai
Date: 20th May 2024

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2024

[Referred to in point 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (i) In respect of Property, Plant and Equipment (including right-of-use assets) and Intangible Assets:
- a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-to-use assets.
B) The Company does not have any intangible assets. Accordingly, our comments on clause (i)(a)(B) is not applicable.
- b) The Company has a regular program for conducting physical verification of its property, plant and equipment and right-to-use assets to cover all the assets at periodical intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Based on the program for physical verification, assets were verified in the current year. According to the information and explanations given to us, no discrepancies were noticed in such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company (erstwhile name of the Company) as at the balance sheet date.
- d) The Company has not revalued its property, plant and equipment (including right-of-use assets) during the year end. Further, there are no intangible assets in the books of the Company.
- e) No proceedings have been initiated or are pending against the Company as on 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; discrepancies noticed were less than 10% for each class of inventory.
- b) There are no borrowings availed by the Company from Bank and Financial Institutions. Thus, paragraph 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments, provided any guarantee or security, granted any loans or advances in the nature of loan, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Therefore, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided guarantees or security or made any investments to the parties covered under section 185 of the Act during the year. During the year there are no investments, loans, guarantees or security provided to parties, hence our comments on compliance under Section 186 of the Act does not arise.



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Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2024

[Referred to in point 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of operations carried out by the Company. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues as applicable to the Company have been regularly deposited by the Company with the appropriate authorities during the year. There are no undisputed statutory dues payable in respect to the above statutes, outstanding as at 31st March, 2024, for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service tax, provident fund, employees state Insurance, income-tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Penalty levied u/s 270A	24	AY 2017-18	CIT (Appeals)	NA

Note: As per traces (Income Tax portal) there is outstanding demand of Rs. 8 lakhs (excluding interest) against which the Company is in the process of filing for the rectification and the Company does not expect any cash outflow. Accordingly, the Company has not considered this as contingent liability and it is not reported in the above clause. (Refer note 26 of the financial statements).



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2024

[Referred to in point 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (viii) According to the information and explanations given by the management and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) a) There are no borrowings availed by the Company from Bank and Financial Institutions. Thus, paragraph 3(ix)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any other lender.
- c) The Company has not obtained any term loans during the year and there are no outstanding term loans at the beginning of the year. Therefore, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, paragraph 3(ix)(e) and (f) of the Order is not applicable to the Company.
- (x) a) According to the information and explanations given to us, the Company did not raise any money by way of an initial public offer or further public offer (including debt instruments) during the year ended 31st March 2024. Therefore, paragraph 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year. Accordingly, clause (xi) of the Order is not applicable to the Company.
- b) No report under section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and upto the date of this report.



Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2024

[Referred to in point 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (xii) The Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards (refer note 31 of the financial statements). Further, Section 177 of the Act is not applicable to the Company.
- (xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till the date of our audit report, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi)(a) and (b) of the Order is not applicable to the Company.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- c) Based on the information and explanation given to us and details of registered CICs reflected on RBI portal, the Group has no CICs.
- (xvii) The Company has incurred cash loss of Rs. 527 lakhs (only continuing operations) during the financial year ended 31st March 2024 and Rs. 5,319 lakhs (both continuing & discontinuing operations) in the immediately preceding financial year.
- (xviii) There has been resignation of statutory auditor during the year. Further, as per information and explanations provided to us, no issues, objections, or concerns were raised by the erstwhile auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2024

[Referred to in point 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company is not required to spend on CSR as per section 135 of the Companies Act, 2013. Therefore, paragraph 3(xx) of the Order is not applicable to the Company.
- (xxi) The Company is not required to prepare consolidated financial statements. Therefore, paragraph 3(xxi) of the Order is not applicable to the Company.

For N. A. Shah Associates LLP.

Chartered Accountants

Firm's Registration No.: 116560W/W100149

Bhavin Kapadia

Bhavin Kapadia

Partner

Membership No. 118991

UDIN: 24118991BKFQY3805



Place: Mumbai

Date: 20th May 2024

Annexure 2 to Independent Auditor's Report for the year ended 31st March 2024

[Referred to point 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.]

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

Opinion

We have audited the internal financial controls over financial reporting of **Metro Athleisure Limited** ("the Company") as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 2024, 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.

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 ("the Guidance Note"), 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by Institute of Chartered Accountants of India and the 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 with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



Annexure 2 to Independent Auditor's Report for the year ended 31st March 2024

[Referred to point 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.]

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 the 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For **N. A. Shah Associates LLP**

Chartered Accountants

Firm Registration No.: 116560W/W100149



Bhavin Kapadia

Partner

Membership No.: 118991

UDIN: 24118991BKFQUY3805



Place: Mumbai

Date: 20th May 2024

Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)
Balance Sheet as at March 31, 2024

		(₹ in Lakhs)		
	Particulars	Note	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
A	ASSETS			
1	Non-Current assets			
	(a) Property, plant and equipment	3	25	855
	(b) Goodwill		-	516
	(c) Right of use Assets	36A	-	1,683
	(d) Other intangible assets	4	-	1,264
	(e) Financial Assets			
	(i) Investments	5	1	1
	(ii) Other financial assets	6	11	399
	(f) Non-current tax assets	27E	25	38
	Total Non - Current Assets		62	4,756
2	Current Assets			
	(a) Inventories	8	743	5,153
	(b) Financial assets			
	(i) Trade receivables	9	413	4,871
	(ii) Cash and cash equivalents	10	121	106
	(iii) Other financial assets	6	269	7
	(c) Other current assets	7	494	1,575
	Assets Held for sale	3A	9	-
	Total Current Assets		2,049	11,712
	Total Assets		2,112	16,468
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share capital	11	9,783	9,783
	(b) Other Equity	12	(10,319)	(15,615)
	Total Equity		(536)	(5,832)
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	1,450	16,037
	(b) Provisions	16	1	45
	(c) Lease Liability	15	-	1,321
	(d) Other non-current liabilities	17	-	341
	Total Non Current Liabilities		1,451	17,744
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	862	-
	(ii) Trade payables:			
	a. Due of Micro and small enterprises	18	63	663
	b. Due of creditors other than micro and small enterprises		187	2,742
	(iii) Other financial liabilities	14	-	(1)
	(b) Lease Liability	15	-	656
	(c) Other current liabilities	19	85	436
	(d) Provisions ^a	16	0	60
	Total Current Liabilities		1,197	4,556
	Total Equity and Liabilities		2,112	16,468

See accompanying notes from 1 to 50 forming part of the financial statements

Aggregate value is less than ₹ 0.50 lakhs

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia

Partner

Membership No: 118991

Mumbai

Dated: May 20, 2024



For and on behalf of the Board of Directors

Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

[CIN: U51909MH2016PLC288788]

Kaushal Parekh

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Nissan Joseph

Nissan Joseph
Director
(DIN No. 06701972)

Krutika Mohan Rane

Krutika Mohan Rane
Company Secretary

Mumbai

Dated: May 20, 2024



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Statement of Profit and Loss
for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income			
	Revenue from operations	20	1,296	5,079
	Other Income	21	214	55
	Total Income		1,510	5,134
2	Expenses			
	Purchase of stock-in-trade		375	3,386
	Change in Inventories of stock-in-trade-Decrease	22	618	655
	Employee benefits expense	23	189	1,110
	Finance costs	24	60	267
	Depreciation and amortisation expense	3, 4 and 36	79	127
	Other expenses	25	756	1,900
	Total expenses		2,077	7,445
3	Loss for the year before tax		(567)	(2,311)
4	Tax expense :	27		
	Current tax		-	-
	Deferred tax		-	-
	Earlier year tax written off / (back)		52	(9)
5	Loss for the year		(619)	(2,302)
	Discontinued operations			
	Loss from discontinued operations	39	-	(5,735)
	Loss from discontinued operations after tax	39	-	(5,735)
	Loss for the year		(619)	(8,037)
6	Other Comprehensive Income:			
	Items that will not be reclassified subsequently to Profit or Loss :			
	(i) Re-measurement of the net defined benefit plans	12	-	(24)
7	Total Comprehensive Income for the year		(619)	(8,061)
	Earnings per equity share - continuing operations			
	Basic Earnings per share (in ₹)	28	(15.16)	(64.34)
	Diluted Earnings per share (in ₹)		(15.16)	(24.81)
	Earnings per equity share - discontinued operations			
	Basic Earnings per share (in ₹)	28	-	(160.30)
	Diluted Earnings per share (in ₹)		-	(61.82)
	Earnings per equity share - continuing & discontinued operations			
	Basic Earnings per share (in ₹)	28	(15.16)	(224.64)
	Diluted Earnings per share (in ₹)		(15.16)	(86.63)

See accompanying notes from 1 to 50 forming part of the financial statements

As per our report of even date attached
For **N. A. Shah Associates LLP**
Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No: 118991

Mumbai
Dated: May 20, 2024



For and on behalf of the Board of Directors
Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

[CIN: U51909MH2016PLC288788]

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Krutika Mohan Rane
Company Secretary

Mumbai
Dated: May 20, 2024

Nissan Joseph
Director
(DIN No. 06701972)



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)
Statement of Cash Flows
for the year ended March 31, 2024

		(` in Lakhs)	
Particulars		For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)
A	Cash flow from operating activities		
	Loss before tax	(568)	(8,047)
	Adjustments for:		
	Depreciation and amortisation expense	79	1,833
	Interest income	(1)	(99)
	(Gain) / Loss on sale of property, plant and equipment	(103)	10
	Profit on sale of investments	-	(3)
	Allowance for doubtful debts	30	777
	Loss/ (gain) on debt portion of financials instrument measured at FVTPL	(7)	238
	Finance Cost	60	1,097
	(Gain) on lease liability	(63)	-
	Operating loss before working capital changes	(573)	(4,194)
	Adjustments for:		
	Decrease in Trade Receivables	1,955	1,110
	Decrease/(Increase) in Inventories	617	(74)
	Decrease in Loans	-	21
	(Increase) in non-current and current assets	(1,250)	(246)
	(Decrease) in Trade payables	(1,122)	(1,943)
	(Decrease)/Increase in non-current and current liabilities	(105)	751
	Increase/(Decrease) in provisions	123	(149)
	Cash used in operations	(355)	(4,724)
	Direct taxes (refund) (net)	(39)	(6)
	Net cash used in operating activities	(394)	(4,718)
B	Cash flow from investing activities		
	Purchases of Property, plant and equipment	-	(44)
	Proceeds from Sale of Property, plant and equipment	471	4
	Maturity of fixed deposits	-	1
	Proceeds from sale of investment	-	459
	Interest received	1	1
	Net cash generated from investing activities	472	421
C	Cash flow from financing activities		
	Repayment of current borrowings	-	(6,087)
	Interest paid	(60)	(1,097)
	Proceeds from long term borrowings	-	11,917
	Repayment of lease liabilities	(5)	(760)
	Net cash (used)/generated from financing activities	(65)	3,973
	Net increase/(decrease) in cash and cash equivalents during the period (A+B+C)	15	(326)
	Cash and cash equivalents (opening balance)	106	432
	Cash and cash equivalents (closing balance) (Ref note 10)	121	106

Notes:

- The above cashflow statement has been prepared under "indirect method" as set out in the Indian Accounting Standard-7 on Statement on Cash Flows.
- Movement of financial liabilities:

Particulars	April 1, 2023	Cash Inflows / (outflows)	Non cash changes / demerger	March 31, 2024
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	1,977	(5)	(1,972)	(0)
Borrowings - non cash changes arising out of demerger and fair valuation	16,037	-	(13,726)	2,311

Particulars	April 1, 2022	Cash inflows / (outflows)	Non cash changes	March 31, 2023
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	2,451	(1,065)	591	1,977
Borrowings - non cash changes arising out of demerger and fair valuation	16,311	5,830	(6,104)	16,037

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For N. A. Shah Associates LLP
Chartered Accountants

Firm Registration No.116560W/W100149

Bhavin Kapadia
Partner
Membership No: 118991



Mumbai
Dated: May 20, 2024

For and on behalf of the Board of Directors
Metro Athleisure Limited (Formerly known as Cravatex
Brands Limited)
[CIN: U51909MH2016PLC288788]

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Nissan Joseph
Director
(DIN No. 06701972)

Krutika Mohan Rane
Company Secretary

Mumbai
Dated: May 20, 2024



1 Company Overview

Metro Athleisure Limited (formerly known as Cravatex Brands Limited) ("the Company"), is a Public Limited Company. The Company was incorporated on 22 December 2016 in India having its registered office at 401, Zillion, 4th Floor, LBS Marg, CST Junction, Kurla (West), Mumbai 400 070.

On 23 March 2017 the Company purchased FILA and FITNESS undertaking under slump sale, pursuant to the Slump Sale Agreement with its Holding Company M/s Cravatex Limited.

During FY 2019-20, Company had entered into distributorship agreement with VF Hong Kong Limited (Licensee of VANS brand) to distribute, market and resale of VANS products (footwear, apparels and accessories) in India for a period of 5 years until June 30, 2024

Vide order dated 25 March 2021 of the National Company Law Tribunal ('NCLT'), Mumbai Bench, Proline India Limited (the Merged Company), a Limited Company dealing in trading of PROLINE brand apparels, merged with the Company.

Metro Brands Limited has acquired 100% equity share capital of the company for an enterprise value of Rs. 20,217 lakhs. Consequently, the Company is now a wholly owned subsidiary of the Metro Brands Limited from 1 December 2022.

During the year ended 31st March 2024, the scheme of arrangement related to demerger of the 'FILA' division of the Company has been given effect from the appointed date 1st April 2023 as per the sanction of Ministry of Corporate Affairs vide its order dated 14th March 2024 and the accounting entries are recorded in the books of accounts as per the Scheme

2(A) Material Accounting Policies:

a) Statement of Compliance:

These financial statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (herein referred to as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 20th May 2024.

b) Basis of preparation and presentation:

Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:



2(A) Material Accounting Policies: (Continued)

- i. Derivative Financial Instruments measured at Fair Value.
- ii. Certain financial assets and liabilities measured at fair value and classified as fair value through profit or loss (FVTPL); and
- iii. Employee's Defined Benefit Plan as per Actuarial Valuation.
- iv. Assets and liabilities acquired under Business Combination measured at fair value.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

Functional and Presentation Currency:

The Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs. Amounts below the rounded off norm have been reflected as "0" in the relevant notes.

Going Concern:

As at 31 March 2024, the Company has paid up capital of Rs 9,783 lakhs (31 March 2023: Rs 9,783 lakhs). Further, the Company has incurred losses during the current year of Rs. 619 lakhs (31 March 2023: Rs 8,061 lakhs), and capital reserve arising on demerger Rs. 5,914 lakhs (31 March 2023: Rs. Nil) resulting in reduction in net worth to Rs (536) lakhs (31 March 2023: Rs (5,832) lakhs). The financial statements have been prepared on a going concern basis and the Company has performed an assessment of its financial position and its forecasts for a period of twelve months from the date of these financial statements. Based on current liquidity positions, expected cash inflow out of internal accrual and planned funding, the Company will continue its operations and meet its liquidity needs as and when they fall due over the period of next twelve months. Further, Company has received confirmation from its parent company for financial support required for next 12 months that parent company will infuse funds as necessary into the company by way of equity or debt or assist the company to raise funds in any other manner in meeting its liabilities, including operating and statutory liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classifications of carrying amount of assets or to the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern



2(A) Material Accounting Policies: (Continued)

b) Basis of preparation and presentation : (Continued)

Classification of Assets and Liabilities into Current/Non-Current:

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i. It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- ii. It is held primarily for the purpose of trading; or
- iii. It is expected to realise the asset within twelve months after the reporting period; or
- iv. The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i. It is expected to be settled in the normal operating cycle; or
- ii. It is held primarily for the purpose of trading; or
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

Notwithstanding the accumulated losses of the Company as at the year end, these financial statements have been prepared on going concern basis in view of the business plan of the Company and continued support of its promoters / investors.

c) Business Acquisition:

Business combinations arising from transfers or interests in entities that are under the control of the shareholders that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised, the assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the net assets acquired and consideration is transferred to other equity.



2(A) Material Accounting Policies: (Continued)

d) Property, Plant and Equipment (PPE):

The initial cost of PPE comprises of its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to PPE are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and cost of the item can be measured reliably. Repairs and maintenance cost are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

e) Depreciation:

The depreciable amount of an item of PPE is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method over the useful lives as prescribed under Schedule II of the Act. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. The residual values, useful lives and method of depreciation are reviewed at least at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions/ (disposals) are provided on a pro-rata basis i.e. from/ (up to) the date on which the asset is ready to use/ (disposed off).

The estimated useful lives for the current and comparative periods are as follows:

Asset Class	Useful Lives (in years) – as estimated by the Company
Furniture and Fixtures	Upto 10
Electrical Installations	10
Air-conditioners	10
Computers	3
Other Equipments	5
Motor Car	8



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2(A) Material Accounting Policies: (Continued)

f) Intangible Assets and Amortisation:

Intangible assets with finite useful life that are acquired separately are stated at acquisition cost less accumulated amortisation and impairment losses, if any. The Company determines the useful life as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Class of intangible assets and their estimated useful lives / basis of amortisation are as under:

No.	Asset class	Useful Life
1	Software	3 years
2	Licenses	Over the period of the respective licensing agreement

g) Goodwill:

The Company estimates the value-in-use based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used represents the weighted average cost of capital based on the historical market returns of comparable companies. Goodwill is tested for impairment at each year end.

h) Impairment of Non-Financial Assets:

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets, such reversal is not recognised.



2(A) Material Accounting Policies: (Continued)

i) Inventories:

Inventories comprise of stock-in-trade which are carried at the lower of cost and net realisable value. Cost is determined on moving weighted average basis.

Cost of stock-in-trade comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make sale.

j) Borrowing Costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

k) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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 a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognised.



2(A) Material Accounting Policies: (Continued)

l) Revenue Recognition:

- a. Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

- b. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
- c. Interest income is recognised using the effective interest rate (EIR) method.

m) Lease:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying



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2(A) **Material Accounting Policies: (Continued)**

Leases (continued)

asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company uses incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.



AD

2(A) Material Accounting Policies: (Continued)

n) Employee Benefit Expense:

i) Short-term Employee Benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.



AJ

2(A) Material Accounting Policies: (Continued)

Employee Benefit Expense: (Continued)

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income.

iii) Other Long-term employee benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

o) Income Taxes:

Income tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- i. temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;



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2(A) Material Accounting Policies: (Continued)

Income Taxes: (Continued)

ii. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

p) Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the Balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non- monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-Monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate as at the date of initial transactions.

q) Earnings Per Share:

The Company calculates earnings per share amounts for profit or loss attributable to ordinary equity shareholders.

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.



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2(A) Material Accounting Policies: (Continued)

Earnings Per Share: (Continued)

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Financial Instruments:

i) Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and Subsequent Measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – debt investment;
- Fair Value through Other Comprehensive Income – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and



2(A) Material Accounting Policies: (Continued)

Financial Instruments: (Continued)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Classification and Subsequent Measurement (Continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: subsequent measurement and gains and losses -

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at



Material Accounting Policies: (Continued)

Financial Instruments: (Continued)

FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Equity Instrument

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.



Material Accounting Policies: (Continued)

Financial Instruments: (Continued)

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

s) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

t) Segment Reporting - Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's management to make decisions for which discrete financial information is available.

Based on the management approach as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.



2(B) Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

a) Defined Benefit Plans and Compensated Absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

c) Impairment of Financial Assets:

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these



2(B) Critical accounting judgements and key sources of estimation uncertainty: (Continued)

assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

d) Provision for warranties:

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 incidences. The timing of outflows will vary as and when warranty claim will arise.

e) Provision for sales returns:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on a scientific basis after factoring in the historical data of such returns and its trend.

f) Taxes:

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

2(C) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards of amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2024, MCA has not modified any new standards or amendments to the existing standards applicable to the Company.



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Statement of Changes in Equity
for the year ended March 31, 2024

Equity share capital (₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the current reporting year	4,083	3,271
Changes in Equity Share Capital during the year		
-Restated balance at the beginning of the current year	4,083	3,271
-Conversion of Preference shares into equity shares	-	812
Balance at the end of the current reporting year	4,083	4,083

Preference share capital (₹ in Lakhs)

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the commencement of the year	5,700,000	5,700	8,116,864	8,117
Add: Shares reclassified from non-current borrowings to share capital due to change in conversion ratio from variable to fixed i.e. 1 equity shares for holding 1 CCPS	-	-	5,700,000	5,700
Less: Conversion into equity shares	-	-	(8,116,864)	(8,117)
At the end of the period	5,700,000	5,700	5,700,000	5,700



Other equity

(₹ in Lakhs)

Particulars	Reserves & Surplus							Other comprehensive income		Total attributable to equity shareholders
	Retained Earnings	Securities Premium	Capital Reserve	Capital Redemption Reserve	Export Turnover Reserve	General Reserve	Amalgamation Adjustment Deficit Account	Equity portion of Financial Instrument	Remeasurements of the defined benefit plans	
Balance as at March 31, 2022	(14,743)	2,095	222	69	4	2,335	(5,308)	-	(174)	(15,500)
Loss transferred from Statement of Profit and Loss	(8,037)	-	-	-	-	-	-	-	-	(8,037)
Capital reserve created on conversion of Preference Shares into Equity Shares	-	-	7,305	-	-	-	-	-	-	7,305
Other comprehensive income	-	-	-	-	-	-	-	-	(24)	(24)
OCD classified as Equity	-	-	-	-	-	-	-	641	-	641
Total comprehensive income for the year	(8,037)	-	7,305	-	-	-	-	641	(24)	(115)
Balance as at March 31, 2023	(22,781)	2,095	7,527	69	4	2,335	(5,308)	641	(198)	(15,615)
Loss transferred from Statement of Profit and Loss	(619)	-	-	-	-	-	-	-	-	(619)
Transfer pursuant to demerger	5,914	-	-	-	-	-	-	-	-	5,914
Total comprehensive income for the year	5,295	-	-	-	-	-	-	-	-	5,295
Balance as at March 31, 2024	(17,485)	2,095	7,527	69	4	2,335	(5,308)	641	(198)	(10,319)

See accompanying notes from 1 to 50 forming part of the financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149

B. V. K. P. O. 2



Bhavin Kapadia

Partner

Membership No: 118991

Mumbai

Dated: May 20, 2024

For and on behalf of the Board of Directors

Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

[CIN: U51909MH2016PLC288788]

Kaushal Parekh

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Nissan Joseph

Nissan Joseph
Director
(DIN No. 06701972)

Krutika Mohan Rane

Krutika Mohan Rane
Company Secretary

3 Property, Plant and Equipment

Sr. No.	Description of Asset	Gross Block							Accumulated Depreciation								Net Block	
		As at	Reclassification	Transfer pursuant	Additions	Disposals	Asset Classified	As at	As at	Reclassification	Transfer pursuant	Depreciation charge for	Charge for the year -	On Disposals	Asset	As at	As at	
		April 1, 2023		to demerger			as Held for Sale	March 31, 2024	April 1, 2023		to demerger	the year	discontinued		Classified as	March 31, 2024	March 31, 2023	
		operations (refer note 39)																
TANGIBLE ASSETS																		
1	Furniture and Fixtures	1262	(398)	(378)	-	(419)	-	117	712	(258)	(155)	64	-	(272)	-	91	25	
2	Electrical Installations	112	(37)	(2)	-	(73)	-	-	80	(28)	(2)	2	-	(53)	-	-	32	
3	Computers	94	43	(98)	-	(39)	-	-	68	42	(75)	2	-	(37)	-	-	26	
4	Other Equipments	114	(114)	-	-	-	-	-	90	(90)	-	-	-	-	-	-	24	
5	Land	5	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	5	
6	Building	306	5	-	-	(290)	(21)	-	113	2	-	4	-	(107)	(12)	-	193	
7	Leasehold Improvements	2	480	(459)	-	(21)	-	2	2	316	(295)	-	-	(21)	-	2	-	
8	Plant & Machinery	28	23	(30)	-	(21)	-	-	3	14	(3)	1	-	(15)	-	-	25	
TOTAL		1,924	(3)	(917)	-	(864)	(21)	119	1,068	(3)	(529)	73	-	(503)	(12)	93	855	

		Gross Block							Accumulated Depreciation								Net Block	
Sr. No.	Description of Asset	As at	Reclassification	Transfer pursuant to demerger	Additions	Disposals	Asset Classified as Held for Sale	As at	As at	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	Charge for the year - discontinued operations (refer note 39)	On Disposals	Asset Classified as Held for Sale	As at	As at	
		April 1, 2022						March 31, 2023								1 April 2022	March 31, 2023	March 31, 2023
TANGIBLE ASSETS																		
1	Furniture and Fixtures	1,324	-	-	8	(70)	-	1,262	623	-	-	104	45	(60)	-	712	550	
2	Electrical Installations	117	-	-	-	(5)	-	112	80	-	-	4	1	(4)	-	80	32	
3	Computers	96	-	-	20	(22)	-	94	81	-	-	5	2	(20)	-	68	26	
4	Other Equipments	121	-	-	1	(8)	-	114	81	-	-	12	5	(8)	-	90	24	
5	Land	5	-	-	-	0	-	5	-	-	-	-	-	-	-	5	5	
6	Building	306	-	-	-	0	-	306	139	-	-	3	1	-	-	114	193	
7	Leasehold Improvements	2	-	-	-	0	-	2	2	-	-	-	-	-	-	2	-	
8	Plant & Machinery	28	-	-	-	0	-	28	1	-	-	1	1	-	-	2	25	
TOTAL		1,999	-	-	29	(105)	-	1,924	977	-	-	179	55	(92)	-	1,068	855	

3A Asset Held for sale

Sr. No.	Description of Asset	Gross Block	Accumulated Depreciation	Net Block
1	Building	21	(12)	9

4 Other intangible assets

																	₹ in Lakhs	
Sr. No.	Description of Asset	Gross Block							Accumulated Depreciation							Net Block		
		As at April 1, 2023	Reclassification	Transfer pursuant to demerger	Additions	Disposals	Asset Classified as Held for Sale	As at March 31, 2024	As at April 1, 2023	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	Charge for the year - discontinued operations (refer note 39)	On Disposals	Asset Classified as Held for Sale	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
INTANGIBLE ASSETS																		
1	Computer Software	77	9	(43)	-	(20)	-	16	40	3	(23)	6	-	(9)	-	16	-	1,227
2	License	2,868	-	(2,868)	-	-	-	-	1,641	-	(1,641)	-	-	-	-	-	-	37
TOTAL		2,945	9	(2,911)	-	(20)	-	16	1,681	3	(1,664)	6	-	(9)	-	16	-	1,264

(€ in Lakhs)																		
Sr. No.	Description of Asset	Gross Block						Accumulated Depreciation						Net Block				
		As at April 1, 2022	Reclassification	Transfer pursuant to demerger	Additions	Disposals	Asset Classified as Held for Sale	As at March 31, 2023	As at April 1, 2022	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	Charge for the year - discontinued operations (refer note 40)	On Disposals	Asset Classified as Held for Sale	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
INTANGIBLE ASSETS																		
1	Licenses	3,930	-	-	-	(1,062)	-	2,868	1,875	-	-	214	92	(540)	-	1,641	1,227	2,054
2	Computer Software	62	-	-	15	-	-	77	30	-	-	6	3	-	40	37	32	32
TOTAL		3,992	-	-	15	(1,062)	-	2,945	1,905	-	-	220	95	(540)	-	1,681	1,264	2,086



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)
Notes to the financial statements (Continued)
For the year ended March 31, 2024

5 Investments

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investment in Equity shares of Saraswat Co-operative Bank Limited (Unquoted) (2 equity shares of face value of ₹ 10 each)	1	1	-	-
Total	1	1	-	-

6 Other Financial Assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity beyond 12 months	11	3	-	-
Deposits	-	393	-	-
Other Financial Assets	-	3	-	7
Receivable from Holding Company (Ref note 31)	-	-	269	-
Total	11	399	269	7

7 Other Assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance to vendors	-	-	-	458
Receivable from Government authorities	-	-	386	1,058
Advance for DEPB License	-	-	-	4
Prepaid expenses	-	-	1	55
Gratuity (Ref note 30)	-	-	107	-
Total	-	-	494	1,575

8 Inventories (valued at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-Trade	743	5,153
Total	743	5,153



9 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good	-	93
Unsecured, considered good	413	4,778
Credit impaired	772	2,060
Total	1,185	6,930
Less: Loss Allowance	(772)	(2,060)
Total	413	4,871

Note:

- (i) For information about credit risk and market risk of trade receivables (Ref note 34).
- (ii) For terms and conditions relating to related party receivables (Ref note 31).
- (iii) Provision for sales return has been reclassified from Provisions to Trade receivable.

9.1 Trade receivables ageing schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	37	4	270	103	-	413
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	109	1	301	361	-	772
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Trade Receivables	146	5	571	464	-	1,185
Less : Allowances	-	-	-	-	-	(772)
Net Trade Receivables	-	-	-	-	-	413

As at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,995	645	110	119	2	4,871
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	300	22	1,212	(7)	533	2,060
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Trade Receivables	4,295	667	1,322	112	535	6,930
Less : Allowances	-	-	-	-	-	(2,060)
Net Trade Receivables	-	-	-	-	-	4,871

9.2 Movement of Loss Allowance

(₹ in Lakhs)

Particulars	Total
Balance as at March 31, 2022	1,534
Add: Provisions (net)	526
Balance as at March 31, 2023	2,060
Less: transfer pursuant to demerger	(996)
Less: Provisions (net)	(292)
Balance as at March 31, 2024	772

10 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
Current accounts	117	94
Cash in hand & Imprest	3	5
Bank deposit with original maturity of less than 3 months	-	7
Total	121	106



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Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

11 Share Capital

(₹ in Lakhs except for No. of Shares)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Authorized				
Equity Share of Rs. 100/- each	4,800,000	4,800	4,800,000	4,800
Preference Shares of Rs. 100/- each	14,166,875	14,167	14,166,875	14,167
Total	18,966,875	18,967	18,966,875	18,967
Issued, Subscribed and fully paid up:				
Equity Share of Rs. 100/- each	4,082,789	4,083	4,082,789	4,083
0.001% Compulsory Convertible Preference shares of ₹ 100 each	5,700,000	5,700	5,700,000	5,700
Total	9,782,789	9,783	9,782,789	9,783

Notes:

1 Reconciliation of Number of Shares:

(A) Equity Shares:

(₹ in Lakhs except for No. of Shares)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	4,082,789	4,083	3,271,100	3,271
Shares issued to the preference share holder on conversion in the ratio of 10:1	-	-	811,689	812
Shares outstanding at the end of the year	4,082,789	4,083	4,082,789	4,083

(B) Preference Shares:

(₹ in Lakhs except for No. of Shares)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	5,700,000	5,700	8,116,864	8,117
Less: Shares converted into equity shares in the ratio of 10:1 i.e. 1 equity shares for every 10 preference shares held	-	-	8,116,864	8,117
Add: Shares reclassified from non-current borrowings to share capital due to change in conversion ratio from variable to fixed i.e. 1 equity shares for holding 1 CCPS	-	-	5,700,000	5,700
Shares outstanding at the end of the year	5,700,000	5,700	5,700,000	5,700

2 Terms/rights attached to the Equity Shares

The Company has only one class of equity shares having a par value of Rs.100/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

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



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

3 Terms/rights attached to the Preference Shares

The Company has issued 0.001% compulsory convertible preference shares (CCPS) having a par value of Rs.100/- per share.

One CCPS shall be converted into one equity share at the option of the holder

Each holder of the CCPS shall be entitled to vote together with equity shareholders as if such shareholders held maximum number of equity shares representing the deemed shareholding into which its CCPS will be converted.

During the previous year, Company has changed the terms of CCPS wherein variable conversion has been changed to Fixed to Fixed conversion in the ratio of 1 equity shares for holding 1 CCPS

4 Shares held by the Holding Company**(A) Equity Shares:**

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	4,082,789	100.00%	4,082,789	100.00%

(B) Preference Shares:

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	5,700,000	100.00%	5,700,000	100.00%

5 Shareholders holding more than 5%**(A) Equity Shares:**

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	4,082,789	100.00%	4,082,789	100.00%

(B) Preference Shares:

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	5,700,000	100.00%	5,700,000	100.00%

6 Shareholding of Promoters**(A) Equity Shares:**

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	4,082,789	100.00%	4,082,789	100.00%

(B) Preference Shares:

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	5,700,000	100.00%	5,700,000	100.00%



12 Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Refer Statement of changes in Equity for detailed movement in equity balance		
(i) Securities Premium (Balance at the beginning and end of the year)	2,096	2,096
(ii) Capital Reserves		
Opening Balance	7,527	222
Add: Capital reserve created on conversion of Preference Shares into Equity Shares	-	7,305
Closing Balance	7,527	7,527
(iii) Capital Redemption Reserves (Balance at the beginning and end of the year)	69	69
(iv) Export Turnover Reserve (Balance at the beginning and end of the year)	4	4
(v) General Reserve (Balance at the beginning and end of the year)	2,335	2,335
(vi) Amalgamation Adjustment Deficit Account (Balance at the beginning and end of the year)	(5,308)	(5,308)
(vii) Equity portion of financial instrument (Balance at the beginning and end of the year)	641	641
(viii) Retained Earnings		
Opening Balance	(22,780)	(14,743)
Add: Transfer pursuant to demerger (Ref note 40)	5,914	-
Add: Transferred from Statement of Profit and Loss	(619)	(8,037)
Closing Balance	(17,485)	(22,780)
(ix) Other Comprehensive Income		
Opening Balance	(199)	(175)
Add: Remeasurements of defined benefit plans	-	(24)
Closing Balance	(199)	(199)
Total	(10,319)	(15,615)

Description of nature and purpose of each reserve:

- (i) **Securities Premium:** The amount represents the excess of face value of the equity and compulsory convertible preference shares.
- (ii) **Retained Earnings:**
Addition - Loss that the Company has incurred during the year.
Addition - The amount represent the excess of liabilities over assets pursuant to demerger (Ref note 40).
- (iii) **Capital Reserve:** This constitutes reserve created on account of conversion of Preference Shares into Equity Shares and reserves taken over as a result of merger of Proline India Limited.
- (iv) **Capital Redemption Reserve, Export Turnover Reserve and General Reserve:** These are the reserves taken over as a result of merger of Proline India Limited. These reserves including Amalgamation adjustment deficit account will be utilized as per the conditions of the Companies Act, 2013.
- (v) **Amalgamation Adjustment Deficit Account:** The same is created on account of merger between Cravatex Brands Limited and Proline India Limited w.e.f April 1, 2020. This represents difference between consideration paid to the shareholder of Proline India Limited and net assets acquired during the merger.

13 Borrowings

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured)				
ICD from Metro Brands Ltd.	-	14,580	862	-
18,00,000 Optionally Convertible Debentures (OCD) (Debt portion of financial instrument)	1,450	1,457	-	-
Total	1,450	16,037	862	-

Notes:

Unsecured:

Terms of Optionally Convertible Debentures(OCD):

- The OCD has been fair valued through profit and loss using Black and Scholes Model - Option Pricing Method at Rs. 2,091 lakhs (March 31, 2023 - Rs. 2,098 lakhs) (Refer note 33 and 12(viii))
- Interest - On redemption, the holder of the OCDs shall be entitled to receive, together with the face value of the relevant OCDs, a redemption premium determined as in any other circumstances, such amount as the holder of the OCDs and the Company may mutually agree prior to such redemption.
- The Company has issued following Unsecured Optionally Convertible Debentures. Debentures are allotted on 27 March, 2017.
- The OCDs shall be converted into one equity share at the option of the holder.

Unsecured:

Terms of Inter Corporate Deposit (ICD) availed from Metro Brands Limited:

- The Company availed Inter Corporate Deposit (ICD) from Metro Brands Limited (Holding Company)
- The ICD amount shall be used for working capital requirement of the Company.
- Tenure of ICD is 2 years from the date of availment.
- The above ICD carries a rate of interest of 7%.



14 Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest Payable	-	-	-	(1)
Total	-	-	-	(1)

15 Lease Liability

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease Liability	-	1,321	-	656
Total	-	1,321	-	656

16 Provisions

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits:				
Gratuity	-	-	-	53
Compensated absences [#]	1	45	0	7
Total	1	45	0	60

[#] Aggregate value is less than ₹ 0.50 lakhs

17 Other Non-Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits		
From Dealers and Distributors	-	341
Total	-	341

18 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Due to Micro and small enterprises (Ref note 29)	63	663
Due to others	187	2,742
Total	250	3,405

Notes:

- (i) Trade discount payables has been reclassified from Other Financial Liabilities to Trade Payables.
 (ii) Accrual for expenses has been reclassified from Other Financial Liabilities to Trade Payables.

18.1 Trade Payables ageing schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	5	29	20	8	63
Others	116	7	5	59	187
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total Trade Payables	121	36	26	67	250

As at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	620	35	8	-	663
Others	2,295	182	139	126	2,742
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total Trade Payables	2,915	217	147	126	3,405

19 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received against supplies and services	-	116
Statutory Dues	64	80
Employee benefits payable	10	239
Provision for other Expenses	5	-
From Dealers and Distributors	6	-
Total	85	436

Note:

- (i) Employee benefits payable has been reclassified from Other Financial Liabilities to Other Current Liabilities.



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

20 Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	1,296	5,008
Sale of services	-	70
Other operating income	-	1
Total	1,296	5,079

Note :

(i) Refer note 38 for disclosure in accordance with Ind AS 115.

21 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income	1	1
Interest income on fair value of security deposits	-	18
Fair value adjustment at FVTPL on debt portion of financials instrument	7	(2)
Rent Received	33	35
Gain on sale of PPE	103	-
Miscellaneous Income	70	3
Total	214	54

22 Change in Inventories of Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock		
Stock-in-trade (including goods in transit)	5,153	1,895
Stores and spares	-	77
Total	5,153	1,972
Less: Inventory transferred on demerger (Ref note 40)	(3,793)	-
Closing stock		
Stock-in-trade (including goods in transit)	743	1,317
Total	743	1,317
(Increase)/ Decrease in stock-in-trade	618	655

23 Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	167	997
Contributions to :		
Provident and other funds	20	94
Staff welfare expenses	2	19
Total	189	1,110



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

24 Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on bank borrowings	-	132
Interest expense on others	60	135
Total	60	267

25 Other expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity charges	7	20
Warehouse expenses	112	30
Rent	8	-
Insurance	1	6
Rates and taxes	5	14
Printing and stationery	2	7
Communication expenses	6	33
Repairs and maintenance	24	34
Advertisement and sales promotion	44	334
Travelling and conveyance	28	47
Commission and brokerage	1	82
Transportation and octroi charges	47	71
Legal and professional charges	384	508
Bank Charges not related to borrowings	1	4
Payment to auditors	13	31
Bad Debts written off	-	25
Advance written off	-	209
Deposits written off	-	18
Allowance for doubtful debts	30	311
Foreign exchange fluctuation (Net)	-	16
Loss on sale of Property, Plant and Equipment	-	3
Miscellaneous expenses	45	38
Total	756	1,900

Note:

(i) Packing materials consumed reclassified from Other expense to Purchase of Stock in trade.

(ii) Payment to Auditors

(₹ in Lakhs)

Nature of Service	For the year ended March 31, 2024	For the year ended 31 March 2023
As auditor		
Statutory Audit	13	15
Other services	-	15
Reimbursement of expenses	-	1
Total	13	31



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

26 Contingent Liabilities :

		(₹ in Lakhs)	
	Particulars	As at March 31, 2024	As at March 31, 2023
A	Contingent liabilities :		
(i)	Claims against the Company not acknowledged as debt (Being disputed under District and Sessions Court, Ludhiana)	54	-
(ii)	Fine imposed u/s 270 of the Income tax Act, 1961	30	30
B	Commitments		
(i)	Corporate guarantee	1	2
(ii)	Bank guarantee against fixed deposits	9	9

Note :

As per traces (Income Tax portal) there is an outstanding demand of Rs. 8 lakhs (excluding interest) (March 31, 2023 – Rs. Nil) against which the Company is in the process of filing the rectification and the Company does not expect any cash outflow, considering this the Company has not disclosed this under "Claims against the Company not acknowledged as debt".

27 Income Taxes

A. Components of Income Tax Expense:

(i) Tax expense recognised in profit and loss

		(₹ in Lakhs)	
	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Current tax	-	-
	Earlier year tax provision /(written back)	52	(9)
	Tax expense for the year	52	(9)

(ii) Tax expense recognised in other comprehensive income - Rs. Nil (March 31, 2023 - Rs. Nil)

B. Reconciliation of Effective Tax Rate:

		(₹ in Lakhs)	
	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Profit / (loss) before income taxes	(567)	(2,311)
	Profit/(loss) from discontinued operations before Income Tax	-	(5,735)
	Profit / (loss) before income taxes	(567)	(8,046)
	At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	(143)	(2,025)
	Adjustments to reconcile expected income tax expense to reported income tax expense		
	Deferred tax asset not recognised on remaining amount of losses	143	2,025
	Adjusted income tax expense / (credit)	-	-
	Tax charge / (credit) impact given in Other Comprehensive Income	-	-
	Total Tax	-	-
	Effective Income Tax Rate	0%	0%

C. Movement in deferred tax assets and liabilities:

		(₹ in Lakhs)		
	Particulars	Opening as on April 1, 2023	Recognised in Profit and loss for the year	Net Deferred tax asset / (liabilities)
	Deferred tax liabilities			
	Property, plant and equipment & Intangible assets	(72)	72	-
	Deferred tax assets			
	Disallowances under section 43B	24	(24)	-
	Disallowances under section 40(a)(ia)	196	(196)	-
	Carry forward Losses and Others	(148)	148	-
	Deferred tax asset / (liabilities) as at March 31, 2024	-	-	-

		(₹ in Lakhs)		
	Particulars	Opening as on April 1, 2022	Recognised in Profit and loss for the year	Net Deferred tax asset / (liabilities)
	Deferred tax liabilities			
	Property, plant and equipment & Intangible assets	(253)	(181)	(72)
	Deferred tax assets			
	Disallowances under section 43B	31	7	24
	Disallowances under section 40(a)(ia)	304	108	196
	Carry forward Losses	(569)	296	(865)
	Others	487	(230)	717
	Deferred tax asset / (liabilities) as at 31 March, 2023	-	-	-

The Company was incorporated on 22 December 2016 and purchased business as on 23 March 2017. During the previous years and current year Company has incurred business losses. Since there is no history of taxable profits or other convincing evidence, there is no virtual certainty that sufficient future taxable income would be generated against which the deferred tax assets could be realised, and accordingly deferred tax asset has been recognised to the extent of liability.



D Unrecognised deferred tax asset:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Carry forward business losses	3,894	8,891
Unabsorbed Depreciation	984	3,953
Total	4,878	12,844

E Tax assets :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advance tax and TDS	25	38
Total	25	38

28 Earnings per Share (EPS) :

(₹ in Lakhs)

Particulars	Continuing operations	Continuing operations	Discontinuing operations	Total
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2023
Basic EPS				
(i) Net Profit / (Loss) attributable to Equity Shareholders	(619)	(2,302)	(5,735)	(8,037)
(ii) Weighted average number of Equity Shares outstanding (Nos.)	4,082,789	3,577,917	3,577,917	3,577,917
Basic Earnings Per Share (Rs.) (i/ii)	(15.16)	(64.34)	(160.30)	(224.64)
(i) Weighted average number of Equity Shares outstanding (Nos.)	4,082,789	3,577,917	3,577,917	3,577,917
(ii) Add: Potential Equity Shares on exercise of CCPS (Nos.)	-	5,700,000	5,700,000	-
(iii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii)	4,082,789	9,277,917	9,277,917	9,277,917
Diluted Earning Per Share (Rs.) (i) / (iii)	(15.16)	(24.81)	(61.82)	(86.63)

29 Micro and Small Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
(i) Principal amount	-	483
(ii) Interest due thereon	63	180
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	180
(d) The amount of interest accrued and remaining unpaid as at 31st March	63	180
(e) 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 enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	63	180

Principal amount due to Micro and Small Enterprises amounts to Rs. Nil (March 2023 - Rs. 483 lakhs) and interest overdue on the same amounts to Rs. 63 lakhs (March 2023 - Rs. 180 lakhs). During the year for continuing business no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.



30 Employee Benefits :

A Defined Benefit Plans:

(i) Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity.

(Inherent Risk on above:

The plan is defined in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

(₹ in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Change in Defined Benefit Obligation		
Balance at the beginning of the year	252	369
Adjustment of:		
Current Service Cost	6	34
Benefit paid directly by the employer	-	(196)
Interest Cost	5	25
- Change in Financial Assumptions #	0	(9)
- Experience Changes	10	45
Benefits Paid	(85)	(16)
Balance at the end of the year	2	252
(ii) Change in Fair value of assets		
Balance at the beginning of the year	200	152
Expected Return on Plan Assets excluding interest income	(1)	12
Interest Income	15	11
Contributions by the employer	2	41
Benefits payments from plan assets	(83)	(16)
Balance at the end of the year	133	200
(iii) Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the funded defined benefit obligation at the end of the year	(2)	(252)
Fair Value of Plan Assets	133	200
Net Asset / (Liability) in the Balance Sheet	131	(52)
Gratuity amount recoverable from LIC (Refer Note 7)	107	-
Excess funds contributed to LIC in earlier years	23	-
(iv) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	6	34
Net Interest Cost	(10)	15
Amount charged to the Statement of Profit and Loss	(4)	49
(v) Re-measurements recognized in Other Comprehensive Income(OCI):		
Changes in Financial Assumptions	-	(9)
Experience Adjustments	-	45
Actual return on Plan assets less	-	(12)
Interest on plan assets	-	-
Amount recognized in Other Comprehensive Income(OCI)	-	24
(vi) Maturity Profile of Defined Benefit Obligation:		
Within the next 12 months #	0	20
Between 1 and 5 years	1	111
Between 6 and 10 years	1	126
11 Years and above	1	198
(vii) Sensitivity analysis for significant assumptions: #		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% Increase in discount rate	(0)	(15)
1% decrease in discount rate	0	17
1% increase in salary escalation rate	0	17
1% decrease in salary escalation rate	(0)	(15)
1% Increase in employee turnover rate	0	1
1% decrease in employee turnover rate	(0)	(1)
The major categories of plan assets as a percentage of total plan:		
Insurer Managed Funds	133	200
Actuarial Assumptions:		
Discount Rate (p.a.)	7.19%	7.46%
Expected Return on Plan Assets (p.a.)	7.19%	7.46%
Turnover Rate	For service 4 years and below 20.00% p.a. For service 5 years and above 7.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 7.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Salary Escalation Rate (p.a.)	6.00%	6.00%
Retirement age	60	60
Weighted Average duration of Defined benefit obligation (years)	11	8



30 **Employee Benefits : (Continued)**
A Defined Benefit Plans:(Continued)

*The sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the year end. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Aggregate value is less than ₹ 0.50 lakhs

Basis used to determine Expected Rate of Return on Plan Assets: The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary Escalation Rate: The past experience and industry practice considering promotion and demand and supply of employees.

Asset Liability matching strategy : The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

The Company's expected contribution during next year is Rs. Nil (March 31,2023 - Rs. 62 lakhs).

(ii) **Compensated Absences:**

The liability towards compensated absences for the year ended March 31, 2024 is based on actuarial valuation carried out by using Projected Unit Credit Method amounting to Rs. 1 lakhs (March 31, 2023 - Rs. 52 lakhs).

a. **Financial assumptions**

Particulars	March 31, 2024	March 31, 2023
Discount Rate (p.a.)	7.19%	7.46%
Salary Escalation Rate (p.a.)	6.00%	6.00%

b. **Demographic assumptions:**

Particulars	March 31, 2024	March 31, 2023
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Turnover Rate	20 % and 7 %	20 % and 7 %
Leave Availment ratio	2 %	2 %

B Defined Contribution Plans:

Amount recognized as an expense and included in Note 23 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss. is:

Particulars	March 31, 2024	March 31, 2023
Provident, Family Pension and other Funds	19	90
Employees State Insurance Scheme	1	4
Total	20	94



31 Related Party Disclosures :

A List of parties exercising control:

Name of Related Parties	Nature of Relationship
R.B Fitness & Trading Private Limited (Cease to be w.e.f. November 30, 2022)	Ultimate Holding Company
Cravatex Limited (Cease to be w.e.f. November 30, 2022)	Holding Company
Metro Brands Limited (w.e.f. December 1, 2022)	Holding Company
Mitmill Footwear Private Limited	Fellow Subsidiary Company

B List of Related Parties where control exists:

Name of Related Parties	Nature of Relationship
Proline Exports Private Limited (Cease to be w.e.f. November 30, 2022)	Enterprises over which Directors referred above are able to exercise significant influence
Crav Apparels Private Limited (Cease to be w.e.f. November 30, 2022)	Director's relative interest
SD Enterprises (Cease to be w.e.f. November 30, 2022)	
BB UK Limited (Cease to be w.e.f. November 30, 2022)	Fellow subsidiary
Key Management Personnel / Directors	
Mr.Rajesh Batra (Cease to be w.e.f. December 1, 2022)	Chairman
Mr.Rohan Batra (Cease to be w.e.f. December 1, 2022)	Managing Director
Mr.Sandeep Mukim (Cease to be w.e.f. December 31, 2022)	Chief Executive Officer
Mr. Sumeet Nindrajog (Cease to be w.e.f. December 1, 2022)	Director
Mr. Nitin Lalpuria (Cease to be w.e.f. December 1, 2022)	Director
Ms. Rupa Vora (Cease to be w.e.f. December 1, 2022)	Director
Mr. N. Santhanam (Cease to be w.e.f. December 1, 2022)	Director
Mr.Anuj Rakhyan (Cease to be w.e.f. December 1, 2022)	Director
Mr. Nakul Toshniwal (Cease to be w.e.f. December 1, 2022)	Director
Mr. Sanjay Mariwala (Cease to be w.e.f. December 1, 2022)	Director
Mr. H S Devaprasad (Cease to be w.e.f. December 31, 2022)	Chief Financial Officer
Ms. Apurva Parulekar (Cease to be w.e.f. April 4, 2023)	Company Secretary
Ms. Farah Malik Bhanji (w.e.f. December 1, 2022)	Director
Mr. Kaushal Parekh - Director (w.e.f. December 1, 2022), CFO (w.e.f. May 16, 2023)	Director and Chief Financial Officer
Mr. Nissan Joseph (w.e.f. January 1, 2023)	Director
Mr. Mohammed Iqbal Hasanally Dossani (w.e.f. December 1, 2022)	Whole-time Director
Ms. Krutika Mohan Rane (w.e.f. September 12, 2023)	Company Secretary

(C) The following transactions were carried out with the related parties in the ordinary course of business:

Name of Related Parties	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Rent Expenses		
Cravatex Limited	-	5
Reimbursement of expenses		
Cravatex Limited (SAP support charges)	-	21
Purchase of stock in trade		
Crav Apparels Private Limited	-	25
Sales of products (net off sales return)		
Metro Brands Limited	145	184
Transfer of PPE (other than pursuant to demerger)		
Metro Brands Limited	8	-
ICD Taken / (Eliminated on account of demerger)		
Proline Exports Private Limited	-	1,500
Metro Brands Limited	-	14,580
Interest on ICD Taken		
Proline Exports Private Limited	-	36
Metro Brands Limited	60	286
Director Sitting Fee		
Ms. Rupa Vora	-	2
Mr. N. Santhanam	-	1
Mr. Anuj Rakhyan	-	1
Mr. Nakul Toshniwal	-	1
Remuneration		
Mr. Rohan Batra	-	22
Mr. Sandeep Mukim	-	131
Mr. H S Devaprasad	-	70
Ms. Apurva Parulekar	-	7



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31 Related Party Disclosures : (Continued)

(D) Outstanding balances:

(₹ in Lakhs)		
Name of Related Parties	March 31, 2024	March 31, 2023
Borrowings		
Metro Brands Limited	2,311	14,580
Trade Receivables		
Metro Brands Limited	84	110
Other Financial assets		
Metro Brands Limited (refer note 6)	269	-

(E) Compensation of Key Management Personnel of the Company:

(₹ in Lakhs)		
Particulars	March 31, 2024	March 31, 2023
— Mr. Rohan Batra	-	20
— Mr. Sandeep Mukim	-	125
— Mr. H S Devaprasad	-	65
— Ms. Apurva Parulekar	-	6
Short Term Employee Benefits	-	216
— Mr. Rohan Batra	-	3
— Mr. Sandeep Mukim	-	6
— Mr. H S Devaprasad	-	5
— Ms. Apurva Parulekar	-	0
Other Long Terms Benefits	-	14
Payment of sitting fee to directors (refer note 31. C for details)	-	5
Total Compensation	-	235

Terms and condition of transaction with related parties :

All related party transactions entered during the year are in ordinary course of the business and are on arm's length basis.



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

32 Financial Instruments:

Classification of Financial Assets and Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at Amortized cost:		
Loans (Current)	-	-
Investments	1	1
Trade Receivables	413	2,398
Cash and Cash Equivalents	121	106
Other Non Current Financial Assets	11	399
Other Current Financial Assets	269	7
Financial assets at Fair Value through P&L:		
Investment (Current)	-	-
Total	815	2,910
Financial liabilities at Amortized cost:		
Trade Payables	250	1,371
Borrowings-Current	862	-
Borrowings - Non-current	-	14,580
Other Current Financial Liabilities	-	3,910
Financial liabilities at FVTPL:		
Borrowings - Non-current	1,450	1,457
Total	2,562	21,318

33 Fair Value measurement :

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The investment in mutual funds are valued using the closing Net Asset Value based on the mutual fund statements received by the company. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Liabilities at Fair Value through profit or loss:		
Optionally Convertible Debentures (OCD) - Level 3	1,450	1,457
Total	1,450	1,457

The management has assessed that cash and bank balances, trade payables, and other financial asset and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The difference represents the fair value adjustment.

The fair values of the quoted units of mutual fund schemes are based on net asset value at the reporting date.

The following methods and assumptions were used to estimate the fair values

The fair value of Optionally Convertible Debentures (OCD) is determined using Black and Scholes Option Pricing Method.

The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

The significant unobservable inputs used in the fair value measurement of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2024.

Description of significant unobservable inputs to valuation:

Particulars	Valuation Technique	Significant unobservable inputs
Optionally Convertible Debentures (OCD)	Option Pricing Method	Equity value of the Company



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Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

34 Financial Risk Management Objectives and Policies :

The Company's principal financial liabilities comprise of trade payables, borrowings and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include Investments, Trade receivables and Other receivables, Cash and Cash Equivalents, Other Bank Balances that directly derive from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

A Foreign Currency Risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of raw materials and exports of finished goods.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards contracts to hedge exposure to foreign currency risk.

Foreign Currency in lakhs

Outstanding Foreign Currency Exposure (gross)	As at March 31, 2024	As at March 31, 2023
Trade Payables USD #	0	2

Aggregate value is less than ₹ 0.50 lakhs

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on loss before tax:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Payables USD #	0	1

Note: If the rate is decreased by 100 bps loss will decrease by an equal amount

Aggregate value is less than ₹ 0.50 lakhs



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

34 Financial Risk Management Objectives and Policies : (Continued)**B Credit Risk :**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating (primarily Trade Receivables), investing and financing activities including Mutual Fund Investments, investment in Debt Securities, Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments.

Trade Receivables :

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. Sales of continued operations are mainly to Reliance Group and Holding Company.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The company allows credit period ranging from 60 days to 180 days, subject to reasonableness of the receivable. There is no concentration of customers and receivable amount.

Refer note 9.2 for movement of allowance for doubtful debts

Investments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only based on Investment Policy of the Company.

C Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2024	Carrying Value	Contractual values			
		Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Non derivative financial liability:					
Trade Payables	250	250	-	-	250
Borrowings	2,312	862	1,450	-	2,312

As at March 31, 2023	Carrying Value	Contractual values			
		Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade Payables	2,068	2,068	-	-	2,068
Borrowings	16,037	-	14,580	1,457	16,037
Other Financial Liabilities	3,254	3,254	-	-	3,254

35 Capital Management :

The Company's objectives when managing capital are to

- maximise shareholder value and provide benefits to other stakeholders and
- maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt and bank deposits less investments divided by total equity.

Particulars	As at	
	March 31, 2024	March 31, 2023
Total Debt (Bank and other borrowings)	2,312	16,037
Total Equity	(536)	(5,832)
Liquid Investments including bank deposits	121	106
Debt to Equity (Net)	(4.09)	(2.73)

The Holding Company has given continuous financial support to the Company for meeting its working capital requirements.



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Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

36 Leases

The company has taken on lease retail stores, office premises and warehouses. The lease typically run for the period between 12 month to 60 months.

Information about leases for which the company is lessee is presented below:

A. Right of use assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1,683	2,112
Transfer pursuant to demerger	(1,427)	-
Additions	-	836
Depreciation expense	-	(813)
Disposal / Derecognized during the year	(256)	(451)
Balance at the end of the year	-	1,683

B Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1,978	2,451
Transfer pursuant to demerger	(1,653)	-
Addition	-	-
Accreditation of interest	-	305
Payments	(5)	1,065
Adjustments for Disposals	(319)	(287)
Balance at the end of the year	-	1,978
Current	-	656
Non-current	-	1,321

C Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	-	813
Interest expense on lease liabilities	-	305
Expense towards short term lease and lease for low value assets	8	-
Total	8	1,118

D Maturity Analysis of Lease Liability

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1 year or less	-	656
1-2 years	-	475
2-5 years	-	776
More than 5 years	-	70
Carrying Amount	-	1,977

E Amount recognised in statement of cash flows

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	5	1,065



37 Revenue from contract with customer

A Disaggregation of revenue

Following table provides disaggregation of revenue

For the year ended March 31, 2024

(₹ in Lakhs)

Particulars	"FILA" (Refer Note 40)	VANS	Fitness	Proline	Total
Revenue from Operation	-	308	-	988	1,296
Total revenue from contract with customers	-	308	-	988	1,296

For the year ended March 31, 2023

0

Particulars	"FILA" (Refer Note 39)	VANS	Fitness	Proline	Total
Revenue from Operation	9,616	709	664	3,705	14,695
Total revenue from contract with customers	9,616	709	664	3,705	14,695

B Significant changes in contract liabilities during the year:

(₹ in Lakhs)

Particulars	For the year ended 31, 2024	March	For the year ended March 31, 2023
Deferred revenue as on 1st April 2023	-	-	40
Less: revenue recognised that was included in the contract liability balance at the beginning of the year	-	-	(40)
Add: revenue transferred unearned revenue	-	-	-
Deferred revenue as on 31st March 2024	-	-	-

C Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Lakhs)

Particulars	For the year ended 31, 2024	March	For the year ended March 31, 2023
Revenue as per contracted price	-	2,245	11,196
Adjustments	-	-	-
Sales return (incl provision for sales return)	-	207	3,377
Discounts	-	741	2,740
Revenue from contract with customers (for Continued Operations)	1,296	-	5,079

38 Segment Reporting

The Company's only Business been trading of fashion footwear, apparels and accessories operation in the premium and economy category, which in terms of IND AS 108 'Operation Segments' constitutes a single reporting segment. Further, there is no geographical segment to be reported since all the operations are undertaken in India.

39 Discontinued Operations:

In the previous year, the Board of Directors at its meeting dated 21 March 2023 had approved a Scheme of Arrangement for Demerger wherein the assets, liabilities and business of importing, trading, selling, marketing, advertising, retailing and distribution of footwear, apparel and accessories under the licensed brand "FILA" in India, Pakistan, Sri Lanka, Bangladesh, Nepal and Bhutan will be demerged from the Company to Metro Brands Limited (Holding company).

Revenue and expenses relating to discontinued operations is as follows:

Results of Discontinued Operation

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024
Discontinued operations	
Income	
Revenue from operations	9,616
Other Income	299
Total Income	9,915
Expenses	
Purchase of stock-in-trade	6,511
Change in Inventories of stock-in-trade	(729)
Employee benefits expense	1,292
Finance costs	1,334
Depreciation and amortisation expense	1,706
Other expenses	5,536
Total expenses	15,650
Loss before tax	(5,735)
Gain from sale of discontinued operations	-
Tax credit/(expense)	-
Loss after tax	(5,735)



Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)

Notes to the financial statements (Continued)

For the year ended March 31, 2024

40 Scheme of arrangement

Pursuant to the Scheme of arrangement ("the Scheme"), approved by the Hon'ble National Company Law Tribunal, Mumbai bench, vide its order dated March 14, 2024, the Company has demerged its "FILA" business undertaking to Metro Brands Ltd (Holding Company), on a going concern basis, at carrying value as appearing in the books of the Company on the appointed date i.e. April 1, 2023 as under and the accounting entries are recorded in the books of accounts as per the Scheme. Accordingly, figures for the current year are not comparable with the previous year figures.

Particulars	As at March 31, 2024
Assets:	
Non-Current assets (including Goodwill)	3,960
Current assets	8,344
Total Assets (A)	12,304
Liabilities:	
Non-Current liabilities	15,263
Current liabilities	2,954
Total Liabilities (B)	18,218
Excess of Liabilities over Assets (Recorded as a part of retained earnings)	(5,914)

41 Ratios

Ratio	Numerator	Denominator	Times/%	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Explanation for variation by more than 25%
(a) Current Ratio	Total current assets	Total Current Liabilities	Times	1.71	2.08	-17.7%	
(b) Debt-Equity Ratio	Total Borrowings including current and non current lease liabilities	Total Equity	Times	(4.31)	(3.09)	39.6%	Refer note 40 of Financial Statement. On account of demerger the ratios are not comparable.
(c) Debt Service Coverage Ratio	Earnings available for debt servicing	Principal + interest repayment of loan	Times	(0.25)	(0.26)	-6.0%	
(d) Return on Equity Ratio	Profit for the year (PAT)	Total Equity	%	1.15	1.38	-16.3%	
(e) Inventory turnover ratio	Cost of Good Sold	Average Inventory	Times	0.94	1.92	-50.8%	As (b) above.
(f) Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	Times	0.92	1.86	-50.5%	As (b) above.
(g) Trade payables turnover ratio	Purchase of stock in trade	Average Trade payables	Times	0.46	3.26	-85.6%	As (b) above.
(h) Net capital turnover ratio	Revenue from operations	Total current assets less total current liabilities	Times	1.52	2.05	-25.9%	As (b) above.
(i) Net profit ratio	Profit for the year (PAT)	Net sales	%	(0.48)	(0.55)	-12.7%	
(j) Return on Capital employed	Earning before interest and tax, arrived by adding back Finance costs on Profit before tax (EBIT)	Capital employed	%	(0.29)	(0.63)	-54.0%	As (b) above.
(k) Return on investment	Income from invested funds including fair valuation	Average funds invested	%	NA	NA	NA	NA

Note: The numerator and denominator are changed wherever required to give a more appropriate analysis of the ratios

- 42 There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 43 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 44 The Company has not entered into any transactions with struck off companies as per section 248 of the Companies Act, 2013.
- 45 There is no delay in creation or satisfaction of charge which has been registered with Registrar of Companies (ROC) during the year.
- 46 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 47 The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 48 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 49 (A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 50 The Companies Act, 2013 has formulated Section 135, Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfill their Corporate Social Responsibility. The provisions of this section are applicable to profit making entities only. As the entity is a loss making Company, provisions of CSR would not be applicable to it.

As per our report of even attached.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/W100145

Bhavin Kapadia
Partner
Membership No: 118991



For and on behalf of the Board of Directors
Metro Athleisure Limited (Formerly known as Cravatex Brands Limited)
[CIN: U51909MH2016PLC288788]

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Krutika Mohan Rane
Company Secretary

Mumbai
Dated:

Nissan Joteph
Director
(DIN No. 06701972)



Mumbai
Dated: May 20, 2024

May 20, 2024